



Nikon CSR REPORT 2015

PDF Version

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Nikon Group Profile

Corporate Data

Name: NIKON CORPORATION

Head Office: Shinagawa Intercity Tower C, 2-15-3,
Konan Minato-ku, Tokyo 108-6290 Japan
Tel: +81-3-6433-3600

Representative: Kazuo Ushida, President and Representative Director

Established: July 25, 1917

Capital: ¥65,475 million (as of March 31, 2015)

Net Sales: Consolidated: ¥857,782 million (year ended March 2015)
Non-consolidated: ¥607,556 million (year ended March 2015)

Employees: Consolidated: 25,415 (as of March 31, 2015)
*Permanent and non-regular employees of the Nikon Group,
director of Group companies

Non-consolidated: 5,672 (as of March 31, 2015)

*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

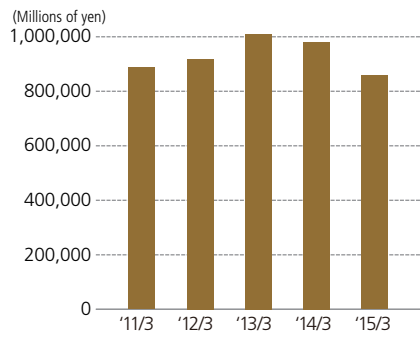
Number of Group Companies by Region (Consolidated)

(as of March 31, 2015)

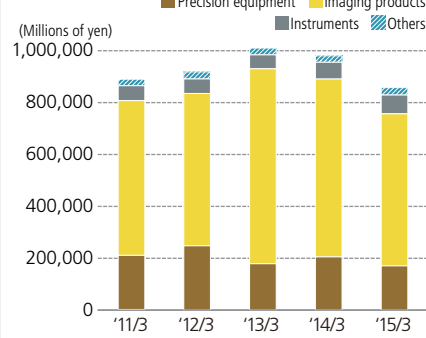
Region	No. of companies
Japan (excluding Nikon Corporation)	16
Europe	25
Asia/Oceania	23
Americas	11

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

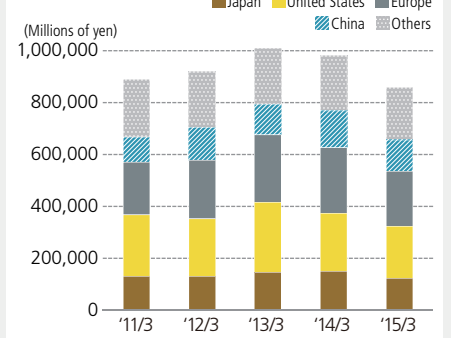
Sales (Consolidated)



Sales Breakdown by Business (Consolidated)



Sales Breakdown by Region (Consolidated)



About CSR Report 2015

The Nikon Group is fully aware that in order to enhance the valued relationship of trust that we enjoy with all stakeholders, it is of vital importance to actively and frankly disclose corporate information.

In this "Nikon CSR Report 2015" (PDF version for full report), we have compiled information as of August 2015 for people who read the website pages by printing them out.

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).

In the "Nikon Report 2015," in addition to the financial information such as our business performance, strategies, and review of operations, we also introduce our CSR activities.

* For "Community Contribution Activities," only selected leading efforts are posted. Please access our website for further details.

Nikon Website URL

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

Web — Related information is available on the Nikon website.

Reporting period and boundary

This report focuses on the period from April 1, 2014 to March 31, 2015 (the year ended March 31, 2015), and also includes some information about activities conducted in and after April 2015. In this report, "Nikon" refers to the Nikon brand or the parent company only, "Group companies" collectively refers to Nikon Corporation's 75 consolidated subsidiaries and "Nikon Group" refers to Nikon Corporation and the Group companies. In cases where a specific boundary is defined, details are clearly specified in each respective section. Unless otherwise stated, the term "employees" includes Nikon Group corporate executives, permanent and non-regular staff, contract workers, dispatched workers, part-time employees, and temporary personnel.

References

This report has been drawn up with reference to the Global Reporting Initiative's *Sustainability Reporting Guidelines G3.1*, the Japanese Ministry of the Environment's *Environmental Reporting Guidelines(2012)*, and the International Organization for Standardization's *ISO 26000 : 2010—Guidance on Social Responsibility*.

Next edition (plan)

August 2016 (previous edition published in August 2014)

Report production department and contact information

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Message from the Top Management



The year ended March 2015 is the year in which the Nikon Group took a big step in order to be reinvented as a company which will grow over the next 100 years. Based on the "Next 100 — Transform to Grow," the newly formulated medium-term management plan, we are making considerable effort to strengthen existing businesses and develop new businesses in order to be a company that grows with a portfolio of six core fields. And as the major measures that support these efforts, we restructured the organization, starting with the decommissioning of our in-house company system that was in place for 15 years, and we kicked off our "Four Programs to achieve Transformation" which include "Personnel Programs." Companies are members of society, and must cooperate with it by contributing towards a sustainable society. Advancements in technology and the spread of the Internet and smartphones have changed communication means and social awareness, accelerating changes in society. The implementation of "Transform to Grow" has changed Nikon itself, and we continue to be a company which contributes towards the changing society.

Providing solutions by leveraging the core competencies

In "Transform to Grow," we actively promote M&A and CVC by leveraging Nikon's core competencies to increase the potential to provide more direct solutions to social issues. For example, in the medical field that Nikon is positioning itself in as one of its growing businesses, the increase in medical expenses has become a major problem in virtually all countries, regardless of whether they are developed or emerging countries. Nikon is working in the development of equipment and devices that offer diagnosis at lower costs without reducing the level of medical technology. Some of this equipment and devices can help spreading diagnosis and treatment in countries where medical care is undeveloped.

CSR celebrates its 10th anniversary

It has been 10 years since the CSR Committee was launched at Nikon. Initially, there may have been the wrong perception in the company that CSR was a separate area and not related to business activities, however in the last five years CSR has quickly made a name for itself in the Nikon Group and diverse activities have been carried out. We are also fully aware that the ten principles on "human rights," "labor," "environment," and "anti-corruption" from the UN Global Compact are indispensable for Nikon since we endorsed them in 2007.

In the year ended March 2015, we focused and made progress on issues regarding conflict minerals, fair business practices such as bribery prevention, global human resources policies, paper consumption reduction and environmental promotion activities in overseas offices.

Medical business, which is regarded as our growth driver, requires more rigorous and a higher level of ethics and CSR, we will therefore further strengthen CSR activities in the future so that we can provide trustworthy products and services. There are a variety of social issues, including environmental problems such as resource depletion and global warming, and labor and human rights issues in the supply chain. As our business operation is worldwide, there is a great deal of issues in which Nikon can play a significant role. It is obvious that "Transform to Grow" is also required in CSR to coexist with society. We will listen to the voice of stakeholders and raise our sensitivity to social issues.

The importance of employees in CSR

Employees are considered as being especially important among the stakeholders, and they are members of the company as well as members of society, directly connecting the company and society. The impression of one employee can be the entire corporate brand image. In addition, the motivation of employees is directly linked to corporate power.

We believe that employees' awareness of how their daily jobs are linked to society will make their work more fun and rewarding, and consequently improve CSR across the whole company. Even in the period of big change of "Transform to Grow," we will state repeatedly that CSR is the basis of our corporate "Trustworthiness and Creativity" philosophy and provide a sincere and fair atmosphere that respects CSR.

On to the next 100 years of trustworthiness and creativity

Nikon has been creating products that bring happiness into people's lives. It is essential that the solution to social issues will also eventually lead to the happiness in the individual's life. In a world where everything is changing, such as the requirements, common sense, and lifestyle of society, we hope we will continuously provide products and services that enrich people's lives. With respect to the "Trustworthiness and Creativity" corporate philosophy of the Nikon Group, we are implementing "Transform to Grow," in the medium-term management plan so that we can strengthen the "Creativity" and gain more "Trustworthiness" from our stakeholders.

Nikon will celebrate its 100th anniversary in 2017. We continue challenging ourselves and looking for the next steps forward, and look forward to having even more support from our stakeholders.

August 2015



Efforts for Bribery Prevention

The Nikon Group has worked on maintaining sound relationships with governments and public authorities. We are reinforcing our commitment toward anti-bribery, as the laws and regulations against corruption have been intensely enforced in the international community in recent years.

Background of the Anti-Bribery Activities

The Nikon Group has clarified its zero-tolerance approach toward bribery in the Nikon CSR Charter and the Nikon Code of Conduct. In addition, we endorse the United Nations Global Compact* and are committed to tackling the issue of eradicating all kinds of corruption.

In response to the global reinforcement of anti-bribery laws and regulations in recent years, Nikon established the Nikon Anti-Bribery Policy in April 2014 to enhance our anti-bribery commitment. Moreover, in line with this policy, we are developing regional guidelines in order to indicate concrete preventive actions to the employees.

* United Nations Global Compact

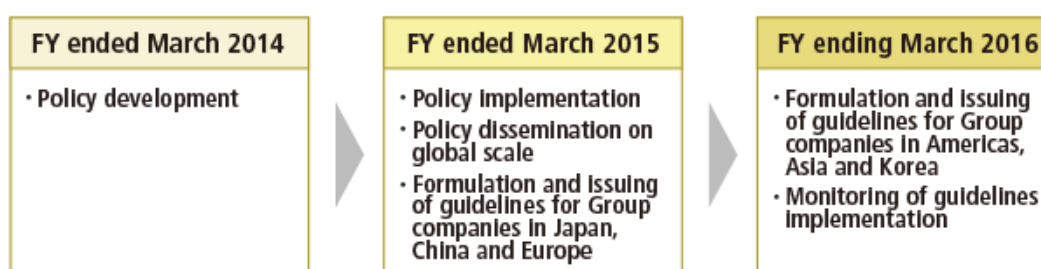
The UN Global Compact was announced by the then UN Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999, and was officially launched at the UN headquarters in New-York in 2000. It is composed of ten principles in the areas of human rights, labor, environment and anti-corruption, and supportive companies are requested to embrace and implement these principles.

Development of the Regional Guidelines

In the fiscal year ended March 2015, we issued the anti-bribery guidelines applicable to Group companies in Japan, China and Europe. In order to create effective guidelines, each regional holding company took the lead in the development of these guidelines by sharing the knowledge of national laws and business customs, and confirming the existing rules in each company. As part of risk assessment, we also interviewed relevant responsible persons in local Group companies.

In the fiscal year ending March 2016, we plan to formulate and issue the guidelines for Group companies in Americas, Asia and Korea, so that the guidelines will be available in all regions where Nikon operates.

Flow of the Nikon Group Efforts



Voice from Each Regional Officer

Japan

Steps to issue the guidelines



Kazuyuki Ishiwata
Section Manager, Compliance Section, CSR Department
Nikon Corporation

A zero-tolerance approach toward bribery has been broadly shared in the business environment of the Nikon Group. In order to meticulously address the risks we face, we are developing regional guidelines in consideration of relevant national and foreign laws. In Japan, while developing the Japan guideline with the cooperation of external experts, we also formulated a handbook to provide developers in each region a ready reference in establishing their guidelines and deepen their understanding. We have also conducted e-learning and on-site training sessions in Japan in order to familiarize all employees with this guideline.

Future prospects

Starting from Japan, the guidelines have been implemented in regions where they were issued, but it still takes some time for their full implementation. We are thinking about incorporate the anti-bribery activities into compliance PDCA cycle through continuous training and monitoring, and deploying them globally in the future. In particular, we strive to raise awareness of anti-corruption in each employee through continuous training. We also focus on training for expatriates and business travelers, in line with the guidelines developed in each region.

Europe

Steps to issue the guidelines

The word "Europe" encompasses a broad range of country cultures, customs, languages and laws, and currently a unified law such as an EU anti-bribery law does not exist. Since the Nikon Group has and is conducting business in 35 facilities in 22 countries, a universal guideline content applicable to all of the facilities was required. Therefore, starting with the investigation and understanding of each country's law in cooperation with in-house lawyers and law firms, and then receiving advices from NPOs specialized in compliance and anti-bribery, we issued the pan-European guideline.



Hayato Kamijo
Vice President
Nikon Holdings Europe B.V.

Future prospects

We think that, from now on, it is necessary to monitor the installation and the reliable application of the Company's rules and procedures regarding business entertainment and exchange of gifts, based on this guideline. The guideline has been developed with the assumption that the main users will be the managers that are required to make day-to-day decisions, and it has been translated into 10 languages in order to be clearly understood in their mother tongues. We plan to conduct training involving each company's CSR Coordinators, in order to achieve thorough understanding.

China

Steps to issue the guidelines



Sachihiko Watanabe
Deputy Managing Director
Nikon Holdings Hong Kong Limited

In China we formed a project team with the Group companies to understand the existing business operation and rules efficiently as well as sufficiently. In order to increase the Group companies' involvement, we visited them and conducted interviews with managers and staff, particularly in the sales and procurement departments, where the entertainment and/or gifts are often provided. After having fully understood the Chinese laws, including commercial bribery regulations and the local customs in entertainment and gifts, we think that a practical and effective guideline was developed through exchange of opinions and sharing of challenges within the project team.

Future prospects

Guideline development is only the initial step toward the embodiment of the anti-bribery policy of the Nikon Group. Way forward, each Group company is required to review and update existing company rules as well as training employees to penetrate the guideline throughout the organization. We will support the implementation process of the guideline in close cooperation with each company in the future. Meanwhile, Asian Group companies extend over 10 countries and regions, with various laws and local customs. The business scale and the size of the organization are also different. However, there is no difference in the process required to develop the guidelines. With the experience gained in the development of the Chinese guidelines, we will begin with understanding laws, local customs and business operations as well as clarifying elements that can be used as they are or have to be reinforced, in order to make the guideline practical and applicable in each Asian company.

Conference on anti-bribery and competition laws in China

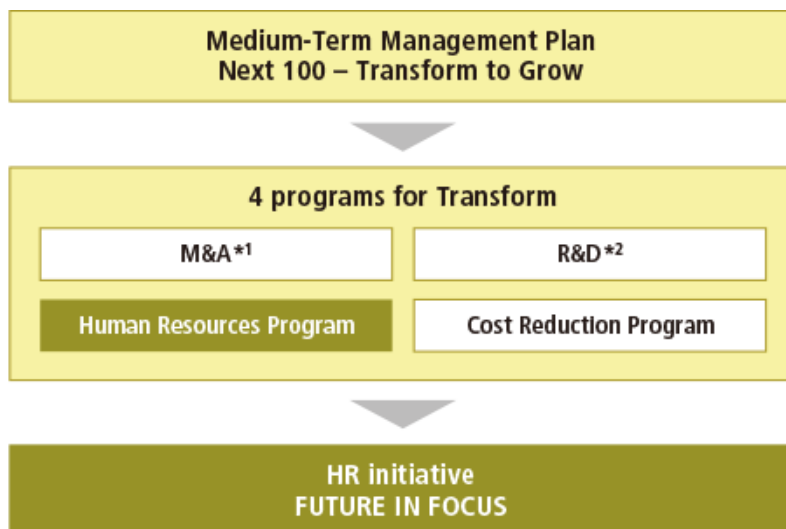
We are positioning China as an important market, which is expected to expand our business in the future. Meanwhile, high business risk on the Fair Trade is getting more and more concerned. Therefore, we held the conference on Anti-Bribery and Competition Laws in December 2014. The conference gathered 30 participants, including the Senior Executive Vice President of Nikon, the General Manager of the Corporate Strategy Division, the Internal Audit Department, the CSR Department, the Legal Section, and directors of seven Group companies in China, and a lawyer conducted a seminar regarding the current situation and countermeasures toward the anti-bribery and the competition laws. Through the conference, we updated our understanding of risks and preventive measures of the competition laws.



The Nikon Group established a new HR initiative "FUTURE IN FOCUS," as human resources development policy responsible for the next generation, and will disseminate the initiative globally.

Concept of "FUTURE IN FOCUS"

The Nikon Group announced its Medium-Term Management Plan "Next 100 – Transform to Grow." We established four programs within the Plan, one of which is "Human Resources program," in order to achieve Transformation. "FUTURE IN FOCUS" has been set as a Nikon-wide initiative that is designed to support the realization of Transformation. This initiative allows Nikon to "focus on development and utilization of talents from a global perspective and across regions and business units", "motivate the Group employees to arouse their challenge spirits," and "bring alignment between corporate strategies and employees' actions". It also aims to create an environment where diverse employees can actively contribute in a wide range of fields within the Group, regardless of their nationality, race, or gender.



*1 M&A
Stands for Mergers and Acquisitions. This refers not only combining, buying and selling of companies, but also corporate alliances in a broad sense, including partial business transfer and capital tie-up.

*2 R&D
Stands for Research and Development. This indicates a company's research and development operations and divisions.

FUTURE IN FOCUS Consists of Three Pillars

FUTURE IN FOCUS consists of the following three pillars: "Competencies," which is the quality sought by the Nikon Group in target personnel, "Global Performance and Development," which is a global setting and evaluation system that focuses on development, and "Succession Planning," which is a selection and development of future manager candidates.

The development of "Core Competencies," which is a framework of actions for all employees, and "Global Leadership Competencies," which is a framework of actions for all of those who hold positions of managers or above was the result of a collaborative effort put forth by the Global Human Resources Management Team consisting of Human Resources representatives from some of the Nikon's group companies as well as Nikon Corporation's Board of Directors and selected employees who participated various discussion and interviews.



Future Activities

The Nikon Group is planning to progress the utilization of human resources across the Group through the implementation of FUTURE IN FOCUS which focuses on performance review and development. As pilot companies, the initiative was implemented to Nikon Corporation, Nikon Precision Inc. (U.S., NPI), and Nikon Australia Pty Ltd (Australia, NAU) in 2015, and it will be expanded sequentially to other Group companies from 2016.

Through FUTURE IN FOCUS, the Nikon Group aims to create a work environment where each employee can maximize their potential in order to achieve the "Next 100 – Transform to Grow" as One Nikon.



IT system training to operate Performance and Development

Voice from Group Companies' Human Resources Managements

Initiatives and activities taken by Nikon Precision Inc.

We will fully cooperate in the deployment within the Group companies



Dena House
Human Resources Director
Nikon Precision Inc.

NPI employees are excited to pilot the Global Performance and Development program. Features employees like are the focus on results and development planning. This HR program is highly valued by the employees because it not only focuses on results, but also attaches importance to human resource development. NPI employees are looking forward to global implementation of the Core and Leadership Competencies. NPI employees believe the competencies chosen will help the company reach the goal to Transform to Grow and to reach our corporate philosophy of Trustworthiness and Creativity.

Initiatives and activities taken by Nikon Australia Pty Ltd

It is linked to communication improvement between employees and managers

FUTURE IN FOCUS and the Global Performance and Development Program have been implemented in Australia and have been accepted very positively by all employees and managers.

All employees have participated in a two day training program and their feedback indicates that they now have a better understanding of performance management and improved communication with their managers. Managers are finding discussions about performance easier as there is a common understanding of expectations following the training.

The training, and other activities used in implementing Global Performance and Development has been very positive and I am sure it will also lead to increased efficiency and positive performance.



Georgia Henry
Head of HR & Internal Services
Nikon Australia Pty Ltd



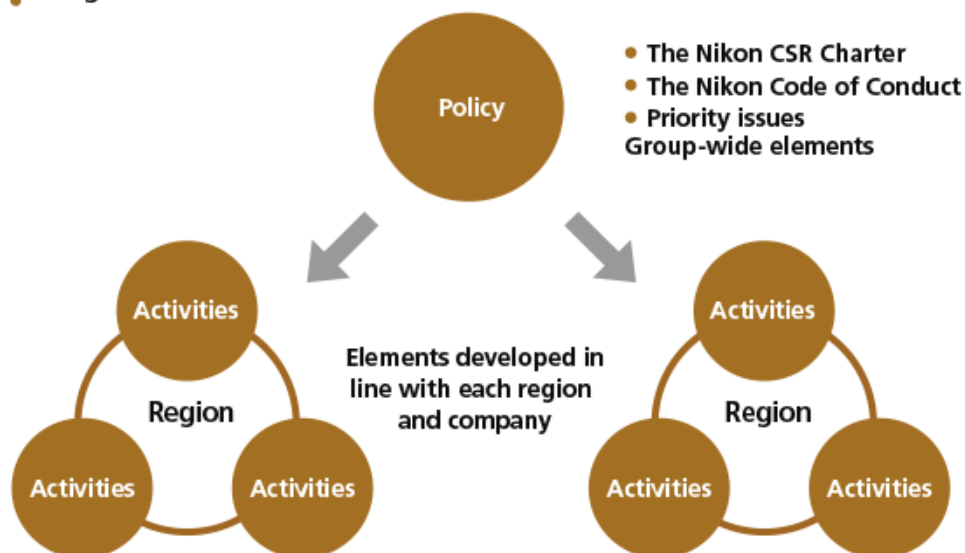
The Nikon Group has manufacturing facilities and services / sales offices all around the world. Each Group Company is conducting business, participating in society as a corporate citizen, and implementing a wide range of community-oriented CSR activities.

CSR Policy of Group Companies

Nikon CSR Charter and the Nikon Code of Conduct show the common stance on CSR activities in Nikon Group and the basic behavior for every employee to adopt. On top of that, each Group Company is addressing CSR issues, respecting local culture, customs, and regulations.

- [CSR Policy \(P16\)](#)
- [CSR Promoting System \(P24\)](#)

Image of CSR Activities



CSR Activities Examples of Group Companies

The Nikon Group identifies five priority issues in its CSR Medium Term Plan. Following are examples of activities for each of the priority issues:

› [Priority Issues Set Forth in the CSR Medium Term Plan \(P19\)](#)

Five Priority Issues

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 community contribution activities

Promotion of CSR activities in the supply chain

Expansion and Promotion of Environmental Management

Nikon Group office's environmental activities led by the EnviroNikon Team

Nikon Holdings Europe B.V., Nikon Europe B.V., Nikon Instruments Europe B.V., and Nikon GmbH Netherlands Branch are all located within the same offices in Amsterdam, where a cross-organizational environmental activities management group called the "EnviroNikon Team" was established in September 2014. Since then, we have conducted activities such as information transmission through a newsletter, participation in the "Plastic Challenge," which highlights the importance of recycling by presenting art school students' artwork creations using plastic waste, and idea sharing within the company regarding environmental activities. Currently, we are monitoring the amount of paper used within the organization in order to continuously enhance our planned reduction activities.



EnviroNikon Team members

Find further examples in the "Environmental Activities" section.

- › [Reducing CO2 Emissions | Examples of CO2 Emissions Reduction Measures by the Nikon Group in Japan \(P74\)](#)
- › [Reducing CO2 Emissions | Examples of CO2 Emissions Reduction Measures by Group Manufacturing Companies Outside Japan \(P76\)](#)
- › [Efforts by Non-manufacturing Facilities](#)
- › [Preventing Air/Water Pollution and Protecting Water Resources | An Example of the Circulative Use of Water \(P79\)](#)
- › [Waste Reduction | Progress Made by the Nikon Group in Japan \(P81\)](#)
- › [Waste Reduction | Progress Made by Group Manufacturing Companies Outside Japan \(P82\)](#)

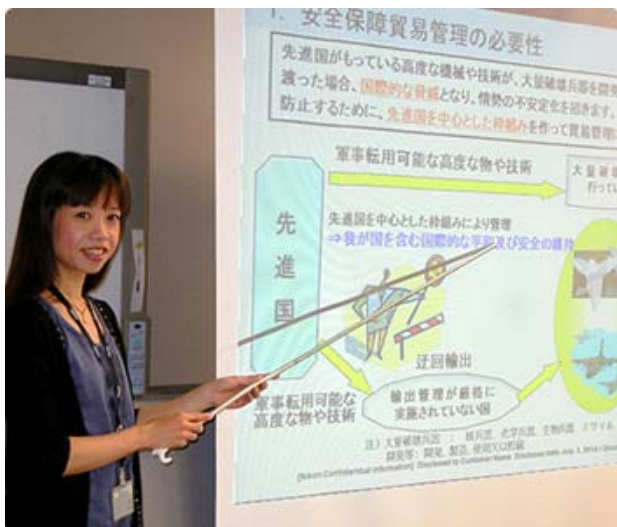
Implementation of Compliance Activities

Implementation of competition laws training

In the Stockholm office of Nikon Nordic AB, competition laws training has been conducted since 2012 for all sales and marketing employees. Three years after its implementation, the training conducted in December 2014 allowed our employees to acquire a higher-level knowledge of competition laws.

This has enabled them to enhance their understanding needed to comply with competition laws in their daily tasks.

Implementation of training for adequate security export control



Information session given by the person in charge of security trade management as the lecturer

At Nikon Tec Corporation we conducted training on security export control in order to enable our employees to properly understand it and to ensure that they can implement necessary procedures in conformity with the laws and regulations. This time we focused on the provision of technology since the export control requires its strict management, as well as control on goods (such as product). The facilities of Nikon Tec Corporation are located in six sites in Japan, and a total of 58 training courses have been held over 10 months, beginning in July 2014. The level of understanding of the long-time business travelers was also tested after having distributed to them training materials. As a result, training has been completed for all of the 400 employees in the scope. Increased number of inquiries towards the section in charge of export control shows the improvement of employees' awareness through the training.

Respect for Human Rights, Labor Practices and Promotion of Diversity in the Workforce

Implementation of a health and safety committee

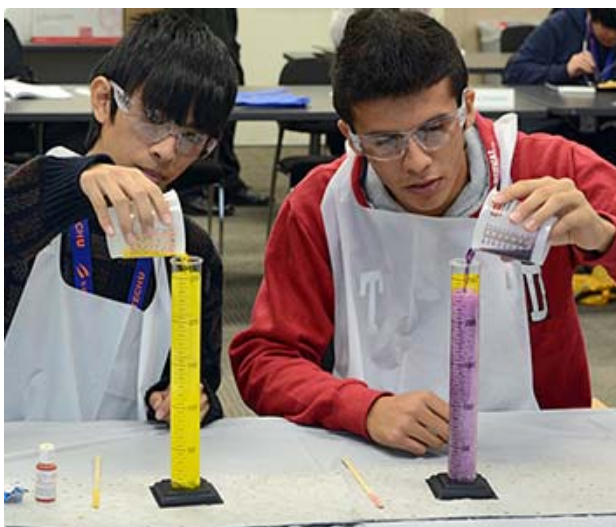
In order to enhance health and safety measures within the company, Nikon Precision Shanghai Co., Ltd. (China) newly established a health and safety committee in February 2015. Committee members were selected not only from human resources and general affairs department but also from the sales and engineering departments so that the committee can conduct activities that fit reality. We also clarified the role of each of committee member. To date, two meetings have been held, in which committee members discussed the improvement of working conditions and the elimination of work-related risks. These discussions resulted in better organized activities and the gathering of smoking places.



Meeting held by the health and safety committee

Promotion of Community Contribution Activities

SEMI Foundation



Students taking the educational program

Every year since 2005, Nikon Precision Inc. and Nikon Research Corporation of America have supported SEMI High Tech U, a career exploration program for high school students. This program is hosted by the SEMI Foundation, which organizes educational activities for high school students to raise interest in the high-tech industry. Through their intensive three/four day industry-led introduction, they provide opportunities for the participants to think about their future careers as well as stimulate interest in the fields of mathematics and science.

I Am Talented 2015

In March 2015, Nikon Singapore Pte. Ltd. supported the 'I Am Talented' program's photography workshop. 'I Am Talented' is a social empowerment initiative for youth in Singapore. It allows students to explore areas of interest in non-academic career pathways. The program began in 2011, and this is the second time for Nikon to lend its support since 2012. Participation has steadily grown, with up to 180 students this year in over 9 workshops covering various genres. Nikon's workshop focused on "Light Painting" and took place over three weekends. Trainers came from Nikon School, and a guest appearance was made by professional Nikon photographer Aaron Wong to share his industrial experience. This was an eye opening opportunity for many of the participants.



Students attending the photography workshop

Find our community contribution activities in the "Community Contribution Activities" section

Environment

- › [Participating in Environmental Activities as Members of Community](http://www.nikon.com/about/csr/society/earth/index.htm#h3_1)
http://www.nikon.com/about/csr/society/earth/index.htm#h3_1
- › [Wildlife Conservation Days at the Vienna Zoo](http://www.nikon.com/about/csr/society/earth/index.htm#h3_2)
http://www.nikon.com/about/csr/society/earth/index.htm#h3_2
- › [Save Energy, Save Earth](http://www.nikon.com/about/csr/society/earth/index.htm#h3_3)
http://www.nikon.com/about/csr/society/earth/index.htm#h3_3

Education

- › Providing Career Experience and Plant Tours
http://www.nikon.com/about/csr/society/education/index.htm#h3_1
- › Educational Support in India
http://www.nikon.com/about/csr/society/education/index.htm#h3_3

Welfare

- › Sunrise Day Camp
http://www.nikon.com/about/csr/society/welfare/index.htm#h2_1
- › Nikon School for Kids
http://www.nikon.com/about/csr/society/welfare/index.htm#h2_2
- › We Bring You Closer to the World
http://www.nikon.com/about/csr/society/welfare/index.htm#h2_3

Culture and Arts

- › Project North
http://www.nikon.com/about/csr/society/art-and-culture/index.htm#h3_1
- › Action (Photo) Education
http://www.nikon.com/about/csr/society/art-and-culture/index.htm#h3_2
- › Holding the Top Eye Photography Summit for High School Students
http://www.nikon.com/about/csr/society/art-and-culture/index.htm#h3_4

Promotion of CSR Activities in the Supply Chain

Promotion and reinforcement of the CSR procurement guideline for procurement partners



Information session for procurement partners

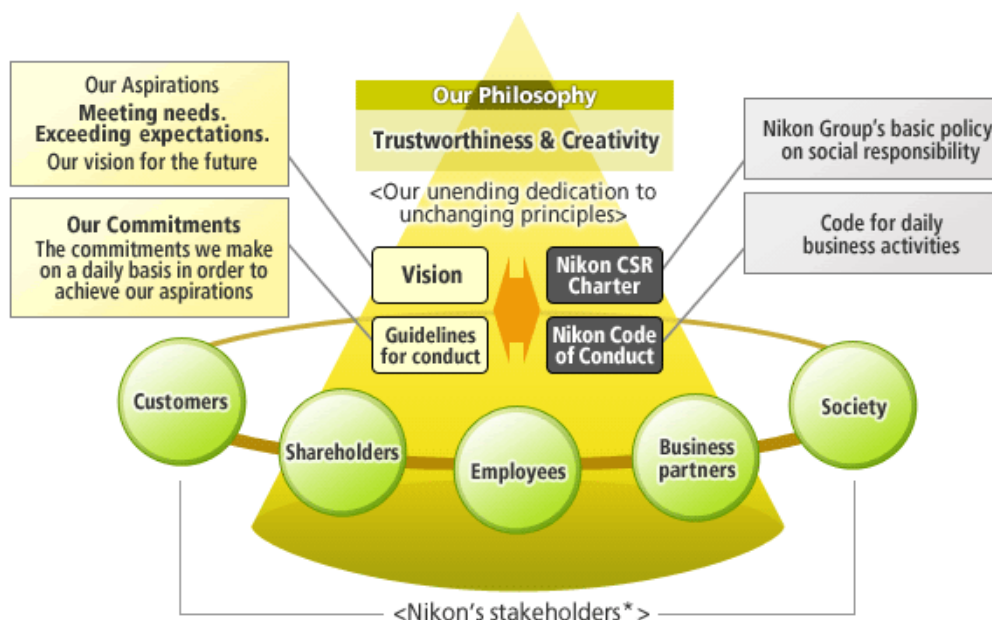
Nikon (Thailand) Co., Ltd. widely informed its procurement partners on the content of the "Nikon Procurement Partners' CSR Guideline" during its new system's information session, which had a large number of procurement partners present. The guideline manual is available in three languages - Thai, English and Japanese - and was distributed to all of the procurement partners present in order to enhance their understanding of the Nikon Group's approach towards CSR. Moreover, procurement partners have shown a commitment to cooperate with the Nikon Group's CSR procurement by signing the memorandum.

All the procurement partners who participated in this information session have shown interest in the Nikon Group's CSR principles and have expressed a willingness to cooperate, which has led 377 of the 384 participating procurement partners to sign the memorandum.

CSR Policy

The Nikon Group has established a basic approach to corporate social responsibilities founded on its corporate philosophy of "Trustworthiness and Creativity."

Nikon High-Level Policy and Stakeholders



* Stakeholder

This term refers to person or organization with which the company has a mutual relationship in business operations. This includes customers, shareholders, investors, employees, business partners and local communities.

The Nikon Group's Approach to CSR

For the Nikon Group, fulfilling CSR means embodying our corporate philosophy: "Trustworthiness and Creativity." We seek to contribute to the sustainable development of society by responding to the trust that society places in us, and creating new value that exceeds expectations.

Celebrating our 90th anniversary in 2007, and looking ahead to the centenary of the founding of our Company, we have formulated "Our Aspirations" a vision that looks toward the future, and "Our Commitments" the policy for realizing this vision through a discussion project involving both top management and employees.

We are also working to increase CSR awareness among each and every employee through the Nikon CSR Charter, which is Nikon Group's basic policy on social responsibility, and the Nikon Code of Conduct, which guides our behavior in daily business activities.

Furthermore, we participate in the UN Global Compact* and support its Ten Principles regarding human rights, labor, the environment, and anti-corruption. We also take account of related international codes in the pursuit of business activities.

* United Nations Global Compact

The UN Global Compact was announced by the then UN Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999, and was officially launched at the UN headquarters in New-York in 2000. It is composed of ten principles in the areas of human rights, labor, environment and anti-corruption, and supportive companies are requested to embrace and implement these principles.

Nikon Corporate Social Responsibility (CSR) Charter

Established April 27, 2007, revised December 1, 2009 and February 1, 2013

1. Sound corporate activities

The Nikon Group endeavors to comply with international regulations, related laws, and internal rules, exercise sound and fair corporate practices, earn the trust of stakeholders such as customers, shareholders, employees, business partners, and society. The Group will maintain constructive relationships with administrative bodies, remaining politically neutral and complying with laws, and will not engage in relationships with individuals or groups that threaten social order or safety.

2. Provision of valuable goods and services for society

The Nikon Group will provide valuable products and services with superior quality and safety to society, endeavoring to increase the satisfaction and trust of our customers and contributing to the healthy development of society.

3. Respect for human beings

The Nikon Group will respect diversity and individual human rights and provide a healthy and safe working environment in which all persons receive fair treatment without discrimination. It will also oppose enforced labor and child labor and respect fundamental human rights as well as workers' rights.

4. Protection of the natural environment

The Nikon Group will proactively engage in environmental efforts and work to protect the natural environment, as these are common issues for all of mankind.

5. Responsibility to society as a corporate citizen

The Nikon Group will carry out corporate activities that take into account the cultures and practices of each country and region and proactively engage in activities that contribute to society as a good corporate citizen.

6. Socially responsible behavior within the supply chain

The Nikon Group will encourage socially responsible behavior within its supply chain.

7. Transparent operating activities

The Nikon Group will communicate extensively with customers, shareholders, employees, business partners, and society and disclose business information in a timely and fair manner. It will also conduct reliable financial reporting through accurate accounting processes.

8. Responsibility of top management

Top management and employees in managerial positions within each department must understand that they play an essential role in fulfilling the spirit of this Charter and thus, in addition to leading by example, they must ensure that this information is disseminated to everyone in the Group and all related parties. Management must always strive to understand the opinions of those both inside and outside of Nikon to develop a sound internal framework that ensures that the spirit of this Charter is upheld. If any incident occurs that violates this Charter, top management will demonstrate, internally and externally, their determination to solve the problem and strive to identify the cause and prevent its recurrence. Furthermore, they will uphold information disclosure and accountability obligations. They will clarify the authority and responsibility of each manager and employee and deal rigorously and objectively with all people involved in the matter, including top management.

The Ten Principles of the UN Global Compact**Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Priority Issues Set Forth in the CSR Medium Term Plan

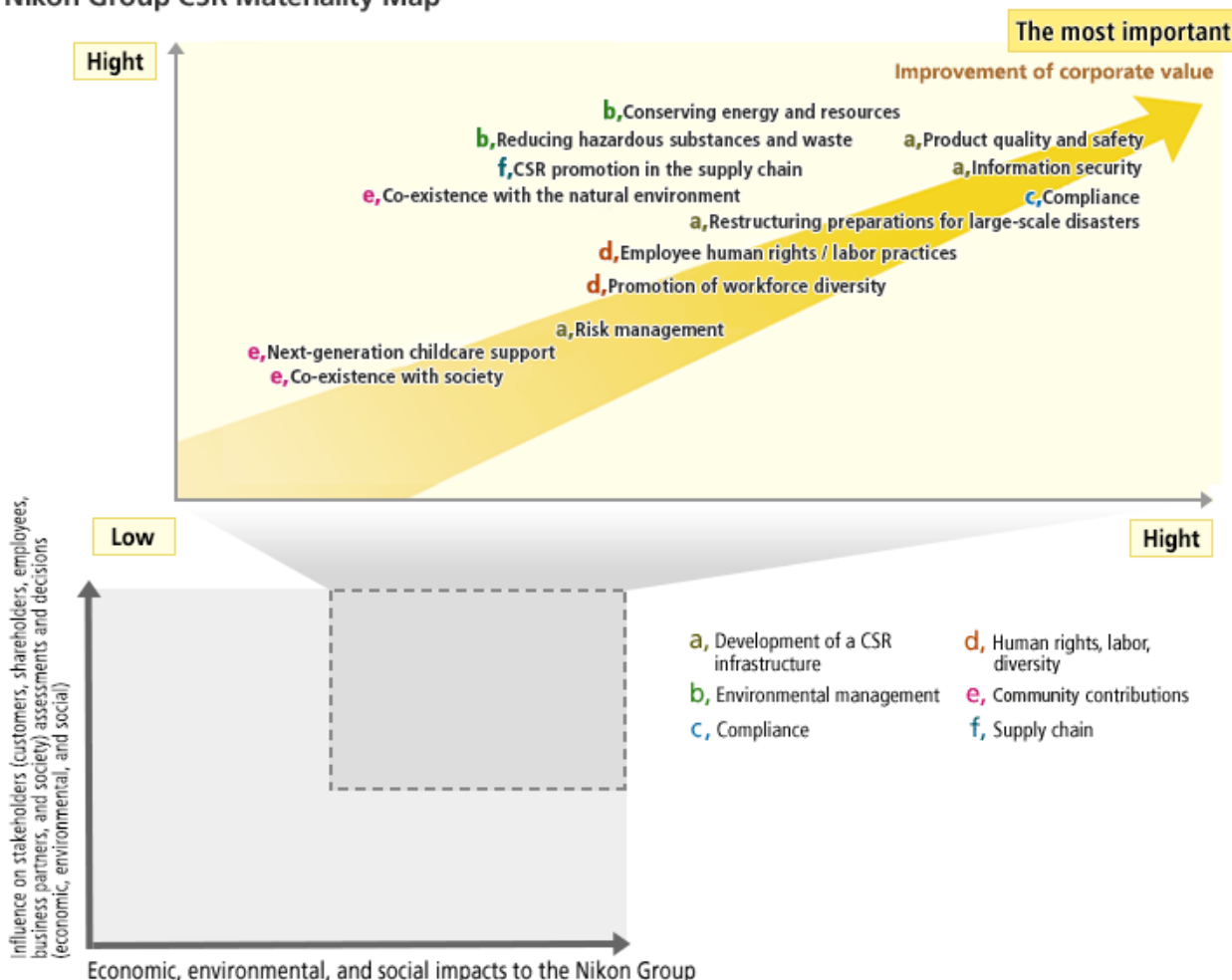
The Nikon Group believes that CSR is positioned in the process to embody its corporate philosophy, and advances "CSR-oriented management" as one of its priority management issues. For CSR promotion activities, we work to identify priority issues, set the medium term plans for each issue and carry out initiatives according to the plan.

Identifying Priority Issues for CSR

Every year, the Nikon Group identifies priority CSR issues by examining social trends and the expectations of its stakeholders*, and carries out activities after formulating a CSR medium term plan with respect to each issue. When identifying the priority issues, the secretariat of the CSR Committee conducts analyses by referring to sources such as the Principle of Materiality in the GRI† Guidelines, the seven core subjects of ISO 26000, and issues of importance to SRI‡ rating agencies. These are then agreed upon by the CSR Committee as priority issues for the entire Group.

We are also planning to improve our objectivity, adequacy and transparency, while communicating with stakeholders.

Nikon Group CSR Materiality Map



* Stakeholder

This term refers to person or organization with which the company has a mutual relationship in business operations. This includes customers, shareholders, investors, employees, business partners and local communities.

* GRI (Global Reporting Initiative)

GRI is an international organization founded in 1997 with its headquarters in the Netherlands. It aims to develop and disseminate an international guideline concerning organizations' sustainability report. GRI is also an official cooperation center of UNEP (United Nations Environment Program), and companies and non-profit organizations from all around the world join it.

* SRI (Socially Responsible Investment)

This is an investment strategy/concept that assesses CSR aspects of social, ethical and environmental issues in addition to conventional financial figures such as performance, profitability and growth of the company, when making investments.

Priority Issues Set Forth in the CSR Medium Term Plan

The Nikon Group clarifies the priority issues for its CSR activities and formulates a three year plan for each of them. Specifically, we consolidate them into five most important themes by focusing on the CSR issues extracted through the materiality map and we establish annual targets for each item. Every half term, we also report the progress on the targets to the CSR Committee for evaluations to make steady efforts to foster CSR activities.

Priority Issues in the CSR Medium Term Plan

(From the year ending March 2016 to the year ending March 2018)

We will strive to develop our business globally while constantly maintaining a strong awareness of CSR, including compliance- and environment-related issues. We will enhance trust by encouraging and supporting communication with stakeholders, and responding sincerely to stakeholder expectations.

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 community contribution activities

Promotion of CSR activities in the supply chain

Dialogue with Stakeholders

The Nikon Group is fostering two-way communication with its stakeholders* through various means and opportunities.

Major Means of Communication with Stakeholders

Stakeholders	Communication methods
Customers	<ul style="list-style-type: none"> • Call center and service counter <ul style="list-style-type: none"> ▼ Cycle to incorporate Customer Opinions in the imaging products business (P23) • Responses to customers by the departments in charge of sales and services • Sharing information via the website and other methods • Exhibitions, events, etc.
Shareholders	<ul style="list-style-type: none"> • General shareholders' meetings • News releases and public announcements via mass media and other methods • Publishing various types of printed materials including fact books, NIKON REPORT, and interim/yearly reports • Sharing information via the website and other methods • Financial results briefings • Responding to inquiries from SRI rating agencies, etc.
Employees	<ul style="list-style-type: none"> • Sharing information via the in-house magazine, the intranet, and other methods • Labor and management conferences, conferences with employee-elected representatives • Reporting/consulting system • Monitoring Group companies and conducting employee awareness surveys on human rights and labor practices, etc.
Business partners	<ul style="list-style-type: none"> • Dialogue through everyday business activities • Inspections of procurement partners' sites and feedback on the results • Briefings and questionnaire surveys for procurement partners • Confirming the establishment of environmental management systems (surveys/audits), etc.
Society	<ul style="list-style-type: none"> • Participation in local events • Cooperation with NGOs and NPOs in social contribution and other activities • Participation in economic and industry organizations • Consultations with governmental agencies, etc.

* Stakeholder

This term refers to person or organization with which the company has a mutual relationship in business operations. This includes customers, shareholders, investors, employees, business partners and local communities.

List of CSR Affiliated Organizations

Organization Name
Global Compact Network Japan
Council for Better Corporate Citizenship (CBCC)
Business Ethics Research Center (BERC)
Conflict-Free Sourcing Initiative

List of Main Cooperating and Supporting Organizations in Community Contribution Activities (Year ended March 31, 2015)

Organization Name
The Mitsubishi Foundation
Japan Platform
The Japanese Red Cross Society
OISCA
The Nature Conservation Society of Japan
Japan Environment Association
Japan Association for the United Nations World Food Programme
Shanti Volunteer Association
Education for Development Foundation Japan
Japan International Cooperation Agency
Japan Students Services Organization
Japanese Foundation for Cancer Research
Medecins sans Frontieres, Japan

Political contribution

Year ended March 2015	0 yen
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Cycle to incorporate Customer Opinions in the imaging products business

At the Nikon Group, we collect and analyze customer opinions around the world directly through call centers and service centers as well as indirectly through the products sent in for repairs, which tells us the hidden opinions of our customers (for example, the conditions the equipment has been used, etc.)

We hold the meetings to study the opinions both of our general users and professional users collected this way and the results are reflected in product development for future models and improvement in product quality and service business.



Relative Information

› Stakeholders Evaluation (P27)

Introducing the evaluations we have received from external stakeholders.

CSR Promoting System

The Nikon Group has built a structure to promote CSR across the whole Group with the focus on the CSR Committee.

CSR Promoting System

Aiming for the efficient and effective promotion of CSR, the Nikon Group has established the CSR Committee chaired by the chairman, and with members drawn from the Executive Committee. The CSR Committee convenes twice a year to receive reports on progress for all activities, to issue directions for improvement as required, and to take decisions about overall CSR activities. The Business Conduct Committee and the Environmental Committee have also been established as cross-divisional specialist sub-committees to promote CSR while liaising with the CSR Committee.

CSR promotion led by each region's holding companies

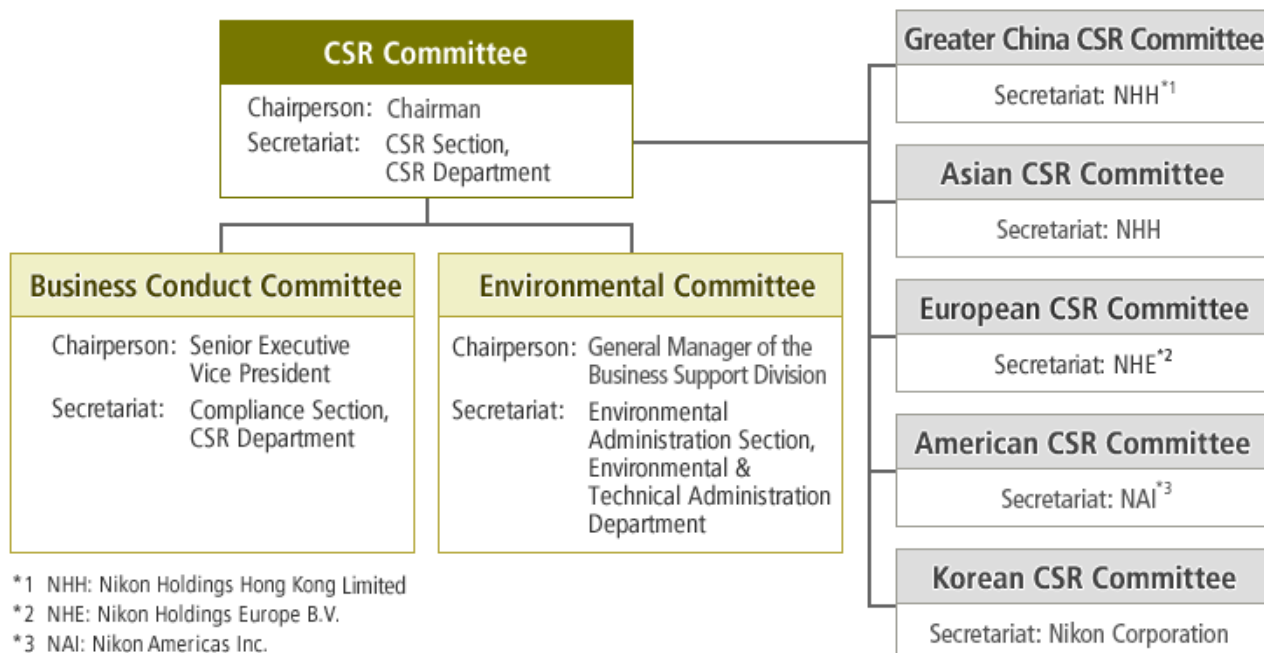
A high percentage of the Nikon Group's sales and employees are based overseas. However, it is difficult to promote CSR equally in countries and regions with different social backgrounds, such as culture and language. In order to promote consistent CSR activities while taking into account regional characteristics, the Nikon Group has established CSR promotion function in each holding company. In Korea, we are building the network in stages so that the companies in the area can communicate each other. We divide business areas into the following six regions: Japan, Greater China*, Asia, Europe, America, and Korea, and are promoting CSR through CSR committees consisting of Group company directors in each region, and CSR Communication Meetings consisting of CSR coordinator in each company.



Second Asia CSR Committee meeting held in March 2015

* Greater China refers to China, Hong Kong and Taiwan. The Asia Region refers to Asian countries excluding Greater China and Korea, Oceania, and the Middle East.

CSR Promotion Organization (As of March 31, 2015)



*1 NHH: Nikon Holdings Hong Kong Limited

*2 NHE: Nikon Holdings Europe B.V.

*3 NAI: Nikon Americas Inc.

Main activities by region during the year ended March 2015

Country/Region	The year ended March 2015's main progresses
Greater China	<ul style="list-style-type: none"> • Development of the Chinese anti-bribery guideline • Holding of a conference on anti-bribery and competition laws in China • Publication of the third Chinese CSR report
Asia	<ul style="list-style-type: none"> • Implementation of anti-bribery and competition laws trainings for all company presidents
Europe	<ul style="list-style-type: none"> • Development of the European anti-bribery guideline • Started the application of the Nikon Eco Programme Standard • Exploring the possibility of the introduction of a unified hotline and e-learning platform in Europe
America	<ul style="list-style-type: none"> • Carried out the first Group unified employee awareness survey • Redevelopment of the unified hotline structure in America
Korea	<ul style="list-style-type: none"> • Carried out the first Group unified employee awareness survey • Unification of the Codes of Conduct and development of the Korean examples' book

Approach to UN Global Compact

The Nikon Group agrees with and supports the 10 principles of the UN Global Compact*.

* United Nations Global Compact

The UN Global Compact was announced by the then UN Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999, and was officially launched at the UN headquarters in New-York in 2000. It is composed of ten principles in the areas of human rights, labor, environment and anti-corruption, and supportive companies are requested to embrace and implement these principles.

› Global Compact

<http://www.unglobalcompact.org/AboutTheGC/index.html>

Major Achievements during the Year Ended March 31, 2015 Related to the Ten Principles of the UN Global Compact

	Policies	Jurisdictions	Achievements (activities and/or monitoring)
Common	CSR Charter	CSR Committee	Started CSR information announcement (including UN Global Compact) to all Group employees through a newsletter
			Gained an understanding of each Group company's activities through a CSR activities' survey conducted in each Group company Continuous implementation of CSR promotion in each region by the regional holding companies
Human rights/Labor	CSR Charter	CSR Committee	Conducted surveys to monitor human rights and labor in the Group companies
	CSR Procurement Standards	Supply Chain Sub-Committee	Formulated the draft Standards based on the results of the trial audit to Group companies
	Policy on Conflict Minerals	Conference for Conflict Minerals	Creation of the Conference for Conflict Minerals, which is responsible for the project addressing the issue of conflict minerals and investigating procurement partners
Environment	Basic Environmental Management Policy	Environmental Committee	Expansion of the environmental management to the whole Group, and implementation of activities in accordance with the Environmental Action Plan Launched the application of the Nikon Eco Program standard within non-manufacturing offices outside Japan
	Green Procurement Standards	Supply Chain Sub-Committee	Conducted surveys and audits of procurement partners related to environmental management systems
Anti-corruption	Anti-Bribery Policy	Business Conduct Committee	Implemented training on the Anti-Bribery Policy. Also started the development of guidelines for each region, and completed those for Japan, China and Europe

Stakeholders Evaluation

Nikon Group is doing its best to keep good communications with its stakeholders and reflect their ideas and opinions in its CSR activities. The following are evaluations by our outside stakeholders.

SRI Index Portfolio (As of June 1st, 2015)

Socially responsible investment (SRI) considers not only a company's financial standing and potential for growth but also its social responsibility. There are many SRI mutual funds being managed worldwide.

FTSE4Good Index Series

Since 2004, Nikon has been a constituent of the FTSE4Good Index Series.

FTSE Group, co-owned by The Financial Times and London Stock Exchange, creates and manages the social responsibility investment indices: FTSE4Good Index Series.

- › "FTSE4Good Index Series" website
http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp



Morningstar Socially Responsible Investment Index (MS-SRI)

In September 2010, Nikon Corporation was selected as a member company of Morningstar Socially Responsible Investment Index (MS-SRI).

The Morningstar Socially Responsible Investment Index (MS-SRI) is the first socially responsible investment index in Japan. Morningstar Japan K.K. selects 150 companies from among approximately 3,600 listed companies in Japan by assessing their social responsibility, and converts their stock prices into the index.

- › "Morningstar Socially Responsible Investment Index" Website (Japanese)
<http://www.morningstar.co.jp/sri/index.htm>



ECPI Ethical Index Global

In 2011, Nikon Corporation was selected as a constituent of "ECPI Ethical Index Global" by ECPI. ECPI (Establishment:1997) is a company based in Italy and Luxembourg, and produces research, ratings and indices on companies' ESG (Environmental, social and governance) performance.



Ethibel EXCELLENCE

In October 2013, Nikon was selected for Ethibel EXCELLENCE, which falls under the Ethibel Investment Register investment universe operated by Forum Ethibel. Ethibel Investment Register is an investment universe that consists of companies with high performance in terms of corporate social responsibility.

- › Ethibel Investment Register's website
<http://forumethibel.org/content/home.html>



MSCI Global Sustainability Indexes

In September 2014, Nikon has been continuously selected as a constituent of MSCI Global Sustainability Indexes.

The indexes include companies with high ESG ratings in their industry sectors.



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Other Outstanding Achievements

The year ended March 31, 2015

- ▶ Selected as one of the companies listed in the Nadeshiko Brand 2014 by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (March 2015)
http://www.nikon.com/about/csr/employee/work-life-balance/index.htm#h2_1
- ▶ Nikon Corporation Received Intel's Preferred Quality Supplier Award (March 2015)
http://www.nikon.com/news/2015/0305_01.htm
- ▶ Nikon Corporation Received Intel's Preferred Quality Supplier Award (April 2014)
http://www.nikon.com/news/2014/0411_01.htm

The year ended March 31, 2014

- ▶ Selected as one of the companies listed in the Nadeshiko Brand 2013 by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (March 2014)
- ▶ Nikon Imaging (China) Co., Ltd. received the "Cooperation, Coevolution, Harmony, and Development Award" from the Wuxi Federation of Trade Unions. (January 2014)
- ▶ Nikon Imaging (China) Co., Ltd. was selected as an "Advanced Business Unit for Work Safety in New District 2013" by the Wuxi New District Administration of Work Safety. (January 2014)
- ▶ Nikon (Thailand) Co., Ltd. received the CSR-DIW* Award for Beginners from the Ministry of Industry of Thailand. (September 2013)
- ▶ The COOLPIX S31 compact digital camera and the Nature Scope FABRE won the KIDS DESIGN AWARD 2013. (August 2013)

* DIW stands for Department of Industrial Works.

The year ended March 31, 2013

- ▶ Selected as one of the companies that made great progress in socially responsible management in fiscal 2012 in the survey on Japanese companies' initiatives for the environment, society, and governance (ESG) conducted by the Japan Research Institute, Ltd. (March 2013)
- ▶ Selected as one of the companies listed in the Nadeshiko Brand by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (February 2013)
- ▶ Nikon Imaging Korea Co., Ltd. received a thank-you plaque from the Mayor of Seoul in recognition of its contribution to the photo education program organized by the city to empower homeless people. (November 2012)
- ▶ Won a Best IR Award at the 17th (fiscal 2012) Annual IR Grand Prix Awards held by the Japan Investor Relations Association to commend companies that have achieved outstanding results in investor relations (November 2012)
- ▶ Won first place in the digital camera category in the after-sales service satisfaction ranking announced by Nikkei Business for the third year in a row (July 2012)
- ▶ Nikon Imaging (China) Co., Ltd. received an "ecological civilization" award in the 2011 Golden Bee CSR ratings determined by the Chinese Ministry of Commerce. (June 2012)

Targets and Results for the Priority Issues

Set annual targets for each priority issue shared across the Group in the CSR Medium Term Plan, and evaluate the activities to establish targets that reflect the results and issues for the next fiscal year.

Results for the Year Ended March 31, 2015

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

Priority issues	Targets	Results	Self evaluation
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)	As planned, the first CSR committee meetings were held in Asian, Americas, and Korea, then the CSR promotion basis was established completely in every region	○
Expansion and promotion of environmental management	For environment-related results, please refer to this link. ▶ Environmental Action Plan: Results for the Year Ended March 31, 2015 (P53)		
Implementation of compliance activities	<ul style="list-style-type: none"> 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. Progressively prepare a structure allowing the Nikon Group to address competition laws (objective added in November 2014) 	<ul style="list-style-type: none"> The dissemination about the Nikon Anti-Bribery Policy was implemented at 74 Nikon Group companies, including the non-consolidated subsidiaries, and we confirmed the level of awareness through employees' awareness surveys We implemented risk assessment and conducted competition laws training at 35 Group companies outside Japan. We also conducted anti-trust laws training at 24 Group companies in Japan 	○
	Reflect the results of global awareness surveys in the promotional activities at all departments and companies and establish annual PDCA cycles	We established the annual PDCA cycle in all regions by completing the feedback of the awareness surveys' results to all targeted companies including those in Americas and Korea, for which the surveys were conducted for the first time	○
Respect for human rights and labor practices, and promotion of diversity in workforce	To achieve a 5% ratio for women in management positions at Nikon Corporation (as of March 31, 2017) <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 	In March 31, 2015, the proportion of females in management positions increased from 3.6% (March 31, 2014) to 4.1% <ul style="list-style-type: none"> Information is provided regarding work-life balance and other issues for concerned department managers each time an employee takes maternity/childcare leave Implementation of a new leadership training for potential future leaders (8 months) and expansion of the mentor system (15 pairs this year, compared to 10 last year) 	○

Priority issues	Targets	Results	Self evaluation
Respect for human rights and labor practices, and promotion of diversity in workforce	<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 	According to the schedule, monitoring research was executed however there was no problems found	○
Promotion of community contribution activities	Start up scholarship programs Laos	We implemented both programs by providing scholarships through partner organizations, and checked the quality of the implementation through field visits. In order to stabilize the programs, we have held consultation meetings with our partners after having selected the current year operational issues	○
	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	<ul style="list-style-type: none"> Support to junior high-school students: provided support to the 26 schools who wanted help for the organization of exhibitions, donated photobooks to all participating schools (41 schools, 1 school board) by March 2015 Employee volunteering: 128 employees took part in the total of 26 volunteer activities Nikon Plaza Sendai: held 50 exhibitions and events 	○
	Conduct and analyze a survey of community contribution expenditure of the Group companies	The investigation and analysis are completed. Results reveal the need for a unified Group policy. The policy has been defined and disclosed on our website	○
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 	<ul style="list-style-type: none"> Narrowing down of the targets for conflict mineral research and the survey was conducted Internal training was conducted and we did totalize and analyze data for the first time 	○
	Standardize CSR guidelines and conduct monitoring to verify the standards (several companies including outside Japan)	The CSR Procurement Standards (draft) were formulated and we finished monitoring them for check in April	△
	Audit environmental management systems at 80 sites (Target: 60 companies in Japan/ 20 companies outside Japan), and train audit leaders	<ul style="list-style-type: none"> Audits were conducted in 102 companies, including 28 overseas companies Training to have 16 more auditors who have audit leader's ability during this fiscal year (At the end of the fiscal year, auditors were as a total of 27) 	○

Targets and Results for the Priority Issues

Set annual targets for each priority issue in the CSR Medium Term Plan, and evaluate the activities to establish targets that reflect the results and issues for the next fiscal year.

Targets for the Year Ending March 31, 2016

Priority issues	Targets
Development of a CSR infrastructure	Start global research of CSR awareness for future training to employees in Nikon Group
	Conduct training for persons in charge of publicity and advertisement in order to avoid CSR risks in these domains
Expansion and promotion of environmental management	For environment-related targets, please refer to this link. ▶ Environmental Action Plan: Targets for the Year Ending March 31, 2016 (P55)
Implementation of compliance activities	Publish anti-bribery guidelines for group companies in Americas, Asia and Korea so that the guidelines will be available globally
	In the light of the previous years' performance, expand competition laws training to Group companies outside Japan of Precision and Glass business units
	Develop educational materials on harassment prevention that respect culture of each region
Respect for human rights and labor practices, and promotion of diversity in workforce	Achieve the objective of raising the female ratio in management positions to 5% (by March 31, 2017)
	Implementation of the following measures in order to disseminate the five mutual objectives "Core Competencies," including the "power to accept diversity," throughout the Nikon Group <ul style="list-style-type: none"> • Organization of a photography contest around the theme of Core Competencies • Incorporation of a Core Competencies' assessment into the Nikon assessment structure
Promotion of community contribution activities	Set up KPI in order to concretely promote the community contribution activities' policy
Promotion of CSR activities in the supply chain	CSR procurement: <ul style="list-style-type: none"> • Expand visibility and penetration of the new CSR Procurement Standards • Select high priority suppliers and research more than 200 companies. And based on the results of the investigation, study the measures for improvement and implement them
	Green procurement: A total of 309 certified partners
	Dealing with the issue of conflict minerals: <ul style="list-style-type: none"> • Conduct an effective investigation by designing a survey questionnaire delivering and gathering system based on the Internet • Research and Totalization along with OECD Guidance

Quality Control

The Nikon Group provides products and services based on the concepts of customer focus and priority on quality.

Quality Control for Products and Services

Policies and systems for quality control

The Nikon Group has stipulated the following Basic Quality Policy.

Basic Quality Policy

Based on its corporate philosophy of "Trustworthiness and Creativity," Nikon has established the following Basic Quality Policy. It aims to provide products that exceed the expectations of customers and contribute to the healthy development of society.

1. Through creative and efficient manufacturing, enhance brand value and provide high-quality distinctive products to the market in a timely manner.
2. Provide safe and environmentally friendly products to earn the trust of customers and society.

In order to implement the Basic Quality Policy, the Nikon Group has established the Quality Control Directive (QCD) as its basic rules on quality control. As a result, we will familiarize everyone across the whole Group with the basic matters that are vital to quality control and specific operational methods at all stages, from product planning to research and development, manufacturing, sales, warranty services and disposal, to promote the provision of even better products and services.

Quality Control Committee

The Quality Control Committee deliberates and makes decisions on important issues in relation to the implementation of the Basic Quality Policy. The committee also strives to improve the quality control systems and conducts regular reviews to ensure efficient operations of the systems.

ISO9001 certification and consistent compliance with the "Quality First" policy

The Nikon Group conducts business operations in line with its Quality Manual based on the QCD or ISO9001*, and the Nikon Corporation business divisions and major Group companies acquire ISO9001 certification as necessary. We also conclude quality assurance agreements with our business partners based on their understanding of the Nikon Group's "Quality First" policy. Moreover, every year, our business partners participate in Quality Month lectures, which we organize so that employees of both the Nikon Group and our partner companies can improve their quality-related skills. In the year ended March 31, 2015, we invited Mr. Hitoshi Jinno from Daikin Industries, Ltd. to Nikon Corporation's Oi Plant to speak. His lecture, on activities to improve quality across borders - reliability and challenge - was attended by 55 directors and employees of the Nikon Group as well as 103 employees of the Group's business partners.



A Quality Month lecture held with the participation of business partners (given by Mr. Hitoshi Jinno of Daikin Industries, Ltd.)

* ISO9001

This is an international quality management systems standard established by the ISO. The ISO9000 series designs the structure needed by an organization to maintain its quality management system, and the ISO 9001 can be obtained with a registered organization's certification.

Quality control audits

Quality control audits based on the Quality Control Directive (QCD audit) are conducted under the responsibility of the chairperson of the Quality Control Committee (the executive officer in charge of quality control). In the audits, the quality control activities conducted at Nikon Corporation and Nikon Group companies are inspected, checked, and evaluated to help the companies improve the quality of their business operations, as well as the quality of their products. The audited companies are required to make corrections and improvements, and any shortcomings found in the audits should be rectified for more appropriate quality control activities. Important findings are reported to the Executive Committee and are also used to improve internal controls. In the year ended March 31, 2015, quality control audits were performed at four departments in Nikon Corporation and at eight major Group companies.

Product safety assurance

The Nikon Group gives due consideration to the safety of its products throughout their life cycle, starting from the initial planning stage.

Specifically, we single out predictable risks and conduct security plan in order to exclude them, in line with the Safety Design Practices that we have formulated based on relevant international standards, and then ensure their safety through design reviews and inspections carried out during the production process. We also obtain safety certification from third-party certification bodies as necessary. Furthermore, our Product Technology Test Section ensures that only safe products reach our customers. This testing facility has passed stringent certification criteria based on the international standards set by TÜV SÜD Product Service GmbH, Germany, a certification body that tests laboratories in Europe.

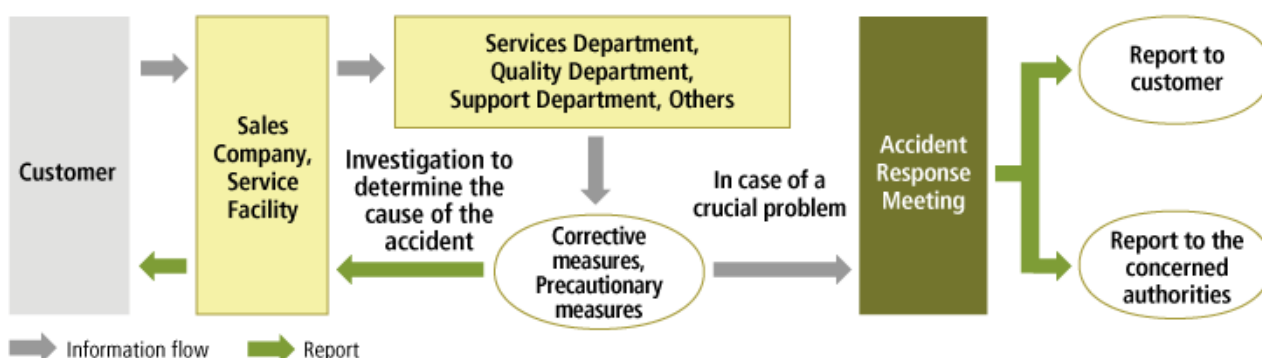
In the fiscal year ended March 31, 2015, we published 26 test reports collating the results of the various security tests that were conducted.

We conduct several professional training courses for our employees, including training on Safety Design Practices, product liability laws and electrical appliance and material safety laws. We also aim to teach and improve the knowledge of those in charge of business departments in relation to product safety.

Procedure in Case of an Accident

At the Nikon Group, we strive to supply the market with no deficient products by planning, designing, manufacturing, guaranteeing quality, selling, distributing and providing services, after having given careful consideration to our products' safety, in order to avoid accidents. If a safety concern occurs, we immediately confirm the facts in cooperation with the departments concerned, quickly set up appropriate measures in line with the procedure, and make every efforts to ensure the problem does not reoccur by keeping the public informed.

Procedure Flow in Case of an Accident in the Imaging Business

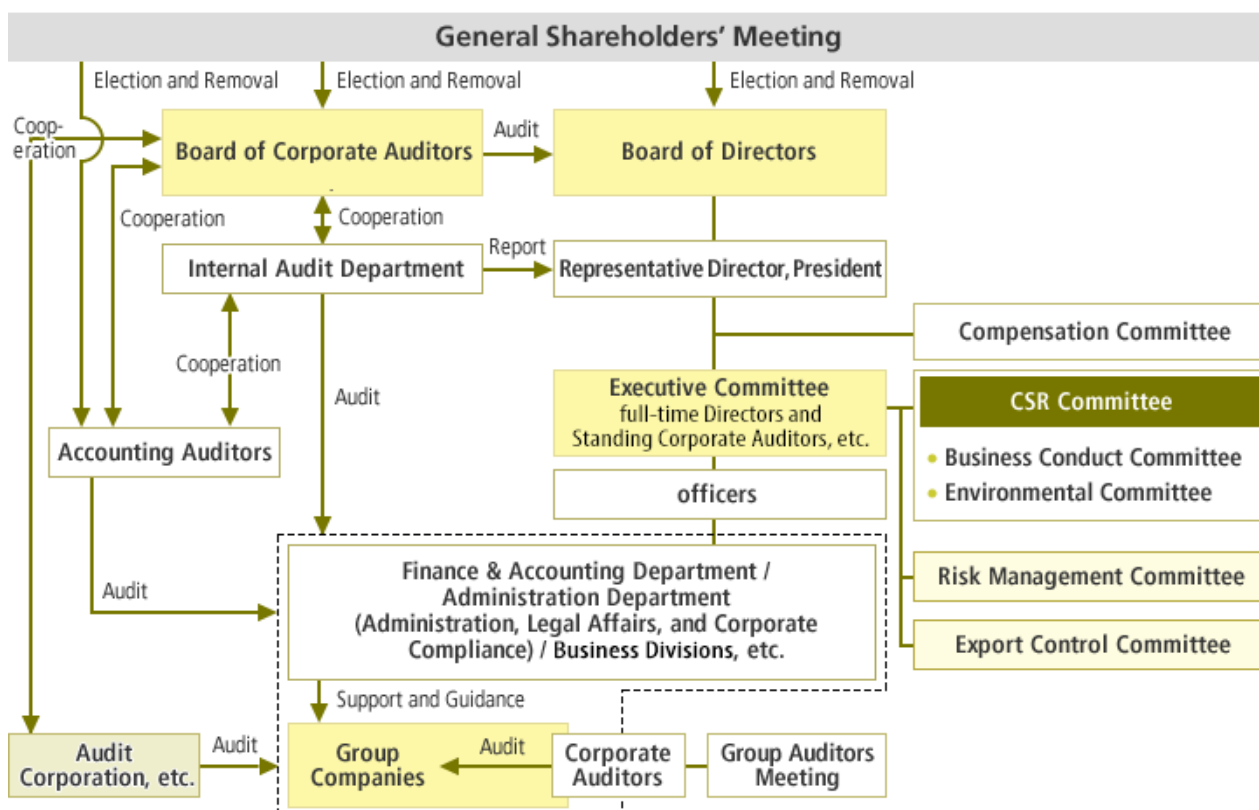


Corporate Governance Organization

Management System

The Nikon Group carries out its business through a divisional organization under the direct control of the president. We have also established a management system that responds swiftly to changes in the business environment through our officer system.

Nikon's Corporate Governance Organization (as of June 27, 2014)



Board of Directors and the Executive Committee

The Board of Directors makes prompt decisions on matters of importance to the Nikon Group and monitors the exercise of duties by directors. Two independent external directors sit on the Board to strengthen the supervisory functions of the Board of Directors.

The Executive Committee deliberates on and resolves major issues regarding the general operation of the Company's business, internal controls, and management, in accordance with the basic management policies as determined by the Board of Directors. This body also receives reports from each department regarding critical matters.

Compensation Committee

The Compensation Committee, which includes experts from outside the Nikon Group, was established to enhance the objectivity and transparency of matters related to the compensation of directors, officers, and corporate auditors and to ensure that decisions on remuneration are linked to corporate financial results. The obligations of this committee include examining and proposing guidelines for the compensation of directors, officers, and corporate auditors and other related systems. With regard to the Compensation Committee, which will conduct deliberations and deliver recommendations on remuneration for the year ending March 31, 2016, the Company will add an external director as a member.

Compensation for Directors and Corporate Auditors (Year ended March 31, 2015)

Category	Monthly compensation		Subscription rights to shares granted as stock-related compensation		Bonus		Total	
	Number of persons	Amount of compensation	Number of persons	Amount of compensation	Number of persons	Amount of compensation	Number of persons	Amount of compensation
Directors (External directors out of all directors)	12 (2)	¥331 million (¥20 million)	8 (-)	¥113 million (-)	8 (-)	¥86 million (-)	12 (2)	¥531 million (¥20 million)
Corporate auditors (External corporate auditors out of all corporate auditors)	6 (3)	¥73 million (¥22 million)	-	-	-	-	6 (3)	¥73 million (¥22 million)
Total	18	¥405 million	8	¥113 million	8	¥86 million	18	¥605 million

* The number of persons shown above includes one director (excluding external directors) and two corporate auditors (including one external corporate auditor) who retired at the conclusion of the 150th Annual General Shareholders' Meeting held on June 27, 2014.

Method for Calculating Compensation

Basic policies regarding compensation	<ul style="list-style-type: none"> The compensation system is intended to provide motivation for continuous efforts to improve corporate and shareholder value and be capable of enhancing drive and morale. The compensation system is intended to enable the securing and retention of talented human resources as well as support their development and offer incentives. Decision-making processes within the compensation system should be objective and highly transparent.
Compensation structure	The compensation structure for directors consists of a firmly fixed monthly compensation, a bonus linked to the degree of achievement of corporate performance objectives in a single fiscal year, and subscription rights to shares granted as stock-related compensation. The latter encourages directors and officers to share a common awareness of value with shareholders and further enhances motivation and morale for long-term improvements in performance. Compensation for external directors, non-full-time directors, and corporate auditors consists of fixed monthly compensation only. Furthermore, the Company abolished the system of director retirement benefits and corporate auditor retirement benefits with effect from June 2011.
Performance-based system linked to corporate financial results	The amount of bonus paid in a single fiscal year can fluctuate between zero to two times the standardized minimum for such bonuses depending on performance evaluation indicators and the degree of achievement of performance objectives for duties for which the director or officer is responsible. Consolidated net sales, consolidated ordinary income, and consolidated cash flow are used as performance evaluation indicators.
Method for deciding compensation level and payment amount	To ensure that compensation levels and structures are decided appropriately and in line with duties and responsibilities, the Compensation Committee, which includes experts from outside the Nikon Group, examines and offers proposals regarding related systems. Compensation levels at major Japanese companies with global operations are also considered in setting compensation at a level that reflects the Company's business performance and scale. The Compensation Committee, which comprises a representative director and several outside experts, determines policy regarding compensation for directors, officers, and corporate auditors, examines systems, and deliberates issues such as specific methods for calculating compensation. The Board of Directors decides director and officer compensation based on the results of such deliberations, while compensation for corporate auditors is decided in consultation with the corporate auditors.

* With regard to the remuneration system for the year ending March 31, 2016, the Company will introduce the Performance-based Stock Remuneration System, which will strongly link compensation with performance shown in medium-term management plans, and add an external director as a member of the Compensation Committee.

Compensation for Independent Auditor (Year ended March 31, 2015)

Independent Auditor	Category	Payment
Deloitte Touche Tohmatsu LLC	Total amount of remuneration, etc., of independent auditor during the fiscal year under review	¥87 million
	Total amount of money and other properties that the Company and its subsidiaries must pay in remuneration of independent auditor for its services to the Company and its subsidiaries during the fiscal year under review	¥184 million

Board of Corporate Auditors

Corporate auditors periodically attend important meetings, such as those of the Board of Directors and the Executive Committee, in order to supervise the execution of duties by directors as well as to perform monitoring and auditing of corporate management and directors. Two independent external corporate auditors are also invited to the Board of Corporate Auditors.

Number of Females and Non-Japanese Directors, Corporate Auditors and Officers (As of March 31, 2015)

Nikon Corporation Number of female: 0; number of non-Japanese: 0

Group companies Number of female: 3^{*}; number of non-Japanese: 28^{*}

^{*} The breakdown of the number of directors is given below. Cases of directors or officers serving in concurrent posts are included in the number of directors but not in the number of officers.

^{*} For overseas Group companies, all local positions equivalent to director, corporate auditor, and officer are included in the total.

Females Directors: 1; corporate auditors: 1; officers: 1

Non-Japanese Directors: 13; corporate auditors: 2; officers: 13

Attendance at Meetings of the Board of Directors and Board of Corporate Auditors by External Directors and External Corporate Auditors (Year ended March 31, 2015)

Category	Name	Attendance at Meetings of the Board of Directors	Attendance at Meetings of the Board of Corporate Auditors
External directors	Kenji Matsuo	Present at 12 of 14 meetings	-
	Koukei Higuchi	Present at 13 of 14 meetings	-
External corporate auditors	Haruya Uehara	Present at 13 of 14 meetings	Present at 8 of 9 meetings
	Hiroshi Hataguchi	Present at 13 of 14 meetings	Present at 9 of 9 meetings

Internal Control System

Basic Policy on Internal Control System

The Nikon Group's basic policy on its internal control system was established based on Japan's Companies Act and its Ordinance for Enforcement (enacted May 2006) as a structure for ensuring appropriate business operations.

› [Basic Policy on Internal Control System \(P39\)](#)

Structuring of Responsibility and Authority

Nikon Corporation has created Rules Governing the Authority of the Organization and Personnel, which clearly define the structure of authority for each post and organization. Furthermore, by implementing control and guidance of all Group companies in line with the Decision and Reporting Rules for Subsidiaries and the Decision Standard for Subsidiaries, we strive to perform duties efficiently and in an organized manner.

Internal Audits

We have established an internal audit department which is independent from any business or operations departments and reports directly to the President. Based on audit plans for each fiscal year that have been reported to the Executive Committee after approval by the President, the Internal Audit Department audits the Nikon Group's systems and their operational status, examining whether the operations of each department are conducted in compliance with relevant laws and internal rules, as well as whether risks are being appropriately managed. It also makes recommendations as to how such operations can be improved.

The Internal Audit Department also presides over the evaluation of company-level controls and process-level controls of the Nikon Group, where the Internal Control Reporting System stipulated under the Japanese Financial Instruments and Exchange Act (J-SOX) is applied.

Furthermore, from the viewpoint of the Companies Act, the department evaluates the effectiveness of compliance structures and risk management structures as the internal audit function under the internal control system.

In addition, internal audit sections have been established at each of the regional holding companies in Europe (Netherlands), the Americas (United States), and the Asia and Oceania region (Hong Kong). Each of these sections performs audits and J-SOX evaluations of their local companies from an independent standpoint, supervised by the Internal Audit Department of Nikon Corporation. Under this globalized internal audit system, which covers four world regions including Japan, we work to implement even more effective audits on a global scale.

The internal audit reports for the whole Nikon Group are submitted to the President and the directors concerned and follow-up or additional surveys are to be conducted as appropriate in line with the content. A summary of the results of the annual audit activities is submitted to the Executive Committee. The internal audit reports are also submitted to corporate auditors. The Internal Audit Department and the corporate auditors have regular meetings for the purpose of promoting close cooperation and information sharing.

Implementation of an Internal Control Reporting System

An Internal Control Reporting System based on the Financial Instruments and Exchange Act, was introduced as of April 2008 with the aim of ensuring the credibility of financial reporting. The Nikon Group conforms to the fundamental framework for internal controls indicated by the standards of the Financial Services Agency in order to implement this system and has established and applied internal controls related to the credibility of financial reporting.

Specifically, evaluations are performed regarding the effectiveness of the design and operation of company-level internal controls at all consolidated subsidiaries of the Nikon Group as well as equity-method affiliates. Based on the same system, the effectiveness of process-level internal controls (including sales, purchasing, manufacturing, accounting, and IT) is also evaluated for Nikon Corporation and major Group companies both in and outside Japan, as required by the law. We annually review our business operations based on the evaluation results.

Regarding the assessment method, while maintaining the validity of the financial report and the effectiveness of the business process, we continued with the "simplification" until March 31, 2015 in order to optimize the assessment. From now on, we still aim to establish an optimized business method.

The Nikon Group is also working toward a sustainable internal control system. Since the year ended March 2014, we introduced an internal evaluation qualification's certification system required for the internal control of business process evaluators. During the year ended March 2015, we strove to improve our reliability and employees' training by introducing the internal evaluation qualification's certification to high-level evaluators in the manufacturing subsidiaries in Japan.

Basic Policy on Internal Control System

Based on the Japanese Companies Act and its enforcement regulation, enacted as of May 2006, we have resolved the "Basic Policy on Internal Control System" at the Board of Directors, and prepared a framework to ensure fair business activity as outlined below.

Basic Policy

(Amended on April 3, 2015)

We believe that the reinforcement of our company's corporate governance plays a pivotal role in achieving "a fair and transparent management deserving of stakeholders' confidence", and we intend to increase its effectiveness by improving the quality of our internal controls. We acknowledge that the achievement of effective and efficient business processes, the credibility of financial reports, the compliance with relevant laws and regulations, and the preservation of company's assets at our company and its subsidiaries (hereinafter the "Group") are the management's responsibility. Accordingly, we will prepare and refine a framework, including our internal regulations as well as our organization, to ensure fair business activity in compliance with the Japanese Companies Act and implementing regulations of the said Act.

1. A framework to ensure that performance of duties of directors and employees of the Group is in compliance with relevant laws and regulations as well as the articles of incorporation

1. We have established the "Nikon CSR Charter", which shows the Group's basic stance on corporate social responsibility. Additionally, the "Nikon Code of Conduct" defines the standards of behavior to ensure sensible conduct by directors and employees of the Group, based on a high level of morality, pursuant to relevant laws and regulations as well as internal regulations. Through the "Nikon Code of Conduct" and "Nikon CSR Charter", we aim to permeate and establish awareness of corporate ethics among directors and employees of the Group.
2. Putting special emphasis on a social responsibility-oriented management, we established the "CSR Committee", which aims at fostering, educating as well as disseminating CSR awareness. Established as its sub-committee, the "Business Conduct Committee" regularly performs its function to ensure legitimate, fair, and sound corporate behavior. Finally, established as its dedicated department, CSR Department integrates and promotes activities pertaining to CSR and corporate compliance of the Group.
3. Regarding elimination of anti-social forces and groups, we have defined our basic policy and standards in the "Nikon CSR Charter" and the "Nikon Code of Conduct". Additionally, we have established a system to liaison with attorneys and police forces, to take steadfast action as an organization.
4. The "Basic Policy on internal control over financial reporting" has been established to ensure credibility of financial reporting by the Group. Frameworks to enable the foregoing are being prepared and improved.
5. Internal Audit Department has been established as an independent organization, reporting directly to the President. This Department examines whether operations within the Group are conducted in compliance with relevant laws and regulations as well as internal rules, and when necessary, makes recommendations as to how such operations can be improved.
6. Structures are established and administered at the each Group company in order to fully implement compliance within the Group and prevent or correct behaviors that violate social rules or corporate ethics. The "Code of Conduct Hotline" has been created as the report/consultation system in this respect.

2. A framework to ensure an efficient performance of duties by directors of the Group

1. At our company and domestic subsidiaries, the executive officer system provides a clear definition of the authority and responsibility in performance of an officer's duty, resulting in quick decision-making as well as an efficient performance of the officer's duty.
2. Rules of authority clearly define the scope of authority and responsibility for each post as well as each organization within the Group, to ensure organized and efficient performance of duties.
3. Organizations such as the "Executive Committee", the "Executive Meeting", as well as other committees and meeting bodies are established at our company to enable efficient decision-making and performance of duties for the Group by directors of our company. Among such organizations, the Executive Committee primarily consists of full-time directors, deliberates about and resolves major issues regarding management, general internal controls, and guidelines about general operations of the company's business, in accordance with the basic direction of management as determined by the Board of Directors. Major issues are reported to the Executive Committee by each department.

4. In accordance with our corporate philosophy of "Trustworthiness & Creativity", management targets of the Group are defined within annual plans as well as within the Medium Term Management Plans, and implemented as specific measures. In order to achieve annual targets, management of operations is carried out through divisional organization. The regularly held "Business Activity Review Meeting" evaluates the achievement's progress level, identifies issues, if any, and results are evaluated and validated based on the "Achievement Evaluation System".

3. A framework aimed at preservation and control of information relating to the performance of duties by directors of our company

1. Information regarding resolutions, decisions, and reports pertaining to performance duties by directors of our company are preserved in documentary format and until such time as provided in the "Rules of the Board of Directors", the "Rules of the Executive Committee", and the "Nikon Group Information Management Rules". The information control system is designed to allow access, when needed, from directors, corporate auditors, as well as accounting auditors.
2. As for security of information, Information Security Division has been established as an organization reporting directly to the President. The Division have controlled centralized management for security of information within the Group and managed to coordinate and reinforce an information management framework within the Group. Further, the common rules in the Group have been established and these rules intend to make definitions of the access level per category and relevance, password control, measures for preventing leaks, manipulations and destructions of proprietary information and other matters generally and thoroughly known by employees and directors within the Group.

4. A framework including rules concerning risk of the Group loss management

1. In accordance with our recognition of identification, assessment, and control of risk factors potentially affecting operations and business continuity as critical issues, we have established the "Risk Management Committee" and identified critical risks and prepared specific countermeasures against risks and are developing a framework to appropriately control risks surrounding the Group.
2. We have prepared and implemented manuals and rules pertaining to fields such as corporate ethics, protection of personal information, environmental control, quality control, export control, insider trading prevention, and disaster prevention, which reinforce the management framework concerning prevention of loss within the Group.
3. A framework is in place whereby Internal Audit Department audits the Group about its risk management, evaluates its effectiveness, and reports to the Board of Directors through the representative director when necessary, so that corrective measures can be implemented.

5. A framework regarding reporting to our company of matters related to performance of duties by directors of subsidiaries

1. A framework is in place for important matters at subsidiaries to be reported and decided upon by our company via regulations such as the "Rules of the Executive Committee" and "Decisions and Reporting of the SUBSIDIARIES Rules".

6. Implementation of matters concerning employees assisting corporate auditors of our company based on such corporate auditor's request, matters concerning these employees' independence from other directors, and a framework to ensure effectiveness of instructions given to these employees by corporate auditors

1. Several employees, acting under supervision and orders of corporate auditors of our company, are appointed as dedicated assistants to corporate auditors, in order to ensure an efficient procedure of the Corporate Auditors' Meeting as well as to ensure the increased effectiveness of the audit.
2. Transfer of the assistants or evaluation of the assistants' performance requires prior agreement by the corporate auditors, to ensure independence of such employees from other officers.

7. A reporting framework for directors of the Group to corporate auditors of our company, for other reporting to corporate auditors of our company, and to ensure that reporting parties do not receive negative treatment as a result of such reports

1. A corporate auditor of our company has the authority to attend major meetings, such as the "Executive Committee", "Executive Meeting" and/or the "Business Activity Review Meeting". This ensures that the corporate auditors constantly understand and audit the status of operations and the decision-making process of the Group.
2. A framework is developed to ensure appropriate and effective reporting to corporate auditors of our company regarding facts that can potentially cause damage to our company, information obtained through the reporting/consultation system concerning corporate compliance, or items to be reported at the Corporate Auditors' Meeting as previously agreed with directors.
3. Internal Audit Department reports the status of internal audit as well as the results of the audit to the corporate auditors of our company. The corporate auditors of our company perform an effective audit in close cooperation with Internal Audit Department, by requesting, if necessary, further investigations by Internal Audit Department.

4. A framework is developed to ensure that parties who make reports to corporate auditors of our company do not receive negative treatment, including rules in place within the "the confidentiality rules of the Code of Conduct Hotline" to forbid retaliation against parties that make reports to the "Code of Conduct Hotline", the report/consultation system.

8. Matters regarding policies related to processing expenses or liabilities arising from performance of duties by corporate auditors of our company

1. Audit expenses for corporate auditors of our company are budgeted annually to a certain amount, and for necessary audit expenses, our company will make payments that are in excess of the budget, pursuant to laws and regulations. Additionally, our company will also make payments, as required, for expenses required to appoint outside specialists.

9. A framework to ensure effective audit by the corporate auditors of our company

1. While ensuring independence of corporate auditors of our company from business execution functions, this framework enables the corporate auditors of our company to hold regular meetings with the representative director in order to exchange opinions regarding issues to be dealt with by the company, or important tasks pertaining to audits, and to make necessary requests, consequently deepening the mutual understanding between them.
2. Corporate auditors of our company hold regular meetings with accounting auditors, to actively exchange opinions and information.

Risk Management

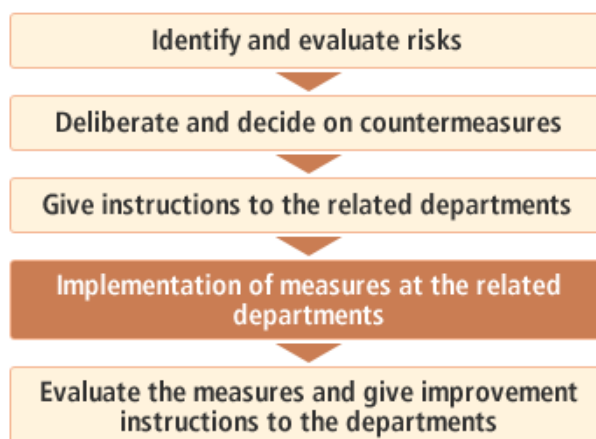
We carry out comprehensive risk management and implement measures for the continuous advancement of the Nikon Group.

Risk Management System

To properly respond to risks that might critically impact corporate management, the Nikon Group has created the Risk Management Committee, which is chaired by a senior executive vice president and served by Administration Department as the secretariat, as a supervising body of risk management. For the year ended March 31, 2015, the Committee held a total of two meetings, one in September and the other in March.

The Risk Management Committee is managing all risks, but specialist subcommittees are in charge of risks requiring technical support.

Risk Management Flow of the Risk Management Committee



Main specialist subcommittees

Committee	Main risks handled
CSR Committee	CSR in general (human rights, labor practices, diversity, conflict minerals)
Business Conduct Committee	Anti-bribery
Environmental Committee	Environmental issues in general (climate change, chemical substances management)
Export Inspection Committee	Avoid violation of Foreign Exchange Law, security risks' management
Bioethics Review Committee	Bioethics

Risk Assessment

The Nikon Group conducts risk identification surveys to gain an overall insight into the risks potentially affecting the Group. In the year ended March 31, 2015, the Nikon Group continues to conduct a survey targeting not only equivalent to department manager level or above of Nikon Corporation and presidents of domestic and overseas Group companies, who had been surveyed, but also Nikon Corporation personnel at section manager level. We then perform a risk assessment, in which we identify, analyze and evaluate the replies collected after compilation and adjustment, to create a risk map that shows the level of influence and probability of each risk.

For those events rated in the risk assessment as involving high risks, we deliberate measures to reduce risks generally and determine in which order risks should be handled. We also make a comparison with the general risk map of other manufacturing industries to detect any risks that may have been overlooked inside the Group. We regularly update the risk map and visualize the progress of countermeasures as well as subsequent changes in the monitored risks.

BCM Activities Measures

The Nikon Group has formulated BCPs* in preparation for large-scale disasters and other emergencies. In the year ended March 2015, an inspection of our BCM* structure accompanied the transition from company-based structure to business department-based structure established in June. In addition, the transfer in November of the head office was accompanied by the modification of the emergency response head office installation location and the emergency personnel's code of conduct. Furthermore, we also considered a BCP that integrates the possibility of a partial suspension of the head office and business activities caused by a major earthquake in Tokyo, and damage to infrastructure plants.

* BCP (Business Continuity Plan)

A plan describing the policy, systems, procedures, etc. by which enterprises can avoid suspension of their critical business or can recover the critical business quickly if it is interrupted, even when contingencies arise, including natural disasters such as major earthquakes, communicable disease pandemics, etc. or they can recover business quickly if their business is interrupted.

* BCM (Business Continuity Management)

Management activities in normal times such as the establishment, maintenance and revision of a BCP, implementation of proactive measures, education and training, inspections and continual improvement.

Risk Management for Information Assets

At the Nikon Group, we established our Information Security Division, under the direct control of the president. Under its guidance, we are further improving the level of our information security systems, tailoring them to local conditions in each country and region in which we operate.

Protection of personal information

We properly handle personal information in line with the Nikon Group Privacy Protection Policy. Nikon Imaging Japan Inc., which deals with a lot of personal information from customers, has obtained certification under the PrivacyMark System* in Japan. Also, in the United States, Nikon Inc. has obtained certification for the Payment Card Industry Data Security Standards (PCI DSS)*.

* Privacy Mark

This is a registered trademark recognized by the Japan Information Processing Development Center (JIPDEC), given to companies that meet the fixed requirements concerning personal information protection

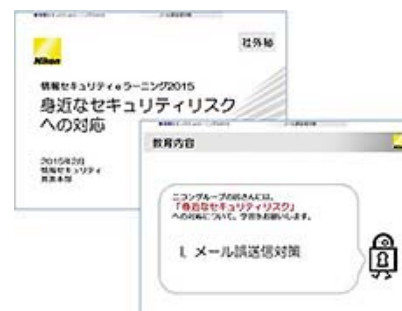
* PCI DSS (Payment Card Industry Data Security Standards)

This is the credit card industry's security standards made by the five major credit card companies (American Express, Discover, JCB, Master Card, VISA)

Information security education and auditing

We have distributed the Nikon Group Information Security Handbook to employees to make sure that every one of them understands the importance of information asset management and complies with the rules with a high level of awareness. We are making constant efforts, such as information management audits and e-learning training on our information management and security systems for each department and group company.

In the year ended March 31, 2015, we conducted e-learning training about "How to deal with familiar security risks", such as the sending of e-mails to the wrong person, for Japanese and Asian Group companies' employees (total of 15,000 employees including temporary and contract employees). We are also conducting training, e-learning and face-to-face session, in Europe and America.



Information-security e-learning 2015

Responses to Country-specific Risks

As the Nikon Group expands its business on a global scale, its employees work in many different countries. The number of employees who are working outside Japan is increasing, as is the number of group company employees in each country who are transferred abroad or taking overseas business trips. Accordingly, we are localizing our risk management systems so that we can appropriately manage the risks specific to each country and region.

Risk management for employees dispatched to foreign countries

In 2008, the Nikon Group formulated risk management rules for employees dispatched to foreign countries to ensure the safety of employees, whether they are dispatched from Japan or from another country.

Specifically, we collect risk information from experts on country-specific risks, from the Japanese Ministry of Foreign Affairs, and from our local Group companies in each country. For countries with high potential risks, including emerging economies and politically unstable regions, we actually visit the areas to collect the latest information, which is then provided to relevant employees. We also set and update security levels for each country in light of local situations, based on which we regulate employee business trips and give evacuation orders. Moreover, we prepare individual risk management programs for countries that have extremely high risks due to internal conflicts, insurrections, etc., under which we set emergency steps, including those involving local employees. We are also establishing a System for Checking the Safety of People on Overseas Business Travel. In October 2012, we finished setting up a system to centrally manage information about employees on business trips for Nikon Corporation and Group companies in Japan.

We are establishing a equivalent system for Group companies outside the country as well. In the year ended March 2015, we conducted field surveys, after having analyzed the risks in countries in which we are developing business, resulting in the revision of these specific countries' risks management manual.

Management of Security Risks in International Trade

The Nikon Group controls the export of its products (goods) and the provision of its technologies (technical information) in accordance with relevant laws and regulations in each country so as to maintain international peace and security.

In the year ended March 2015, we conducted trainings for all the Nikon Group employees (26 training courses with the participation of 418 people in total), with the aim of improving employees' knowledge and understanding of export control. Also, to maintain and enhance the export control structure, we implemented an export control audit for company' business departments and domestic and overseas' Group companies (15 departments + 14 companies). Furthermore, new export control codes have been established in the Group company's Thai manufacturing plant, and the control structure reinforcement was assessed.



The official logo of the AEO Program

In 2007, Nikon was certified as an AEO exporter under the Authorized Economic Operator (AEO) Program*. Certification of AEO exporter is given to enterprises with excellent security control and compliance systems are certified by the Japanese Customs to ensure security in international trade while facilitating international trade operations.

* Authorized Economic Operator (AEO) Program

It is a program under which customs authorities in individual countries approve those operators equipped with cargo security management and compliance systems to facilitate and simplify their customs procedures. The World Customs Organization (WCO) adopted an international framework of standards to secure and facilitate global trade ("SAFE framework") that prescribes guidelines for introduction and construction of the program.

› Efforts for Security and Export Control

<http://www.nikon.com/about/csr/risk-management/enhancing-export/index.htm>

Intellectual Property Management

Intellectual Property Policy

Intellectual property is a crucial resource for the Nikon Group. The Nikon Group has been making all kinds of efforts on intellectual property to establish the brand value of the Nikon products. In addition to protecting the Nikon brand under a trademark right, we also protect intellectual property, such as patent and design rights, for advanced technologies and designs created during research and development activities.

The Nikon Group will also take action against any third party who infringes our intellectual property rights to prevent any harm from impacting not only our customers and stakeholders but also us.

Furthermore, the Nikon Group considers that respecting third parties' rights constitute one of the basic approaches to intellectual property respect. The Nikon Code of Conduct states that information has to be obtained through legal and fair means.

Intellectual Property System

The Nikon Group has set up the Intellectual Property Division within Nikon Corporation. It works together with the business divisions and the R&D divisions to carry out various activities concerning intellectual property. The Intellectual Property Division centrally manages domestic and foreign intellectual property in accordance with our information management rules and procedures.

In addition, the Nikon Group provides training to its employees and researchers to ensure their proper understanding and operations on intellectual property.

Data on Nikon's Intellectual Property

Item	2014 achievements
Number of published patent applications in Japan	1,289
Number of patent registrations in the United States	348

› [Intellectual Property Initiatives](http://www.nikon.com/about/info/ip/index.htm)
<http://www.nikon.com/about/info/ip/index.htm>

The Nikon Basic Environmental Management Policy

The Nikon Group believes in the importance of using resources efficiently and preventing environmental pollution in order to pass on a sustainable and healthy planet to future generations. As a Group, we have formulated the Nikon Basic Environmental Management Policy and we strive to protect the global environment.

The Nikon Basic Environmental Management Policy

(Established April 1, 1992, revised May 24, 2011)

1. Basic Philosophy

One of the priorities of Nikon (Nikon Corporation and the Nikon Group) is to foster coexistence and co-prosperity in all regions where its business operates across the world, everywhere on Earth, and even in space. This policy is based on the corporate philosophy of Nikon, "Trustworthiness and Creativity." In all our business activities we are committed to preventing environmental pollution, making effective use of resources, and contributing to building a recycling-based society, thereby protecting and improving the global environment and passing it on to future generations for the sustainable development of society.

2. Basic Approach

As a responsible company, Nikon is committed to assessing its impact on the natural environment and to protecting the global environment, including issues related to climate change and biodiversity. Our commitment is based on the recognition that if companies are to continue to develop, it is essential to solve environmental problems, because in the end this will contribute to the survival of humankind.

We will win the trust and support of society by providing high-quality products that are both people- and earth-friendly, and we will introduce activities across Nikon and at our business partners to achieve this.

3. Action Guidelines

1. We will make every effort to promote reductions of CO₂ and waste emissions, reuse and recycling, while encouraging energy and resource conservation, waste reduction and conscientious waste processing with the goal of creating an environmentally-conscious recycling society.
2. We will perform environmental and safety reviews, including those to conserve biodiversity, at every stage of planning, development and design, in order to provide products that fully comply with environmental protection aims.
3. At every stage of production, distribution, use and disposal, we will actively introduce materials and equipments that are effective in protecting the environment, including conservation of biodiversity, strive to develop and improve technologies in this area, and work to minimize environmental burdens.
4. We will strive to meet targets for reduction of our environmental burdens and use of harmful substances, and continue to improve our environmental management system through environmental audits and other means.
5. We will develop and follow a rigorous code of standards, in addition to complying all environmental conservation treaties, national and regional laws and regulations.
6. We will conduct ongoing education programs to further employee knowledge of environmental issues and promote employee involvement in environmental activities.
7. We will provide business partners with guidance and information to promote optimal environmental protection activities.
8. In cooperation with our stakeholders, we will participate actively in the environmental protection programs of society at large, and actively disclose information.

Business Activities and the Environment

The Nikon Group clarifies the relationship between the environment and its business activities in order to make an accurate assessment of the impact and risk to the environment, and develops environmental activities in order of priority.

Nikon Group's Business Activities and Environmental Impact

Functioning within the global environment, a company is like a living organism. As it grows, providing products and services to society, it consumes various resources and energy and generates waste. As the need to build a recycling-based society grows, companies must also gain a clear understanding of their own environmental impacts and execute more advanced ecological management on a global scale. In addition to making steady efforts to reduce waste and other environmental impacts, the Nikon Group has also been actively engaged in its own unique environmental activities, a notable example of which is the development of lead- and arsenic-free glass*, which has an amazingly small environmental footprint.

Relationship with the Environment in the Nikon Group's Business Operations (For the year ended March 31, 2015)



* Lead and arsenic-free glass

For the optical glass used in the lenses and prisms of optical instruments, Nikon has developed a new type of glass that contains absolutely no lead or arsenic. The proportion of lead and arsenic-free glass is 100% for almost all Nikon products.

* Greenhouse gas

Gases in the atmosphere that trap heat from the sun and warm the earth's surface. In the Kyoto Protocol, the target greenhouse gases to be reduced were determined: carbon dioxide, methane, nitrous oxide, HFCs, PFCs, and SF6.

Nikon Group's Principal Environmental Impacts (for the year ended March 31, 2015)

INPUT		Nikon Corporation	Group manufacturing companies in Japan	Units
Energy	Electricity	162,128	86,440	MWh
	City gas	5,383	1,033	Thousand Nm ³
	Liquefied petroleum gas (LPG)	566	2,036	t
	Other fuels	9	679	kL
	Hot/Cold water	2,821	0	Thousand MJ
	Water	1,569	918	Thousand m ³
PRTR* substances	Ferric chloride	0	5.373	t
	Toluene	0	4.630	t
	1-bromopropane	21.207	40.503	t
	Boron compounds	0	23.341	t

OUTPUT		Nikon Corporation	Group manufacturing companies in Japan	Units
CO ₂ emissions	Electricity	61,373	35,856	t-CO ₂
	City gas	11,735	2,272	t-CO ₂
	Liquefied petroleum gas (LPG)	1,717	6,181	t-CO ₂
	Other fuels	24	1,816	t-CO ₂
	Hot/Cold water	161	0	t-CO ₂
PRTR substances emissions to the air	Ferric chloride	0	0	t
	Toluene	0	1.936	t
	1-bromopropane	21.019	32.520	t
	Boron compounds	0	0.033	t
Wastes including valuable resources	Amount of waste disposal	3,215	3,031	t
	Amount recycled	2,546	1,647	t
	Amount of landfill disposal	2	113	t

* PRTR

In Japan, the "Pollutant Release and Transfer Register" system is a system used by the government to collect, tabulate, and disclose data on chemical substances that might have harmful effects on human health and ecosystems. They are identified and reported to the government once per year by companies.

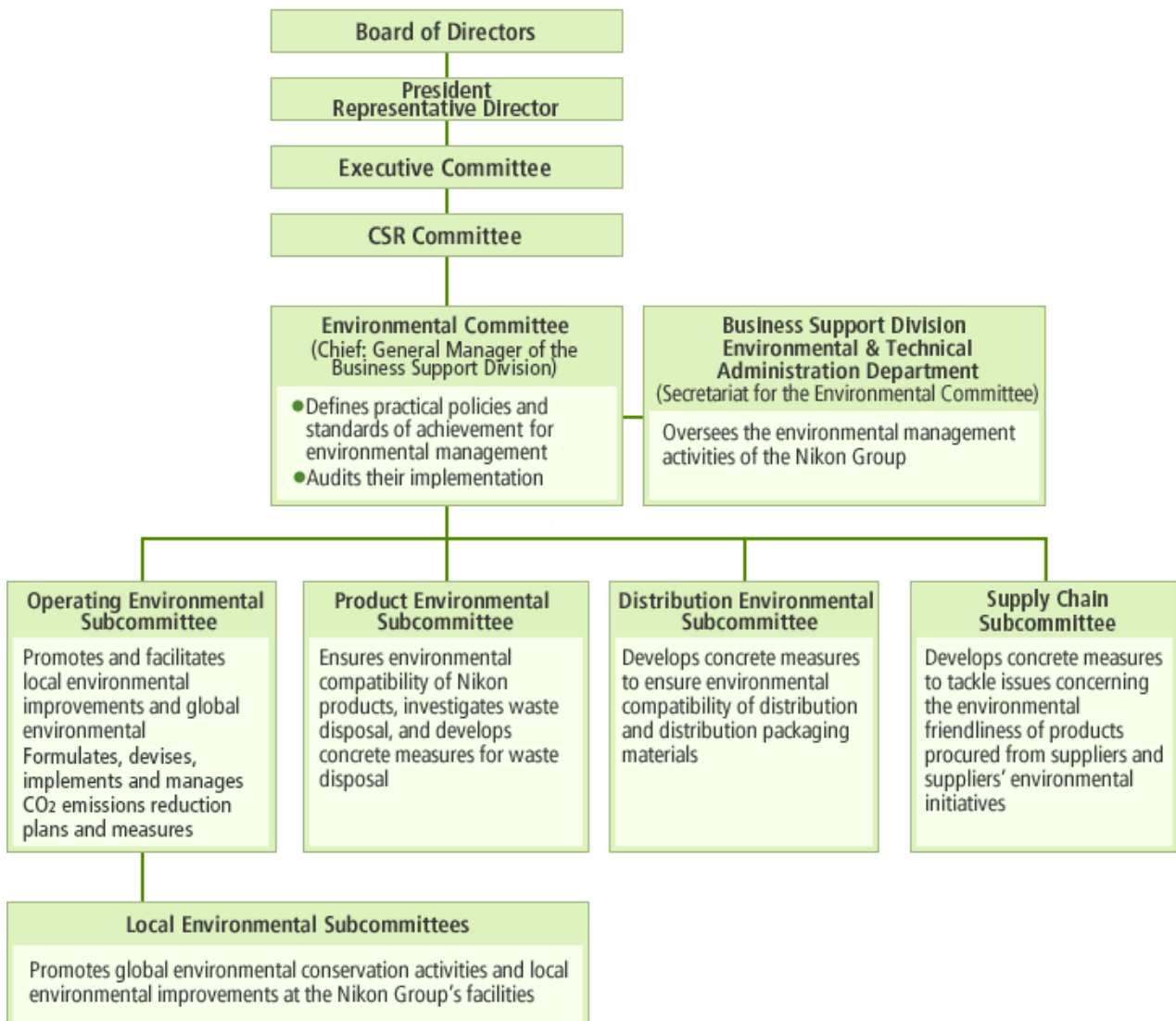
Environmental Management System

The Nikon Group is developing its environmental management framework for each of its facilities, utilizing ISO14001 certification, and meeting group-wide environmental challenges led by the Environmental Committee.

Environmental Management Organization

The Nikon Group has established an environmental management organization based on the Nikon Basic Environmental Management Policy, and is implementing a group-wide environmental management system under the leadership of the Environmental & Technical Administration Department. Through this organization, we constantly monitor the enactment and enforcement of relevant regulations, treaties, and standards both within and outside Japan, track social needs and set up response structures. We also take measures to prevent and rectify soil pollution and accidental spills of hazardous substances. In the year ended March 31, 2015, we were given no heavy fines and no sanctions other than a fine for violation of environmental laws, and we received no complaints regarding environmental impacts.

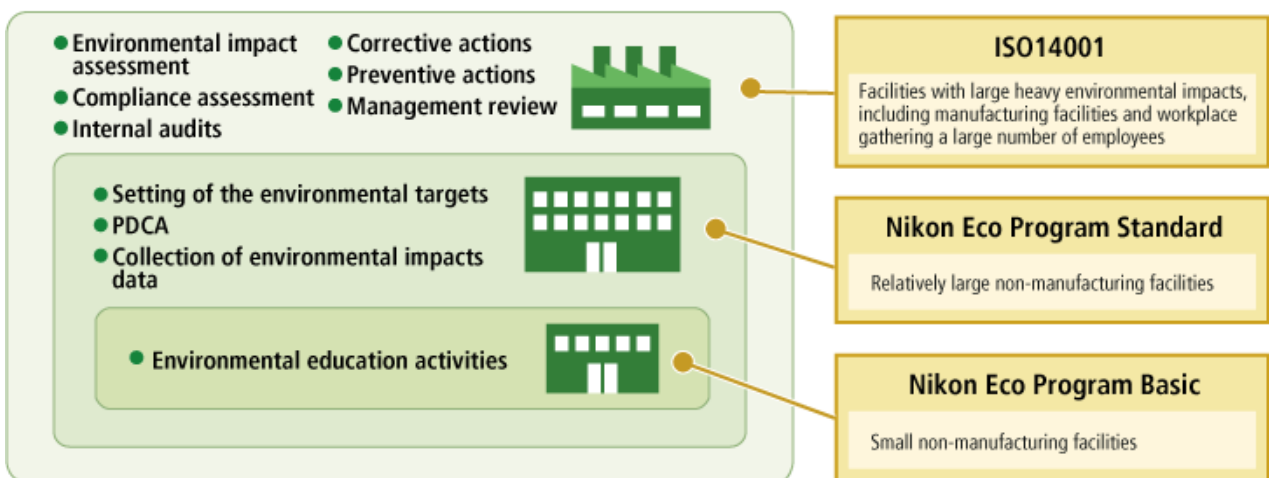
Environmental Management Organization



Utilization of ISO14001 Certification

The Nikon Group conducts environmental management activities based on ISO14001*. We are currently working to obtain integrated ISO14001 certification for more Group companies in and outside Japan with the goal of boosting the efficiency of our business operations and disseminating our Environmental Action Plan through the entire Group, which is our medium-term goal for environmental activities. With these activities we are reducing our GHG* emissions, generation of waste, and use of hazardous substances. In the year ended March 31, 2015, X-Tek Systems Ltd. (UK) obtained integrated ISO14001 certification. We are also promoting the introduction of the Nikon Eco Program, which consists of the key elements from ISO14001, to our non-manufacturing facilities in and outside Japan that have low environmental impacts. The Nikon Eco Program, is applied to each facility at the level of either "standard" or "basic", depending on the situation of the facility. The Nikon Eco Program has already been introduced in all of the target facilities in Japan, and in the year ended March 31, 2015, it began to be introduced into the non-manufacturing facilities outside Japan. We are currently working in the visualization of their environmental performance data. At the facilities covered by the Nikon Eco Program, we are setting the goal for the reduction of environmental burdens, working towards its achievement, and enhancing activities while repeating the PDCA cycle.

Nikon Environmental Management Tools



* ISO14001

The international standard set by the ISO for environmental management systems. The ISO14000 series manages the environmental impacts caused by organizations, and ISO14001 certification can be issued by certification bodies.

* GHG

Gases in the atmosphere that trap heat from the sun and warm the earth's surface. In the Kyoto Protocol, the target greenhouse gases to be reduced were determined: carbon dioxide, methane, nitrous oxide, HFCs, PCFs, and SF6.

Performing Internal Audits

We regularly conduct internal audits, at least once a year, to verify the compatibility of auditees' environmental management systems with ISO14001, compliance with environmental laws, and the settings, progress, achievement and effects of their environmental targets. In the event that problems are identified by the audit process, the departments involved take corrective measures.

The Nikon Group's Environmental Management Systems and Environmental Performance Data Boundary

Company	Classification for Tallying Environmental Performance Data		Environmental Management Systems
Nikon Corporation	A	Environmental performance data are tallied. Environmental performance data are tallied at the company level. Relatively large facilities directly related to manufacturing of products and components.	ISO14001
Tochigi Nikon Corporation			
Tochigi Nikon Precision Co., Ltd.			
Sendai Nikon Corporation			
Miyagi Nikon Precision Co., Ltd.			
Kurobane Nikon Co., Ltd.			
Hikari Glass Co., Ltd.			
TNI Industry			
Nikon Imaging (China) Co., Ltd.			
Nikon (Thailand) Co., Ltd.			
Nikon Tec Corporation	B	Environmental performance data are partially tallied. Environmental performance data are not tallied at the company level, but some activities are subject to tally. Since some operations are carried out on the same premises as category "A" for purposes of product design, supply, installation, maintenance etc., the data for these activities are added up with "A".	Nikon Eco Program
Nikon Instech Co., Ltd.			
Nikon Systems Inc.			
Nikon Business Service Co., Ltd.			
Nikon Staff Service Corporation			
Nikon Imaging Systems Inc.			
Nikon Imaging Japan Inc.			
Nikon Vision Co., Ltd.	C	Not currently subject to environmental performance data tally	ISO14001
Nikon U.K. Ltd.			
Hikari Glass (Changzhou) Optics Co.,Ltd.			
Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.			
Nikon Metrology UK Ltd.			
X-Tek Systems Ltd.			

* The number of employees affiliated with classification "A" above accounts for at least 70% of all employees in the entire consolidated group.

* Classification "A" may also include data generated by subcontractors carrying out operations on the premises or small-scale special subsidiaries in addition to the abovementioned parties.

Environmental Accounting

The Nikon Group has adopted environmental accounting in accordance with the Japanese Ministry of the Environment's Environmental Accounting Guidelines (2005).

Scope of calculation:

Nikon Corporation and Group manufacturing companies in Japan

Period: April 1, 2014 to March 31, 2015

* The expenses do not include depreciation costs.

* Totals may not sum due to rounding.

Cost of Environmental Conservation

Unit: millions of yen

Category		Major Initiatives	Investment	Expenses	Total
Business Area Cost	Pollution Prevention Cost	Prevention of air/water pollution, etc.	66	701	767
	Global Environment Conservation Cost	Prevention of global warming, energy conservation, etc.	233	76	309
	Resource Circulation Cost	Disposal of waste, efficient use of resources, etc.	5	255	260
Upstream/downstream Cost		Administration of green procurement, recycling measures, etc.	-	73	73
Administration Cost		Administration of environmental management systems, etc.	-	413	413
R&D Cost		Energy-saving design of products, research and development, etc.	-	143	143
Social Activity Cost		Social contribution activities, sponsorship activities, etc.	-	26	26
Environmental Remediation Cost		Costs of restoring soil, etc.	-	606	606
Other Costs			-	0	0
Total			304	2,293	2,597

Economic Benefits Associated with Environmental Conservation Activities

Unit: millions of yen

Item	Economic benefits	Sum of money
Revenue	Revenue from the sale of valuable resources	72
Expense Saving	Reduced energy costs due to energy savings	1
	Reduced expenses due to efficient utilization of resources	-
	Reduced expenses due to recycling of resources	-
Total		73

Environmental Action Plan

Under the Nikon Environmental Action Plan, our medium-term goal, we set environmental targets for each fiscal year, evaluate the performance and identify and review any issues. The Environmental Committee deliberates and approves the self-evaluation results.

Results for the Year Ended March 31, 2015 [Summary]

Product-related activities

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

Theme	Targets	Results	Self-evaluation
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 	<ul style="list-style-type: none"> Improved energy efficiency of newly released products Example: improved the number of shots per battery charge for the D5500 Nikon DX format digital SLR camera (released in February 2015) by 37% (compared to D5300) 	○
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 Expand the scope of visualization of CO₂ emissions (for local distribution outside Japan) 	<ul style="list-style-type: none"> Expanded the range of visualization of CO₂ emissions (for inter-American distribution) 	△

Activities at facilities

Theme	Targets	Results	Self-evaluation
Reduction in GHG* emissions (CO ₂ emissions from energy use)	<ul style="list-style-type: none"> Total CO₂ emissions from Nikon Corporation and Group manufacturing companies in Japan: 134 thousand tons or less 	<ul style="list-style-type: none"> Total CO₂ emissions from Nikon Corporation and Group manufacturing companies in Japan: 121 thousand tons 	○
	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Group manufacturing companies outside Japan: Reduced by 11.9% 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) 	

Theme	Targets	Results	Self-evaluation
Waste reduction	<ul style="list-style-type: none"> Waste from Nikon Corporation and Group manufacturing companies in Japan: Reduce by 1%*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 	<ul style="list-style-type: none"> Waste from Nikon Corporation and Group manufacturing companies in Japan: Reduced by 1%*1 from the moving average for the 3-year period <ul style="list-style-type: none"> Facilities that have achieved level S: Maintained level S Hikari Glass Co., Ltd.: Build a level 1 system Nikon Imaging (China) Co., Ltd.: Maintained level 1 Hikari Glass (Changzhou) Optics Co., Ltd. and Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.: Build a level 2 system 	○
Conservation of 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 	<ul style="list-style-type: none"> Nikon Corporation: Reduced the amount of copy/printout paper purchased by 20.6% compared to the amount of the year ended March 31, 2014 	○

*1 Except valuable resources

Others

Theme	Targets	Results	Self-evaluation
Environmental management system (EMS)	(Integrated ISO14001* certification)		○
	<ul style="list-style-type: none"> Obtain certification for X-Tek Systems Ltd. 	<ul style="list-style-type: none"> Obtained the X-Tek Systems Ltd. Certification 	

* GHG

Gases in the atmosphere which trap heat from the sun and warm the earth's surface. In the Kyoto Protocol, the target greenhouse gases to be reduced were specified: carbon dioxide, methane, nitrous oxide, HFCs, PFCs, and SF6.

* Energy efficiency

The Nikon Group defines energy efficiency as the degree of functionality of each product per unit of power consumption.
 Energy efficiency of a product = Degree of functionality/Unit of power consumption
 Functionality is defined separately for each product type. The Nikon Group is always committed to releasing new products with higher energy efficiency.

* RoHS Directive

"RoHS" stands for "Restriction of Hazardous Substances." This directive was adopted by the EU in 2003. It restricts the use of certain hazardous chemical substances in electrical and electronic equipment with a view to minimizing the risks that these substances pose to the environment and human health.

* Zero emissions

A concept proposed by the United Nations University in 1994 with a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as resources for other industries.

* ISO14001

The international standard set by the ISO for environmental management systems. The ISO14000 series manages the environmental impacts caused by organizations, and ISO14001 certification can be issued by certification bodies.

Targets for the Year Ending March 31, 2016 [Summary]

Product-related activities

Theme	Targets
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, 2016
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"> Expand the scope of visualization of CO2 emissions Improve the loading ratio of international physical distribution, and promote modal shifts and direct delivery Continuously carry out measures regarding physical distribution in Japan (including eco drive)

Activities at facilities

Theme	Targets
Reduction in GHG emissions (CO2 emissions from energy use)	<ul style="list-style-type: none"> Nikon Corporation and Group manufacturing companies in Japan: 133 thousand tons or less Group manufacturing companies outside Japan: Reduce by 9% 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.: level 1 Nikon Imaging (China) Co., Ltd.: Maintain level 1 Hikari Glass (Changzhou) Optics Co., Ltd. and Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.: level 2 system
Conservation of forest resources	<ul style="list-style-type: none"> Nikon Corporation and Group companies in Japan: Reduce the amount of copy/printout paper purchased by 5% compared to the amount of the year ended March 31, 2015

Others

Theme	Targets
Environmental management system (EMS)	<p>(Integrated ISO 14001 certification)</p> <ul style="list-style-type: none"> Conduct operations for Nikon Lao Co., Ltd.'s certification obtaining

Environmental Education and Awareness Raising Activities

The Nikon Group conducts a range of environmental education and awareness-raising activities for employees in order to raise the standard of the Group's environmental conservation activities.

Training of Internal Auditors

In order to maintain and improve environmental management systems, it is critical to maintain and improve the quality of internal audits. The Nikon Group therefore periodically provides training aimed at educating internal auditors, as well as training in laws and regulations related to the environment, which is linked to strengthening compliance. In addition to the regular training sessions, we also organize ad-hoc training at the request of local environmental subcommittees. These environment-related courses are given by qualified in-house lecturers. They also support the establishment and operations of environmental management systems in the Nikon Group.

General Education for Employees

In Japan, the Nikon Group provides employees with education matched to their position, group affiliation, facilities, and department, based on the educational training plan for the environmental management system. For example, we provide introductory training and a basic workshop program for all new employees. These training sessions cover the latest information on the regulation of hazardous chemical substances, global warming, biodiversity, and other environmental issues considered to be important in recent years. We also teach new employees about the activities we are undertaking to reduce the use of hazardous substances in our products and reduce CO₂ emissions at our facilities. Also, in the month of June, designated Environment Month by the Japanese Ministry of the Environment, we hold seminars to share information with employees and increase their awareness of and interest in our environmental measures. We also organize a photo contest and other events. For the Environment Month seminar held in the year ended March 31, 2015, we invited a guest lecturer to give talks about the renewable energy market and companies, the latest energy situation, and the trend toward energy conservation, which remain national concerns since the Great East Japan Earthquake. About 130 persons attended the lecture.



Seminar during Environment Month

Environmental Commendation Program

In order to revitalize measures to protect the environment, the Nikon Group has introduced the Nikon Environmental Commendation Program. Every year, this program commends and awards outstanding initiatives among the workplace, groups or individuals who have consistently made daily efforts and taken effective action to protect the environment. In the year ended March 31, 2015, we presented four Outstanding Environmental Contribution Awards and six Environmental Contribution Awards.



Environmental Commendation ceremony

Participating in Earth Hour

The Nikon Group participates in Earth Hour, an event to prevent global warming organized by the World Wildlife Fund. Earth Hour is a global event that people worldwide show their desire to prevent global warming by switching off the lights at the same time on the same day. In the year ended March 31, 2015, 70 facilities of 48 companies from the Nikon Group within and outside Japan participated by switching off billboards or unnecessary lighting at facilities. And some Group companies have held unique events. On the day of the Earth Hour, PT Nikon Indonesia had a photo event with about 100 participants who gathered through social media, and walked from the office to Bundaran HI, one of the landmarks in Jakarta, to share their determination to prevent global warming.



Earth Hour event at PT Nikon Indonesia

* Global Warming

The rise in the temperature of the Earth's surface caused by the increase in the concentration of greenhouse gases, including carbon dioxide, due to the expansion of human activities.

Relative Information

› [Community Contribution Activities: | Environment | Supporting the AKAYA Project in Japan \(P115\)](http://www.nikon.com/about/csr/society/earth/akaya-project/index.htm)
<http://www.nikon.com/about/csr/society/earth/akaya-project/index.htm>

We have supported the Akaya Project to restore biodiversity since 2005. We are learning about the importance of the rich biodiversity of Japan by organizing hands-on tours for employees and their families.

Biodiversity Conservation

The Nikon Group recognizes that its business activities are supported by a number of nature's blessings, while in return these activities affect nature in many aspects. With this recognition, we are committed to biodiversity conservation.

Nikon's Approach to Biodiversity

Corporate activities are closely linked to biodiversity*. Businesses procure, from the nature, raw materials and water/energy required for business activities, while in the other hand they generate waste products, emit CO₂, or release chemical substances and wastewater. As a result, they affect the natural environment either directly or indirectly.

The Nikon Group has agreed to participate as a partner promoting the Keidanren Declaration on Biodiversity. At the same time, the Nikon Group has revised the Nikon Basic Environmental Management Policy to clarify its basic stance on biodiversity conservation. The Nikon Group is also involved in a range of activities to protect the environment, including reduction in CO₂ emissions, responses to the RoHS Directive*, reductions in the use of hazardous substances, other reductions in waste products based on zero emissions*, and collaboration with stakeholders*. For example, in the research and study for the AKAYA Project, a project aimed at restoring the biodiversity of the national forests, the cameras and binoculars donated by Nikon play a role in improving the accuracy of photographic records and monitoring.

In order to continue to promote resource circulation management, we are engaged in the protection of the natural environment, and we strive to understand the connections between business activities and biodiversity through robust education for employees, information transmission, as well as collaboration and cooperation with stakeholders.

- ▶ [Supporting the AKAYA Project in Japan \(P115\)](http://www.nikon.com/about/csr/society/earth/akaya-project/index.htm)
<http://www.nikon.com/about/csr/society/earth/akaya-project/index.htm>

* Biodiversity

Is the rich individuality and connections among various creatures. In the "Convention on Biological Diversity," it is defined as "the variability among living organisms from all sources, including 'inter alia,' terrestrial, marine, and other aquatic ecosystems, and the ecological complexes of which they are part: this includes diversity within species, between species and of ecosystems."

* RoHS Directive

RoHS stands for Restriction of Hazardous Substances. This directive was adopted by the EU in 2003. It restricts the use of certain hazardous chemical substances in electrical and electronic equipment with a view to minimizing the risks that these substances pose to the environment and human health.

* Zero emissions

A concept proposed by the United Nations University in 1994 with a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as resources for other industries.

* Stakeholder

This term refers to person or organization with which the company has a mutual relationship in business operations. This includes customers, shareholders, investors, business partners and local communities.

ESR-based Initiatives

To identify our dependence and impact on biodiversity in our business activities, we conducted an evaluation using the Corporate Ecosystem Services Review (ESR*). We found that the Nikon Group receives supplies of wood materials, wood fibers, fresh water, and other natural materials from the ecosystem, while having an impact on ecosystem regulating services as a result of using chemical substances and emitting CO₂ in its business activities. The review also found that the Group can contribute to biodiversity conservation through its products if they are used in nature observation and recreational activities conducted within the natural environment as well as through R&D and educational activities.

Based on the results of the evaluation, we are analyzing the main aspects of our relationship with ecosystem services and promoting initiatives at the departments concerned.

* ESR (The corporate Ecosystem Services Review)

A methodology published by the World Business Council for Sustainable Development (WBCSD) for companies to identify their own dependence and impact on ecosystems, and then discover and manage business risks and opportunities.

ESR Results and Major Initiatives

ESR results			Major initiatives
Ecosystem services on which the Nikon Group has a high dependence and/or impact		Specific examples	
Provisioning services	Wood materials and fibers	Use of paper as product materials (manuals, catalogues, packaging materials) Use of paper in business activities (copy paper, etc.)	<p>Activities based on the Paper Procurement Policy</p> <ul style="list-style-type: none"> ➤ Promoting CSR-Oriented Procurement: Activities based on the Paper Procurement Policy (P121) <p>Green procurement</p> <ul style="list-style-type: none"> ➤ Promoting Green Procurement (P123) <p>Analysis of the use of copy paper</p> <ul style="list-style-type: none"> ➤ Packaging Measures (P66)
	Freshwater	Use of water in business activities	<p>Promotion of the circulative use of water</p> <ul style="list-style-type: none"> ➤ Preventing Air/Water Pollution and Protecting Water Resources: An Example of the Circulative Use of Water (P79)
Regulating services	Maintenance of air quality	Emissions of chemical substances in business activities	<p>Fuel conversion</p> <p>Monitoring</p> <ul style="list-style-type: none"> ➤ Preventing Air/Water Pollution and Protecting Water Resources (P79)
	Regulation of climate	GHG emissions in business activities	<p>CO2 emissions reduction activity</p> <ul style="list-style-type: none"> ➤ Reducing CO2 Emissions (P72)
	Water purification and waste treatment	Generation of waste, including wastewater in business activities	<p>Monitoring</p> <ul style="list-style-type: none"> ➤ Preventing Air/Water Pollution and Protecting Water Resources (P79) <p>Promotion of zero emissions*</p> <ul style="list-style-type: none"> ➤ Waste Reduction: Toward Zero Emissions (P80)
Cultural services	Ethical and spiritual values	Use of products for educational and research purposes	<ul style="list-style-type: none"> ➤ Supporting the AKAYA Project in Japan (P115) http://www.nikon.com/about/csr/society/earth/akaya-project/index.htm

ESR results		Major initiatives	
Ecosystem services on which the Nikon Group has a high dependence and/or impact		Specific examples	
Cultural services	Ethical and spiritual values	Community Contribution Activities	<ul style="list-style-type: none"> Education Support through Environmental Education Tools (P117) http://www.nikon.com/about/csr/society/education/environmental-education-support/index.htm
		Employee education	<ul style="list-style-type: none"> Nature Tour in Akaya Forest Supporting the AKAYA Project in Japan: Nikon Environment Education for Employees http://www.nikon.com/about/csr/society/earth/akaya-project/index.htm#h2_3

* Zero emissions

A concept proposed by the United Nations University in 1994 with a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as resources for other industries.

Preservation of Forest Resources

As part of its biodiversity conservation efforts, the Nikon Group is committed to reducing its use of paper. In particular, all facilities and Group companies have made efforts to reduce the use of copy paper in their EMS activities, but based on the ESR results, we are stepping up these activities by promoting the centralization of copy machines and the introduction of a system to centrally manage the use of copy paper. In the year ended March 31, 2015, we achieved a 20.6% reduction against the target of reducing the purchase volume of copy/print paper by 3% from that of the year ended March 31, 2014. And based on the "Paper Procurement Policy", it is recommended by the entire Group to actively use paper that is friendly to the sustainable use of forest resources.

Activities Based on the Paper Procurement Policy (P121)

Scientific forest management supported by Nikon products

The Nature Conservation Society of Japan, a public interest incorporated foundation, is an NGO conducting nature conservation, research, and educational activities to conserve the rich natural environment and natural resources of our country. I am in charge of the AKAYA Project where we are working on scientific forest development with the goal of restoring biodiversity and developing a sustainable community in the Akaya Forest, which is located in Minakami Town, Gunma Prefecture and extends over 10,000 hectares. Since 2014, we have started a test to improve the environment of golden eagles' habitat. In order to achieve this, we have to identify individual golden eagles from a distance of more than one kilometer and record their behavior, and to do this, Nikon binoculars, field scope and digital cameras are indispensable tools. Also, Nikon's Fabre portable field microscope has proven to be very useful in enabling children to observe small water insects and soil animals during our nature tours.

Mr Seiichi Dejima
 Ecosystem Management Division, Nature Conservation Department
 The Nature Conservation Society of Japan



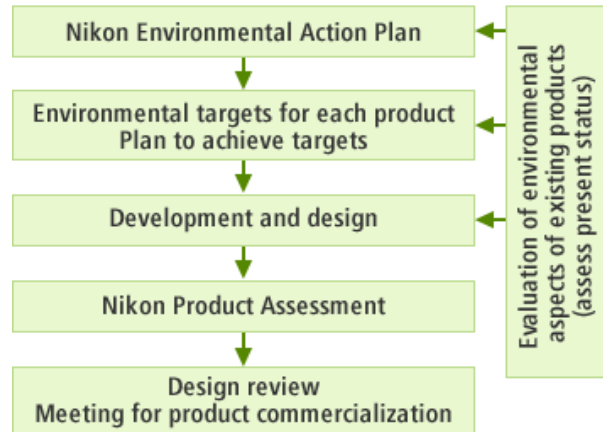
Eco-friendly Product Development

The Nikon Group takes into account the environmental impact right from the developmental stage of the product. We strive to reduce the environmental load throughout the product life cycle.

Management System for the Development of Eco-friendly Products

The Nikon Group continues to operate the unique management system outlined at right to produce even more advanced eco-friendly products.

Management System for the Development of Eco-friendly Products



Nikon Product Assessment

Anticipating the escalation of stricter regulations to deal with global environmental issues, the Nikon Group developed and established the Nikon Product Assessment in 1995 as a reference for carrying out assessments that thoroughly considered the specification of Nikon products. The Nikon Product Assessment has continuously revised the assessment items and tightened standards. The latest regulations and information were updated in April 2014.

The Nikon Product Assessment is used in the design and development process of all products of the Nikon Group. We strive to improve our products in order to minimize the environmental impact throughout the whole product life cycle by promoting resource conservation, making substantial reductions in the use of hazardous substances, and improving energy efficiency*.

* Energy efficiency

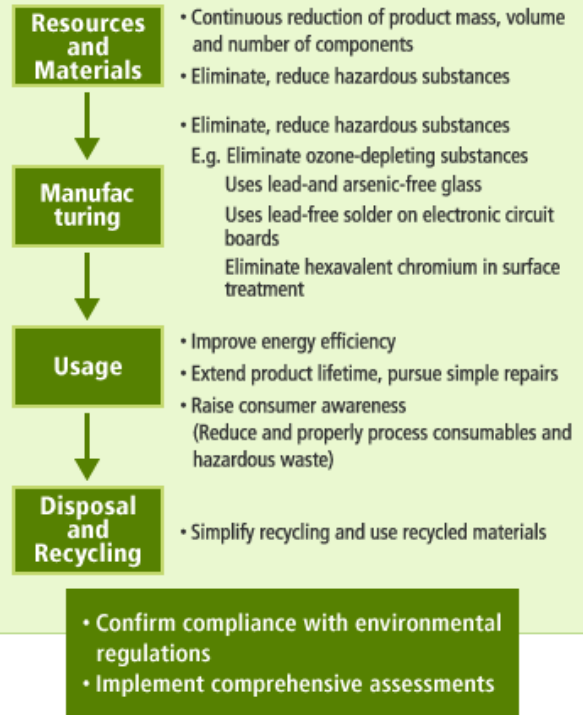
The Nikon Group defines energy efficiency as the degree of functionality of each product per unit of power consumption. Energy efficiency of a product = Degree of functionality/Unit of power consumption

Functionality is defined separately for each product type. The Nikon Group is always committed to releasing new products with higher energy efficiency.

Features of Nikon Product Assessment

- Compulsory implementation at development
- Improved products required to improve further in next product stage
- Supports designers with related manuals and other documents etc.

Implementing assessments for each stage of the product lifecycle



Reducing Hazardous Substances in Products

The Nikon Group strives to reduce hazardous substances and to implement measures for all products, including the items listed below, in order to comply with international regulations for hazardous substances.

Discontinued Use of Ozone-layer-depleting Substances

The Nikon Group gradually decreased the use of ozone-layer-depleting substances* (HCFCs) as refrigerants required to regulate the temperature for semiconductors and FPD lithography systems until finally discontinuing their use for equipment shipped in and after the year ended March 31, 2009.

* Ozone-layer-depleting Substances

This is a causative agent leading to the destruction of the ozone layer. It often refers to substances that are the subject of regulations in the Montreal Protocol. In Japan, the focus is on specific substances, based on the ozone layer protection laws, such as organic chlorine compounds like specific freon and organic bromine compounds like specific halon.

Development of Lead-and arsenic-free Glass

The Nikon Group developed a lead-and arsenic-free glass in the 1990s as we recognized that lead and arsenic used in most optical glass caused serious environmental impact. Since then, we have promoted its extensive use in the optical components of all Nikon products. Today, we have achieved nearly 100% usage of lead- and arsenic-free glass with the exception of some products with unique specifications for industrial use. In the year ended March 31, 2015, the ratio of lead-and arsenic-free glass* in new designs were 100% of consumer products.

* Lead-and arsenic-free glass

For the optical glass used in the lenses and prisms of optical instruments, Nikon has developed a new type of glass that contains absolutely no lead or arsenic. The proportion of lead-and arsenic-free glass is 100% of almost all Nikon products.

Full-scale Adoption of Lead-free Solder

Under the leadership of the electric technology departments of Nikon Corporation and Sendai Nikon Corporation and in collaboration with the product development and manufacturing departments, other Group companies, and its business partners, the Nikon Group has established a lead-free soldering system. Instead of lead-based, we use lead-free tin-silver-copper solders, which represent the standard solder type used in the industry. The properties of the materials used in lead-free soldering, such as the narrow range of allowable temperatures, mean that manual soldering requires a high degree of skill. For this reason, the Nikon Group added a course on lead-free soldering to its in-house training and technical certification system and has already trained numerous instructors and certified technicians. By implementing measures such as these, we have striven to increase the use of lead-free solder. We have achieved 100% lead-free circuit boards for all our consumer products, including digital SLR cameras, which form our core product category. In principle, we have also eliminated lead from new circuit boards used in industrial products (such as steppers and scanners, microscopes, and surveying instruments).

Use of Hexavalent Chromium-free Technology in Surface Treatment

Having reviewed its technologies and processes for chromate treatment and chrome plating, Nikon Corporation's surface treatment department discontinued the use of highly hazardous hexavalent chromium at the end of 2004. By applying the department's innovative findings and accumulated expertise, we have established hexavalent chromium-free surface treatment technologies in all Nikon product categories.

The Nikon Group has established a strict technical standard to discontinue the use of heavy metals (hexavalent chromium, lead, cadmium, and mercury) in all surface treatment processes including coating, plating, and chemical conversion. To ensure practices of the full technical standard in all product categories, we, in cooperation with our various business partners contracted to perform surface treatment processes, take all possible steps, including individual technical assistance, strict on-site audits, and checks based on chemical analysis of actual items.

Chemical Analysis Techniques Used by the Quality Assurance Departments

The Nikon Group is in the process of discontinuing the use of hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC, and other hazardous chemical substances in all of its products. Since Nikon products are made from an astonishingly large number of materials and components and pass through the hands of numerous business partners before reaching completion, it is essential that we inspect various materials using chemical analysis to fully eliminate the use of hazardous chemical substances in Nikon products in addition to establishing a green procurement system. We have therefore introduced chemical analysis technologies to our quality assurance departments and other departments involved in the production of Nikon products. We also educate our engineers on analysis technologies and the related know-how to prevent hazardous chemical substances from making their way into Nikon products.

Response to Regulations on Hazardous Chemical Substances

At present, new regulations on chemical substances are being enacted around the world. Backing up this trend is the tremendous progress that has already been made toward the establishment of an international framework for the appropriate management of chemical substances. Significant milestones include the announcement of the Rio Declaration* in 1992, in which the "preventive approach" was proposed, and the adoption of the Johannesburg Plan of Implementation* and SAICM*. The Nikon Group is striving to manage chemical substances in line with the established international framework and to ensure compliance with related laws and regulations in order to protect human health and reduce environmental risks. Among the new regulations, the European RoHS Directive* and the REACH Regulation* have had a considerable impact on the international regulation of chemical substances to the extent that it is now essential that manufacturers manage the use of chemical substances in their products. The Nikon Group has been utilizing information technology to survey the use of hazardous chemical substances in its products and to manage the relevant information throughout its supply chain, thereby complying with the RoHS Directive, REACH and other international regulations on hazardous chemical substances in a strict, prompt, and efficient manner.



Nikon's declaration on compliance with REACH Regulation (PDF:33KB)
http://www.nikon.com/about/csr/pdf/Nikon_REACH.pdf

* Rio Declaration on Environment and Development

Declaration composed of 27 principles that was made at the United Nations Conference on Environment and Development held in Rio de Janeiro, Brazil in 1992.

* Johannesburg Plan of Implementation

This plan, which was made in 2002, sets out the specific issues to be tackled by governments of each participating country for the achievement of the following target: "By 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment."

* SAICM

The Strategic Approach to International Chemicals Management, an international agreement on the management of chemical substances made to achieve the target of the Johannesburg Plan of Implementation.

* RoHS Directive

"RoHS" stands for "Restriction of Hazardous Substances." This directive was adopted by the EU in 2003. It restricts the use of certain hazardous chemical substances in electrical and electronic equipment with a view to minimizing the risks that these substances pose to the environment and human health. The RoHS Directive has been revised in 2011.

* REACH Regulation

A regulation on chemical substances issued by the European Union (EU) in 2007. "REACH" stands for the "Registration, Evaluation, Authorization and Restriction of Chemicals," and manufacturers and importers of chemical substances are mandated to register information on the safety and use of these substances under the regulation.

Relative Information

› Promoting Green Procurement (P123)

Find the activities of the Nikon Group to promote the chemical substance management system built in procurement partners.

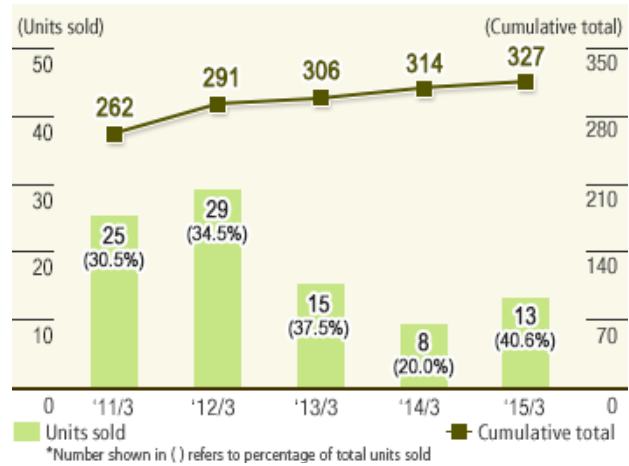
Product Reuse and Recycling

As a supplier of products to all over the world, the Nikon Group is working tirelessly to reduce the total environmental impact of its products and services by reusing and recycling used products.

Sales of Refurbished Steppers and Scanners

In the year ended March 31, 2001, the Nikon Group launched a commercial service for collecting used Nikon steppers and scanners from customers, reconditioning them, replacing parts, reconfiguring them, and installing them for new customers in and outside Japan. This business is an example of Nikon's practice of reusing its own products. As of the year ended March 31, 2015, Nikon had sold a cumulative total of 327 refurbished steppers and scanners.

Volume of Refurbished Steppers and Scanners



Battery Recycling

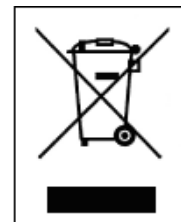
In Japan, Nikon Corporation has been cooperating with JBRC* and a number of other companies to collect end-of-life secondary batteries, including those used for Nikon digital cameras, from users for recycling.

* JBRC

The Japan Portable Rechargeable Battery Recycling Center, an incorporated association that promotes the recycling of small rechargeable batteries based on the Act on the Promotion of Effective Utilization of Resources.

Recycling of Used Nikon Products

Under the WEEE Directive*, European countries have been developing national laws in relation to the collection and recycling of used electronic products. In response to these laws, we have been working to fulfill our responsibility for the collection and recycling of Nikon digital cameras and other products. The Nikon Group, led by a group company in the Netherlands, has been preparing nation-specific measures to meet its collection and recycling obligations for digital cameras and other Nikon products. We have established a collection and recycling system in more than 25 countries, registering with local collection organizations. The Nikon Group will continue taking appropriate measures in the future for the collection and recycling of used products.



Symbol for recycling in the EU.

* WEEE Directive

Under legislation enacted in the EU in 2003, Member States are required to collect and recycle waste electrical and electronic equipment. The WEEE Directive was revised in 2012.

Recycling of Packaging Materials

The Nikon Group promotes the recycling of packaging materials for Nikon products in Japan by outsourcing the task to the Japan Containers and Packaging Recycling Association.

In Europe, under the EU Directive on packaging and packaging waste, each country has developed a packaging waste collection and recycling system in accordance with its national laws. Many of those frameworks adopt the Green Dot system*. In the EU, the Nikon Group cooperates in the collection and recycling of packaging materials in those countries that participate in the program by paying a collection and recycling fee to recycling organizations in each country and by displaying the Green Dot mark on its product packaging.



Green Dot symbol

* Green Dot System

A collection and recycling system for packaging waste adopted by domestic legislation in Member States in accordance with the 1994 European Directive on packaging and packaging waste.

Packaging Measures

The Nikon Group strives to save resources and to reduce harmful substances by reducing both the volume and weight of packaging, as well as reducing CO₂ emissions during transport.

Environmental Load Reduction of Packaging Materials

The Nikon Group established the "Nikon Packaging Assessment (ver.1)" in July 2001 (this has been revised according to regulations and ver.4 is the most recent revision). This aims to reduce environmental impact and the use of hazardous substances as committed in the "Nikon Basic Environmental Management Policy." Carrying out this "Nikon Packaging Assessment" from the stage of design, we promote resource saving by reducing packaging material and by lessening environmental impact, at the process of waste, by reducing hazardous substances.



Product boxes for digital SLR cameras
The volume of the box for the model D5300 is about 32% smaller than that for its preceding model D5200.

Reduction of Paper Resource Consumption for User's Manuals

- An Example of the Semiconductor Lithography System

The semiconductor lithography system has been called the most precise machinery in human history. In addition to its complexity in structure and operation, it requires a great deal of adjustment work. This means that its user's manuals contain a very large number of pages. The part of the manuals that explain just the basics for an early model using g-line, released in 1990, had as many as 3,100 pages. As higher precision was demanded from the system, in following with the trend towards finer semiconductors, the volume of the user's manuals became larger and larger.

From the perspective of resource conservation, the Nikon Group began preparing and distributing electronic user's manuals in the form of CD-ROMs in 2008. If all user's manuals actually distributed in 2013 in the form of CD-ROMs had been offered in hard copy, the total number of pages would have exceeded 100,000. This implies that the switch to electronic manuals reduced paper resource consumption by this amount. The shift to digital manuals not only served as an environmental measure, but also helped reduce customers' storage spaces and improve user-friendliness in search and other operations. The Nikon Group, in a further effort to conserve resources, is also working to reduce paper consumption in the manual production process. The drafts of user's manuals are proofread several times before being finalized. By conducting the proofreading process digitally on a computer screen instead of using printed materials, the total amount of paper that is used can be reduced by an amount greater than that of the completed manuals. The Nikon Group takes part in the preparation of guidelines for paperless proofreading of user's manuals in an industry association and is working to move all internal proofreading work to an electronic format.

This initiative also applies to the process of creating user's manuals for FPD lithography systems.

- An Example of Digital Camera

We are switching user's manuals for digital cameras to a combination of a summary in a print version and detailed information in an electronic version. We started to distribute electronic user's manuals for compact digital cameras in spring 2007 in the form of CD-ROMs. User's manuals for some products have been downloadable from our website since fall 2012. We have been introducing electronic forms of user's manuals step by step and country by country, corresponding to local culture, preference, and IT development. For example, we introduced these manuals to Europe, where conditions were relatively well satisfied, earlier than elsewhere. From 2014 onwards, electronic user's manuals are available online all over the world for our compact digital cameras and advanced cameras with interchangeable lenses.

Aside from giving users enhanced searchability and convenience, the main purpose of this action includes considerations for the environment, such as reduction in paper resources consumption and of CO₂ emissions from transport.

Take the Nikon 1 V3 advanced camera with interchangeable lenses for example. Its user's manual has 316 pages in the electronic version whereas only 160 pages in the printed version. A reduction of 1,360 million pages is expected to be achieved worldwide in 2015 (this is estimated from the reduction per unit and the sales forecast).

The size of user's manuals for cameras is small, in either A6 or B6 size. However, the Nikon Group believes that the reduction of every single unit will result in a massive reduction in environmental impacts.



Further weight reduction is achieved by shifting the electronic edition of the user's manual from CD-ROM to download.

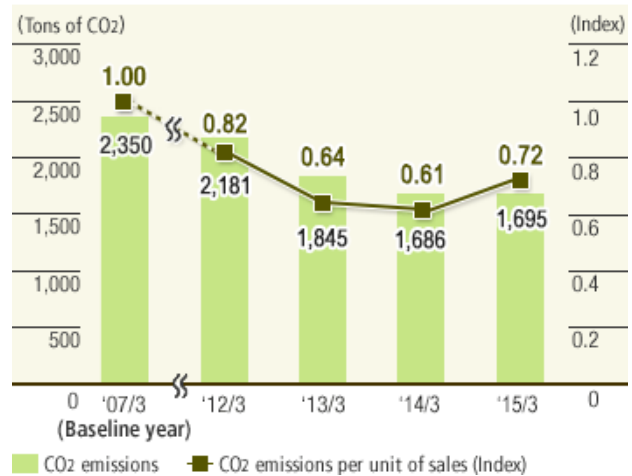
Distribution-related Activities

The Nikon Group is engaged in a number of initiatives to reduce CO₂ emissions in distribution based on the understanding that such efforts are urgently needed to mitigate global warming.

Reducing Carbon Emissions in Distribution

As our products are manufactured in facilities located mainly in Asia and distributed worldwide, Nikon Corporation is striving to reduce CO₂ emissions in transportation. We identified the distribution routes, including those used by Group manufacturing companies in Japan, and obtained numerical data on transportation volumes and CO₂ emissions. We began calculating CO₂ emissions resulting from international distribution by using the calculation tool provided by the Policy Research Institute for Land, Infrastructure, Transport and Tourism of the Japanese Ministry of Land, Infrastructure, Transport and Tourism in the year ended March 2013. CO₂ emissions amounted to 1,695 tons for distribution in Japan and 146 thousand tons for international distribution in the year ended March 2015. We started to collect and analyze the related information in order to estimate CO₂ emissions for inter-American distribution in the year ended March 2015. In the year ending March 2016, we will expand the scope of visualization of CO₂ emissions from transportation and improve the loading ratio, modal shifts, and direct delivery. We continuously strive to reduce the environmental impact from our distribution.

CO₂ Emissions from Physical Distribution in Japan



Promoting Eco-driving

Nikon Business Service Co., Ltd., which oversees the transportation of goods for the Nikon Group, has installed digital tachographs and drive recorders in all of its large-goods vehicles. These devices record various information such as driving routes, departure and arrival times, maximum speeds on local roads and expressways, frequency of sudden starts, sudden acceleration and sudden braking, and rest times. By managing and evaluating this recorded information, the company aims to further improve fuel efficiency and raise safety awareness among its drivers. In addition, all drivers periodically attend eco-driving workshops.

Nikon Instech Co., Ltd. and Nikon Imaging Japan Inc. are promoting safe and eco-friendly driving by using telematics* to manage the operation of company vehicles, a move that is also helping its drivers to become more aware of the environment.

* Telematics

A system in which mobile objects, such as automobiles, are equipped with a communications system that can share information on matters such as fuel consumption.

"Stop Idling" Promotion

When transporting IC steppers and scanners and other devices by road, it is necessary to strictly control the cargo room temperature with the use of in-vehicle heating, ventilating, and air-conditioning (HVAC) equipment, for which purpose engines used to be kept running even while the vehicle was parked. However, there is no longer any need for idling within the premises of our factories where we have introduced measures to power the equipment by the use of external sources.

Nikon Business Service has equipped all of its vehicles for use with external power sources.



Externally powered vehicle

Introducing Eco-friendly Vehicles and Improving Transportation Efficiency

The Nikon Group is gradually replacing its company vehicles and freight trucks with fuel-efficient models, and is promoting the introduction of eco-friendly vehicles.

For transportation between Nikon Corporation's Kumagaya Plant and Narita International Airport, we shifted from "as-needed" to regular transportation, thereby greatly increasing transport efficiency. We are also shortening transport distances by reviewing international distribution routes (direct delivery). At the same time, we have revised the size of the presentation cases for digital camera to be able to load products more efficiency. We are introducing eco-friendly distribution by switching from container transport to pallet transport, and by eliminating exterior boxes.

Modal Shifts

The Nikon Group promotes modal shifts* in Japan in order to reduce environmental impact. We are shifting the mode of delivery from airplane to ship, and from truck to railway. Each business unit is working intensively to shift the mode of delivery, starting with the products deliverable by ship and railway. We are shifting the mode not only for the delivery of products, but also for packaging materials to procurement partners, returning delivery boxes, and the tools for delivery. We strive to promote modal shifts continuously while maintaining the quality of distribution.

* Modal shift

To switch the mode of transporting products to one which have less environmental impact.

Eco-friendliness of Key Products

The Nikon Group aims to constantly improve the environmental performance of its products by means of an original system for managing environmentally friendly product designs.

Following are some examples of the eco-friendliness of products that we announced or released during the year ended March 31, 2015.

Imaging Products Business

Digital SLR camera: D5500 (Released in February 2015)

The D5500 is a Nikon DX-format digital camera that features the first electrostatic touch screen of the Nikon digital SLR cameras. Thanks to the improved internal-unit layout, enabled by the monocoque structure, the D5500 is the world's lightest digital SLR camera (12.5% lighter than the D5300) and its slim body with deep grip provides a balanced handhold. Together with its compact and lightweight body it provides high-quality images and user-friendliness. With its low power consumption design, the maximum recordable frames are 37% more than the D5300.



D5500

AF-S DX NIKKOR 55-200 mm f/4-5.6G ED VR II (Released in February 2015)

The retractable lens mechanism reduces the size by approximately 16.5 mm in length (when retracted), 2.5 mm in diameter, and 35g in weight compared to the existing lenses. With a VR function that offers a high blur-reduction effect, it is equipped with an ED lens and offer high optical performance with less chromatic aberration. It is ideal for easy telephoto shooting.



AF-S DX NIKKOR 55-200 mm f/4-5.6G ED VR II

Compact Digital Camera COOLPIX P900 (Released in March 2015)

Compact digital camera with 83x optical zoom lens to cover 24 mm to 2000 mm (35 mm format equivalent). The large aperture Super ED lens offers dynamic fine zoom with less chromatic aberration. It realizes 5.0-stop vibration reduction with dual detect optical VR, a shooting time lag of approximately 0.12 sec, and has the electronic viewfinder with built-in eye sensor.



COOLPIX P900

Lead-free solder	Lead-free solder is used on all electronic circuit boards
Reduction of hazardous substances	Complies with the standards set by the European RoHS Directive
Ratio of lead- and arsenic-free glass usage	100%

* Data common to the above three products

Laser Rangefinder COOLSHOT 20 (Released in September 2014)

The smallest (91 mm in length) and lightest (125g) COOLSHOT in the series, ideal for golfers. Its First Target Priority mode is useful for measuring the distance to a flagstick on a green with woods in the background. One-Push Continuous measurement function enables 8-second continuous measurement with a single press of the power button. The function minimises the effect of hand shake, enabling easy targeting of an object.



COOLSHOT 20

Reduction in size and weight	Smaller than the standard model (COOLSHOT), 24% reduction in weight (165g to 125g) and length is shorter (111mm to 91mm)
Lead-free solder	Lead-free solder is used on all electronic circuit boards
Reduction of hazardous substances	Complies with the standards set by the European RoHS Directive
Ratio of lead- and arsenic-free glass usage	100%

Instruments Business

Laser Units LU-NV series for Microscope (Released in January 2015)

Multiple laser light sources can be mounted to the laser units and up to eight wavelengths are available. Output through up to seven fibers is possible, enabling the use of only one laser unit for several observation scenes. Lasers can be individually turned ON/OFF, reducing the draining of the laser when it is not in use, allowing the product life extension. The newly developed laser combiner prevents alignment shifts and the AO tube nano filter allows the laser power to be controlled and modulated individually.



Combination of LU controller box B (top left), laser unit LU-NV (lower left), and laser microscope (right)

Longer life	Lasers can be individually turned ON/OFF, reducing the draining of the laser
Reduction of hazardous substances	Complies with the standards set by the European RoHS Directive

Reducing CO2 Emissions

The Nikon Group is committed to realizing a low-carbon society in order to pass on a healthy global environment to future generations.

Basic Policy of CO2 Reduction

The Nikon Group is making diversified efforts to reduce its CO2 emissions based on the basic policy of "passing on a sustainable and healthy environment to future generations." We will continue to position CO2 emissions reduction as one of our management priorities and work to help create a low-carbon society by measures such as fostering energy conservation, use of natural energy, and improvement of energy efficiency* throughout the life cycles of our products.

* Energy efficiency

The Nikon Group defines energy efficiency as the degree of functionality of each product per unit of power consumption.

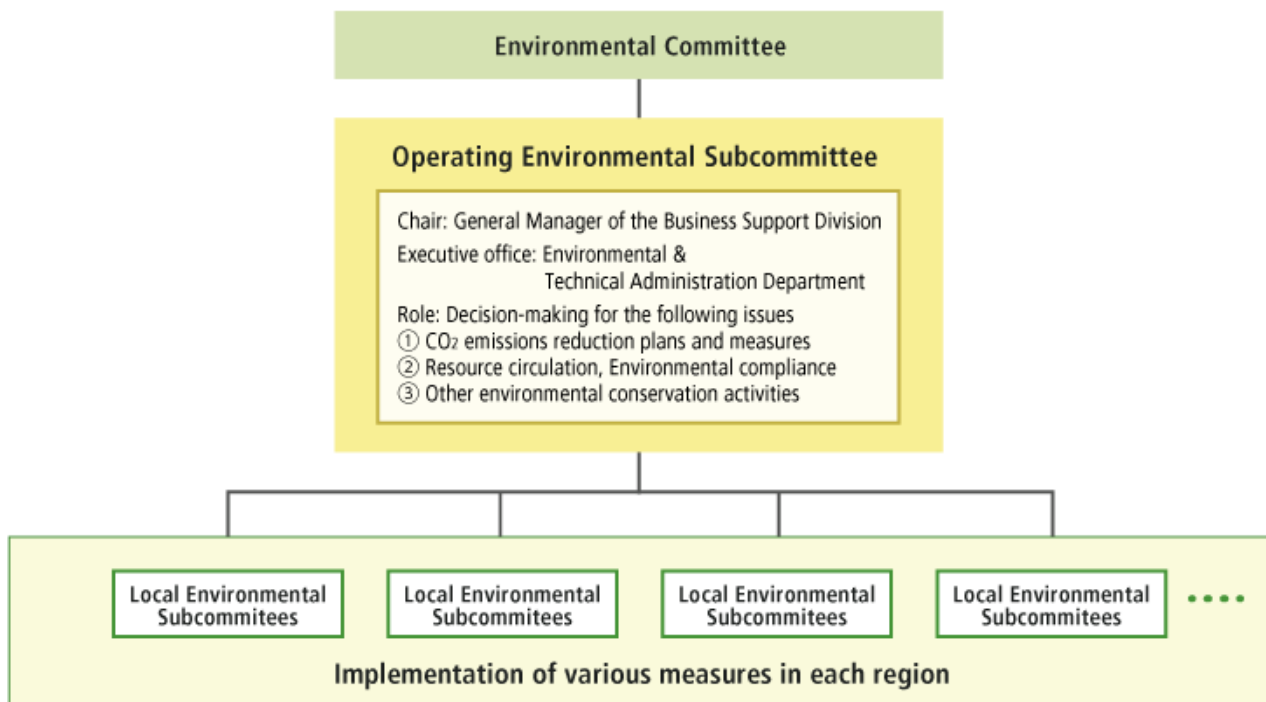
Energy efficiency of a product = Degree of functionality/Unit of power consumption

Functionality is defined separately for each product type. The Nikon Group is always committed to releasing new products with higher energy efficiency.

Structures for Reducing CO2 Emissions

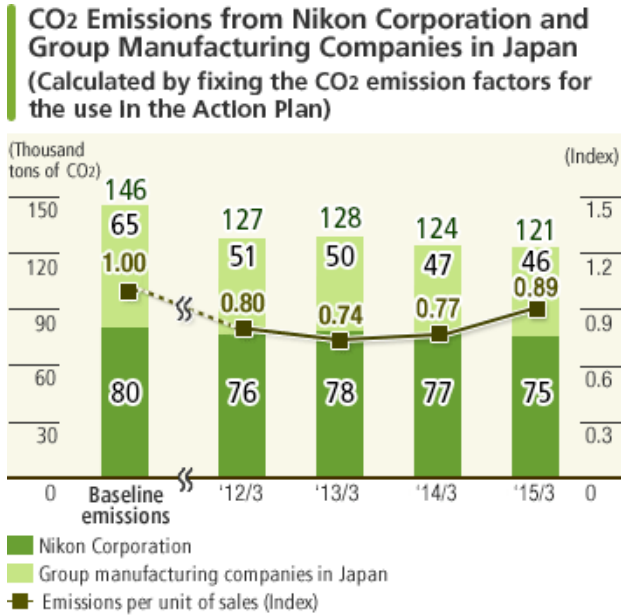
Each facility of the Nikon Group has established its own CO2 reduction targets under the Operating Environmental Subcommittee. We promote diversified activities for each department, such as visualization of energy use, promotion of environmental goals within each department, and educational activities for employees.

Structure of Operating Environmental Subcommittee

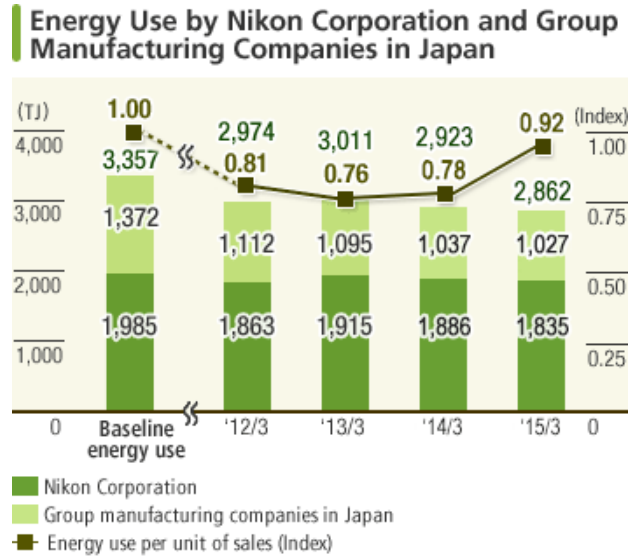


CO2 Emissions from the Nikon Group in Japan

The Nikon Group is working continuously to reduce its CO2 emissions by implementing measures that include increasing the efficiency of HVAC and lighting equipment, improving production activities, managing the use of HVAC, lighting, and OA devices, and making more use of renewable energy. In the year ended March 31, 2015, the total CO2 emissions of Nikon Corporation and Group manufacturing companies in Japan came to 121 thousand tons, meaning we achieved our target of 134 thousand tons.

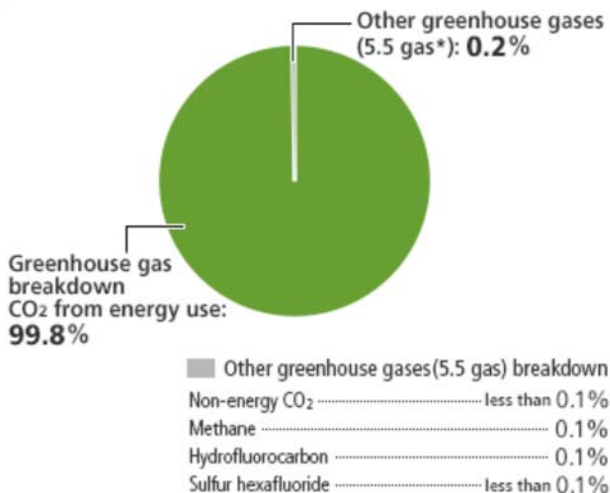


- * The values above are aggregated the results of CO2 emissions from energy use.
- * The baseline emission is average value between the year ended March 31, 2006 and the year ended March 31, 2008
- * The CO2 emission factors are the weighted average values of the actual emission factors between the year ended March 31, 2006 and the year ended 31, 2008 (fixed for the entire period). The CO2 emissions are calculated using the following unit heating values:
 City gas: Specific value of each gas company
 Other fuels: Values contained in the Manual for Calculating and Reporting Greenhouse Gas Emissions for the baseline emission calculation



- * The baseline use is the average value between the year ended March 31, 2006 and the year ended March 31, 2008
- The energy use is calculated using the following unit heating values:
 Electricity: Specific value of each electricity company
 City gas: Specific value of each gas company
 Other fuels: Values contained in the Manual for Calculating and Reporting Greenhouse Gas Emissions for the use calculation of each year

Breakdown of Greenhouse Gas Emissions by Nikon Corporation and Group Manufacturing Companies in Japan



Since almost all of greenhouse gas emissions from Nikon Corporation and the Group manufacturing companies in Japan are in the form of CO2 from energy consumption, greenhouse gas emission reduction targets and measures in the Nikon Group are implemented based on these CO2 emissions.

* 5.5 gases

Of the six types of greenhouse gases specified in the Kyoto Protocol, it is the one for which CO₂ produced from energy consumption is excluded. Specifically, it refers to CH₄, N₂O, HFC compounds, PFC compounds, SF₆ and non-energy CO₂ emissions.

Examples of CO₂ Emissions Reduction Measures by the Nikon Group in Japan

Introduction of a steamless HVAC system

Tochigi Nikon Precision Co., Ltd. introduced a steamless HVAC system in its clean room to efficiently generate heat source. As a result of installing this system, the company has reduced its CO₂ emissions by 2,265 tons on an annual basis.



Heat pump chiller equipment of the steamless HVAC system

Improving Operating Controls for Boilers

Tochigi Nikon Precision Co., Ltd. uses steam for some of its manufacturing processes. The company has succeeded in minimizing the frequency of switching between operation and stoppage by establishing the optimal conditions for boiler operation in line with the pressure required for the supply destination of the steam. As a result, the company has reduced CO₂ emissions by more than 400 tons a year.

Energy saving from effective use of workplace

Kurobane Nikon Co., Ltd. contributed greatly to energy conservation by improving its operational efficiency. This was achieved by reducing the number of lens processing working places from five to three and by the elimination and consolidation of equipment used in the cleaning process.

Utilizing renewable energy

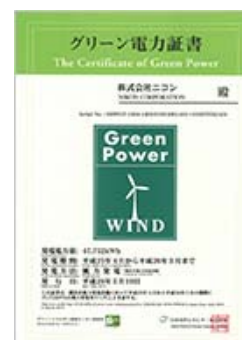
Nikon Corporation's Kumagaya Plant has been operating a solar power generation system at full capacity since January 2010. The system is part of a joint research project with the New Energy and Industrial Technology Development Organization (NEDO). The system generates at least 100,000 kWh of power per year, which results in a reduction of CO₂ emissions of about 50 tons per year. The Yokohama Plant has installed equipment to generate solar power on the walls of Building No. 502 completed in April 2013. The equipment generates approximately 26,000 kWh per year with a CO₂ reduction effect of approximately 10 tons per year. The plant also cosponsors Yokohama City's project for wind power generation as a Y (Yokohama) Green Partner Company.



Monitor showing the amount of power generated in real time

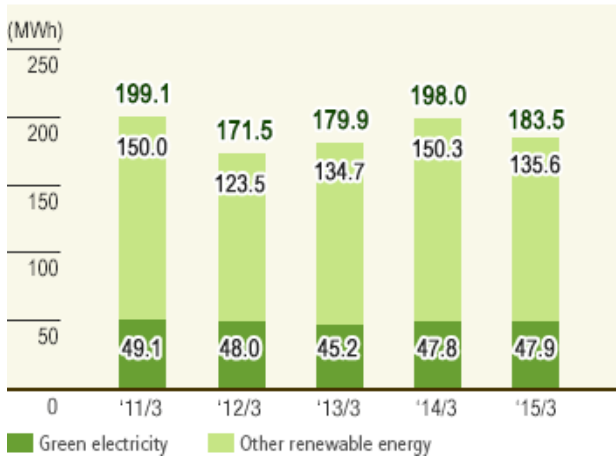


Solar power generation panel



Yokohama Plant's certificate for green power

Use of Renewable Energy at the Nikon Group in Japan



Effective use of well water

The manufacture of glass materials involves heat processing at high temperatures, which imposes heavy loads on HVAC systems. At Nikon Corporation's Sagamihara Plant, an HVAC system that circulates well water (at a year-round temperature of around 18 degrees Celsius) is adopted for the thermal process. By using this system, the plant has reduced its power use by about 50% compared with the use of an HVAC system equipped with a water-cooling system.

New Eco Building at the Yokohama Plant

Completed in April 2013, Building No. 502 at the Yokohama Plant is an eco-friendly building that incorporates insulation in the exterior walls, green curtains, a green rooftop, efficient air conditioning, LED lighting as well as a system for solar power generation.



Initiatives at other facilities

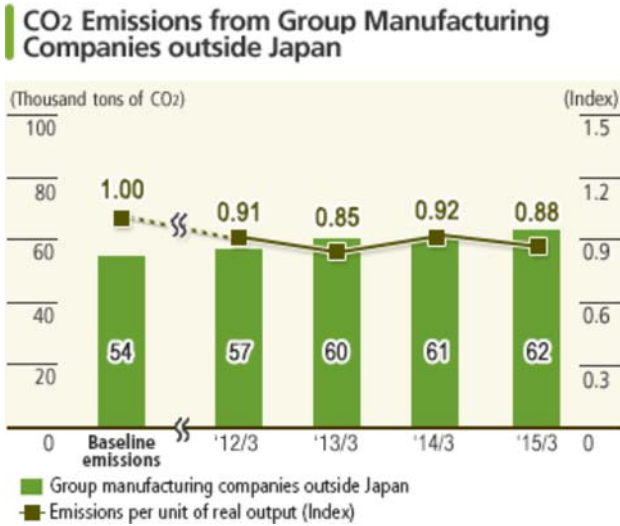
When it is time to replace equipment that has reached the end of its useful life, we actively encourage facilities belonging to companies within the Nikon Group to introduce high-efficiency equipment (LED lighting, air-conditioning, compressors, transformers, etc.) and to switch fuels for boilers. For example, the Nikon Sagamihara Plant and its Shonan Branch, as well as the Nikon Mito Plant switched some of the mercury and fluorescent lights in their offices and processing rooms to LED lighting. In addition, the Yokohama Plant replaced their refrigeration units with high-efficiency equipment. The Kumagaya Plant has introduced three commuter buses powered by natural gas with the aim of reducing CO2 emissions.



LED lighting at the Shonan Branch, Sagamihara Plant

CO2 Emissions from Group Manufacturing Companies outside Japan

In the year ended March 31, 2015, the CO2 emissions per unit of real output from Group manufacturing companies outside Japan were reduced by 11.9% to meet the target of a 8.0% reduction compared to baseline emissions.



- * The baseline emission is the average value between the year ended March 31, 2006 and the year ended March 31, 2008
- * The CO₂ emission factors are the weighted average values of International Energy Agency (IEA) factors by country between 2005 and 2007 (fixed for the entire period)
- * The baseline year for emissions per unit of real output (index) is set at the year ended March 31, 2007 (year ended March 31, 2007 = 1)
- * For the year ended March 31, 2012, the calculation of CO₂ emissions from Nikon (Thailand) Co., Ltd. was limited to the period from April through September due to the temporary shutdown of the company's plants as a result of the flood in Thailand.

Examples of CO2 Emissions Reduction Measures by Group Manufacturing Companies Outside Japan

Optimized lighting

In the year ended March 31, 2013, Nikon Imaging (China) Co., Ltd. exchanged outdoor lights on the factory premises for LED lighting with solar panels. The company has also been successively replacing the lighting used in corridors in the factory and other common areas, as well as the lights in the substation and the compressor room with LEDs. In Thailand, Nikon (Thailand) Co., Ltd. is moving ahead with energy conservation for the operational aspects at the factory such as replacing fluorescent lighting on the factory premises with LED lighting, and installing inverters for the air conditioning.



Nikon Imaging (China) Co., Ltd.
Fluorescent-style LED lighting in common areas



LED outdoor lighting with solar panel at Nikon Imaging (China) Co., Ltd.

Expanding energy conservation efforts

The CO₂ Committee Group, whose members are the in-house environmental officers, conducts energy conservation patrol at Nikon (Thailand) Co., Ltd. As well as making frequent checks of the temperature controls and lighting on their patrols, they also work toward the proper management of air conditioners and lighting.



Energy conservation patrol at Nikon (Thailand) Co., Ltd.



Display calling for energy conservation posted near light switches at Nikon (Thailand) Co., Ltd.

A monthly energy-conservation patrol of the entire plant is also conducted at Nikon Imaging (China) Co., Ltd. They strive to reduce the use of lighting and to effect proper management of air conditioning and exhaust equipment. They also work on energy-saving activities such as the monthly check of compressed-air leakage.

Efforts by Non-manufacturing Facilities

The Nikon Group also makes effort to a variety of environmental preservation to conserve energy, reduce waste, and promote the recycling of resource at non-manufacturing facilities.

Conserving Energy at Offices

All facilities are switching to highly efficient lighting, introducing sensor-equipped lighting, and promoting efficiency for air conditioning equipment and office machinery. Nikon AG (Switzerland) has improved insulation of the building by installing an automated curtain on the exterior of the office building. Nikon Australia Pty Ltd has installed the main control panel for managing lighting of all areas of the office. It is located at the main entrance to allow staff to check if the lights have been left on in areas that are not in use. In Nikon India Private Limited (India), we have been taking action to improve lighting efficiency and extinction of the lights, and to reduce electricity use in PC's and air conditioners. In the year ended March 2015, we changed almost all the office lighting from fluorescent lights to LED. The high luminance of LED allowed a decrease in the amount of lighting, and led to a major energy consumption reduction. A branch of the Tochigi Office of Nikon Staff Service Corporation has installed a green curtain by the window by planting cucumber, bitter gourds and water melon. This mitigates the temperature rise inside the office during the summer.

All offices strive to conserve energy in their daily operations with appropriate temperature settings on the air conditioning, timers to manage lighting, and a reduction of standby power etc.



The Nikon AG office building with its exterior automated curtain



Main control panel for lighting at Nikon Australia Pty Ltd



In Nikon India Private Limited almost all of the lightings are LED



The green curtain at the staff placement branch of the Tochigi Office of Nikon Staff Service Corporation.

Using Renewable Energy

Nikon AG (Switzerland) introduced a heat pump system using geothermal heat for heating and cooling its office when it moved to a new location in 2003.



Heat pump system at Nikon AG

Resource Conservation, Waste Reduction, and Recycling

In order to save resources, all offices endeavor to reduce the use of paper cups and other disposable dishes, and to refrain from printing documents. The offices also promote waste separation and raise awareness of resource recycling. Nikon Precision Korea Ltd. has been running a campaign to reduce the paper consumption since July 2013, using the in-house portal website to call on employees to reduce printed matter and to avoid using paper cups in line with the paperless process. Nikon India Private Limited uses a service that recycles used paper from the office, turning it into notebooks, which are then once again used in the office.



Recycling boxes for PET bottles (left) and old newspapers and magazines (right) at Nikon Hong Kong Ltd.



Stickers calling for reducing the amount of paper used (left) and sticker applied to printer (right) at Nikon Precision Korea Ltd. The sticker says "Conserve the global environment. Blank Reverse/Black and White/Both Sides/2 Pages per Sheet" in Korean.



Paper recycling box (left) and notebook made from recycled paper (right) at Nikon India Private Limited

Efforts for Commuting and Commercial Vehicles

All offices are making efforts to introduce eco-friendly cars, hybrid cars or other fuel-efficient vehicles of company cars. Some offices are also encouraging commuting with low environmental impact. For example, Nikon Australia Pty Ltd has provided bicycle parking and shower facilities for employees who commute by bicycle, and is also calling on employees to car pool or use public transportation for their commute instead of the private cars.



The bicycle parking at Nikon Australia Pty Ltd

Preventing Air/Water Pollution and Protecting Water Resources

In order to preserve local air and water quality, the Nikon Group not only complies with the appropriate laws and regulations, but also manages various initiatives. For example, we work closely with relevant local organizations regarding the local environment and set voluntary standards to prevent pollution.

Preventing Pollution of the Air and Water

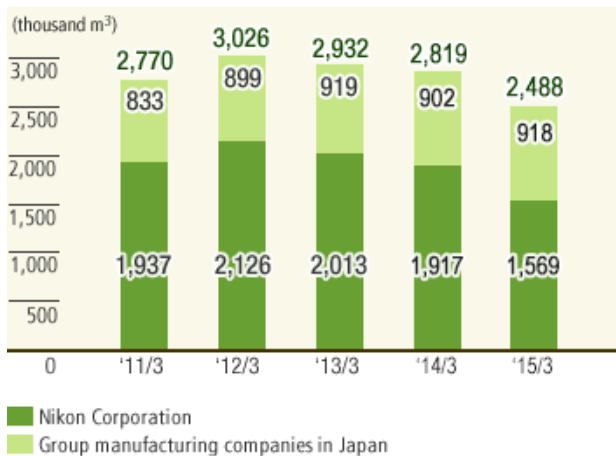
In the year ended March 31, 2015, neither Nikon Corporation nor any Group manufacturing company in Japan emitted regulated substances into the air at levels exceeding the standards, but there were two cases of wastewater quality exceeding the legal standards. Both of them were restored to normal values after measures were taken.

Protecting Water Resources

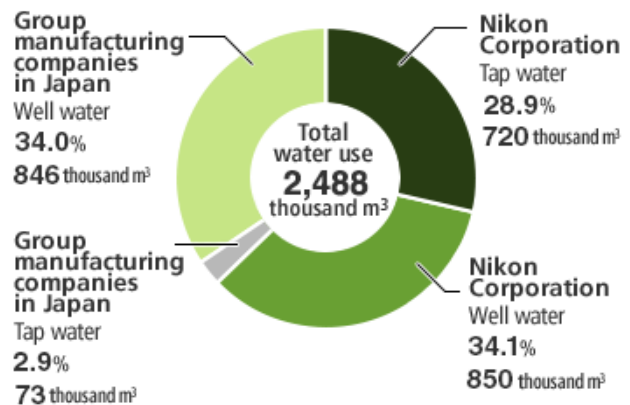
The Nikon Group endeavors to protect water resources as well as reducing the environmental impact caused by exhaust gases or wastewater.

Manufacturing facilities process wastewater properly and actively promote its reuse. Also, the reduction of water usage is strictly managed through water conservation activities. For example, Nikon Imaging (China) Co., Ltd. (China) reuses the concentrated water discharged during the purifying process of RO water as toilet water. The amount of water resources input for the year ended March 31, 2015 was 2,488 thousand m³ in Nikon Corporation and Group manufacturing companies in Japan and 1,213 thousand m³ in Group manufacturing companies outside Japan.

Water Use by Nikon Corporation and Group Manufacturing Companies in Japan



Breakdown of Water Use by Nikon Corporation and Group Manufacturing Companies in Japan (Year ended March 31, 2015)



* No industrial water is used.

An Example of the Circulative Use of Water

The manufacture of optical components requires large quantities of water resources. The quantities of water resources used by Nikon Corporation's Sagami-hara Plant, which is responsible for an integrated process to manufacture optical materials and process optical components, accounts for about 50% of total use by the Nikon Group in Japan. The waste gas cleaning equipment at the plant uses the largest quantity of water. This equipment removes acid components contained in gas leftover from the glass manufacturing process by using water as an adsorbent. Therefore, the Sagami-hara Plant recovers, recycles and reuses the water used for the waste gas cleaning equipment. As a result, the use of circulated water accounts for 60% of the total water used in the cleaning process at present. In addition, about 30% of the total water used in the barrel finishing process is circulated water of Hikari Glass, which manufactures optical glasses and their components.



Pipes through which the recovered and treated water is supplied to the washing process (at the Sagami-hara Plant)

Waste Reduction

The Nikon Group promotes the reduction of waste and the improvement of recycling rates by defining the five levels of zero emissions.

Waste Reduction

The amount of waste disposal (excluding valuable resources) during the year ended March 31, 2015 by Nikon Corporation was 2,511 tons, while that by Group manufacturing companies in Japan totaled 2,213 tons. Together, Nikon Corporation and the Group manufacturing companies in Japan achieved their target of maintaining the same level of waste disposal as in the year ended March 31, 2011.

Toward Zero Emissions

In the year ended March 31, 2009, the Nikon Group defined four levels of zero emissions* according to the rate of final landfill disposal.

In light of the fact that a lot of facilities have already achieved and maintained level 1 now, we added level S to the existing four levels in the year ended March 31, 2014, with which we are striving to achieve a further reduction in our final landfill disposal rate.

Five levels of zero emissions

- Level S: Final landfill disposal rate: less than 0.5%
(Added in the year ended March 31, 2014)
- Level 1: Final landfill disposal rate: less than 1%
- Level 2: Final landfill disposal rate: less than 5%
- Level 3: Final landfill disposal rate: less than 10%
- Level 4: Final landfill disposal rate: less than 20%

* Zero emissions

A concept proposed by the United Nations University in 1994 with a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as resources for other industries.

Achievement of Level S and Level 1 Zero Emissions in the Nikon Group (Year ended March 31, 2015)

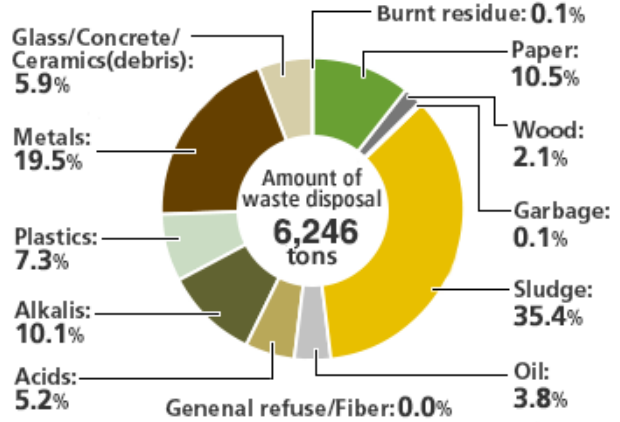
Nikon Corporation and Group manufacturing companies in Japan, except Hikari Glass, maintained the zero emission level S in the year ended March 31, 2015. Hikari Glass built the level 1 system.

Level	Company
Level S	Nikon Corporation (All six plants)
	Tochigi Nikon Corporation/ Tochigi Nikon Precision Co., Ltd.
	Sendai Nikon Corporation
	Miyagi Nikon Precision Co., Ltd.
	Kurobane Nikon Co., Ltd.
	TNI Industry Co., Ltd.
Level 1	Nikon Imaging (China) Co., Ltd.

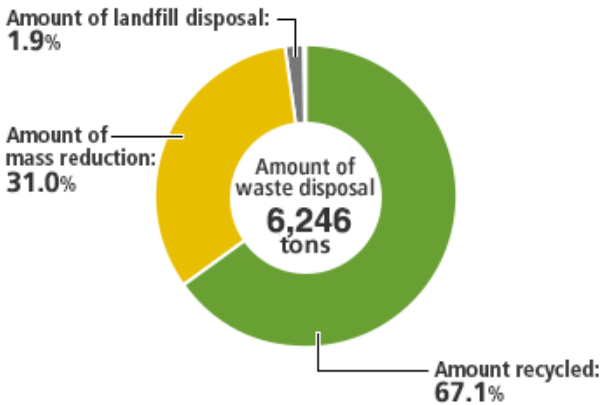
Progress Made by the Nikon Group in Japan

In Nikon Corporation and Group manufacturing companies in Japan, we introduced a waste management system, which supports the Electronic Manifest* System (JWNET), and its operation was launched in the year ended March 2015. This system allowed us to unify the waste emissions calculation method, enabling rapid data collection regarding waste emissions and increasing data accuracy.

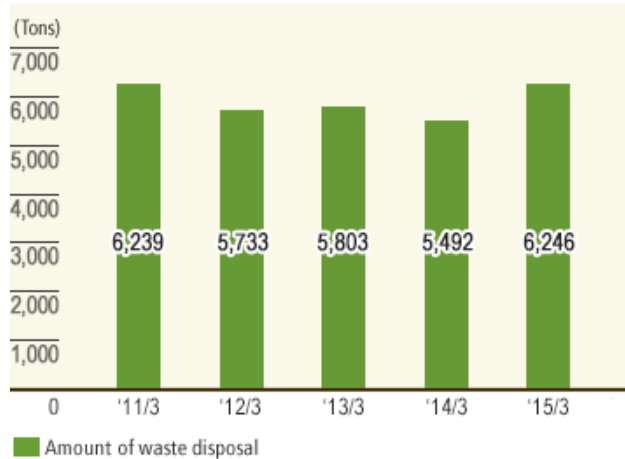
Breakdown of Waste Including Valuable Resources at Nikon Corporation and Group Manufacturing Companies in Japan (By category, year ended March 31, 2015)



Breakdown of Waste Including Valuable Resources at Nikon Corporation and Group Manufacturing Companies in Japan (By processing method, year ended March 31, 2015)



Amount of Waste Disposal Including Valuable Resources at Nikon Corporation and Group Manufacturing Companies in Japan



* Electronic manifest

The manifest system was established to prevent illegal dumping of waste. Under the system, companies identify and manage the flow of disposal of their waste by the use of manifests. Electronic manifests are manifests digitized for more advanced and efficient waste management.

Progress Made by the Nikon Group in Japan

Hikari Glass has started to entrust a recycling company to treat sludge, which had previously been sent to landfill sites since it was difficult to recycle the fluorine in the waste. This company melts the sludge and recycles it into slag to be used as cover material. This has enabled the recycling of sludge containing fluorine. Hikari Glass built a level 1 system of zero emissions in the year ended March 31, 2015.

Progress Made by Group Manufacturing Companies Outside Japan

In China, Nikon Imaging (China) Co., Ltd. commenced activities toward zero emissions since the year ended March 31, 2009. It has assessed the current situation and examined, according to type of waste, disposal methods that could serve as alternatives to sending everything to landfill. As a result, it switched waste processing companies to those that are able to offer recycling and other such services. Thanks to its wide-ranging efforts, it achieved level 1 zero emissions in the year ended March 31, 2010. During the year ended March 31, 2015, it retained its level 1 status with a final landfill disposal rate of 0.52%. The company is working to recycle waste generated from the cleaning process.

Nanjing Nikon Jiangnan Optical Instrument Co., Ltd. and Hikari Glass (Changzhou) Optics Co., Ltd., began collecting accurate data on their waste disposal for the establishment of a waste management system in the year ended March 31, 2012, and built a level 2 system of zero emissions as planned in the year ended March 31, 2015.

Control and Reduction of Chemical Substances in Manufacturing

The Nikon Group properly manages and reduces the use of chemical substances in each plant. We also report and disclose information in line with the relevant laws and guidelines.

Control and Disposal of Polychlorinated Biphenyl (PCB) Waste

The Nikon Group observes stringent safekeeping and notification practices for PCB-containing waste and electrical equipment in use in compliance with laws and regulations.

In addition to highly concentrated PCB-containing waste that has been disposed properly, we plan to dispose the remaining PCB-containing waste and electrical equipment in use. This will be carried out in order to meet the deadline specified in the Law Concerning Special Measure against PCB Waste*, in consultation with the Japan Environmental Storage & Safety Corporation (formerly Japan Environmental Safety Corporation).

* Law Concerning Special Measure against PCB Waste

Under this law, business operators that have polychlorinated biphenyls (PCBs) in store were required to properly dispose of them by July 2016. As a result of partial revisions to this law in December 2012, the period was extended to March 2027.

Control and Reduction of Chemical Substances in Manufacturing

The Nikon Group manages chemical substances from their purchase and use through to disposal to prevent chemical pollution of the environment and promote safety.

As an example, Nikon Corporation obtains a safety data sheet (SDS) for any new chemical substance purchased. The workplace where the substance will be used to make a prior assessment of the risks associated with that substance. We then have a procedure whereby the measures based on the assessment are checked and reconfirmed by experts from the environment, health and safety department.

The Nikon Group strictly controls the use of chemical substances, in particular those with a high environmental impact, so as to minimize their use. We will continue conducting research into alternative substances and maintain our efforts to reduce the risk of chemical contamination to as close to zero as possible.

For example, Tochigi Nikon Precision Co., Ltd. uses organic solvent in the parts' cleaning process. Use of organic solvents will cause VOC (volatile organic compound) gas. We introduced a system that captures, liquefies, and reuses the VOC gas in the cleaning process. This enables the amount of VOC emissions and organic solvent to be drastically reduced.

* Safety Data Sheet (SDS)

It is obligatory to provide in advance a safety data sheet when transferring or providing to other corporations a "chemical substance or products containing a chemical substance", as specified in the Pollutant Release and Transfer Register law. The SDS describes the characteristics and the handling of the substance and aims to improve chemical substances management.

The Nikon Group's PRTR

The Nikon Group in Japan created the Nikon PRTR* Guide in March 2000. All of its facilities in Japan have been using this guide to manage the chemical substances used at their facilities, including quantity management from purchase and use through to disposal as well as safe handling and disposal of chemicals according to SDSs. Subsequently, in March 2002 we established a system to make notifications, which had become mandatory by law of Japan, by updating the contents of the Guide to include a new section.

Release and Transfer of PRTR Substances (Year ended March 31, 2015)

Nikon Corporation

Unit: kg

Facility		Sagamihara Plant	Kumagaya Plant
Substance no.		384	384
Substance name		1- bromopropane	1- bromopropane
Volume handled		18,707	2,500
Amount released	Air	18,519	2,500
	Public water	0	0
	Soil	0	0
Amount transferred	Sewage	187	0
	Waste	1	0
Amount in on-site landfill		0	0
Amount removed for processing		0	0
Amount shipped in products		0	0

Group manufacturing companies in Japan

Unit: kg

Facility		Tochigi Nikon Precision Co., Ltd.	Sendai Nikon Corporation	Kurobane Nikon Co., Ltd.	
Substance no.		384	384	71	384
Substance name		1- bromopropane	1- bromopropane	Ferric chloride	1- bromopropane
Volume handled		6,284	26,231	5,373	6,775
Amount released	Air	6,284	20,237	0	4,899
	Public water	0	0	0	0
	Soil	0	0	0	0
Amount transferred	Sewage	0	0	0	0
	Waste	0	5,994	0	0
Amount in on-site landfill		0	0	0	0
Amount removed for processing		0	0	0	0
Amount shipped in products		0	0	5,373	1,876

Unit: kg

Facility		Hikari Glass Co., Ltd.	TNI Industry Co., Ltd.	
Substance no.		405	384	300
Substance name		Boron compounds	1- bromopropane	Toluene
Volume handled		23,341	1,213	4,630
Amount released	Air	33	1,100	1,936
	Public water	2	0	0
	Soil	0	0	0
Amount transferred	Sewage	0	0	0
	Waste	10,853	113	2,694
Amount in on-site landfill		0	0	0
Amount removed for processing		0	0	0
Amount shipped in products		12,454	0	0

Total

Unit: kg

Total		
Volume handled		95,054
Amount released	Air	55,507
	Public water	2
	Soil	0
Amount transferred	Sewage	187
	Waste	19,655
Amount in on-site landfill		0
Amount removed for processing		0
Amount shipped in products		19,703

- * Nikon Corporation: Oi Plant, Yokohama Plant, Mito Plant, and Yokosuka Plant do not handle substances that are subject to reporting.
- * Group manufacturing companies in Japan: Tochigi Nikon Corporation and Miyagi Nikon Precision Co., Ltd. do not handle substances that are subject to reporting.
- * The above table includes data only for hazardous chemical substances of which 1 ton or more (0.5 tons or more for Class 1 designated chemical substances) is handled at the facility in a given year.
- * The total volumes handled may not always sum due to rounding.

* PRTR

In Japan, the "Pollutant Release and Transfer Register" system is a system used by governments to collect, tabulate, and disclose data on chemical substances that might have harmful effects on human health and ecosystems. They are identified and reported to governments once per year by companies.

Supply Chain Management

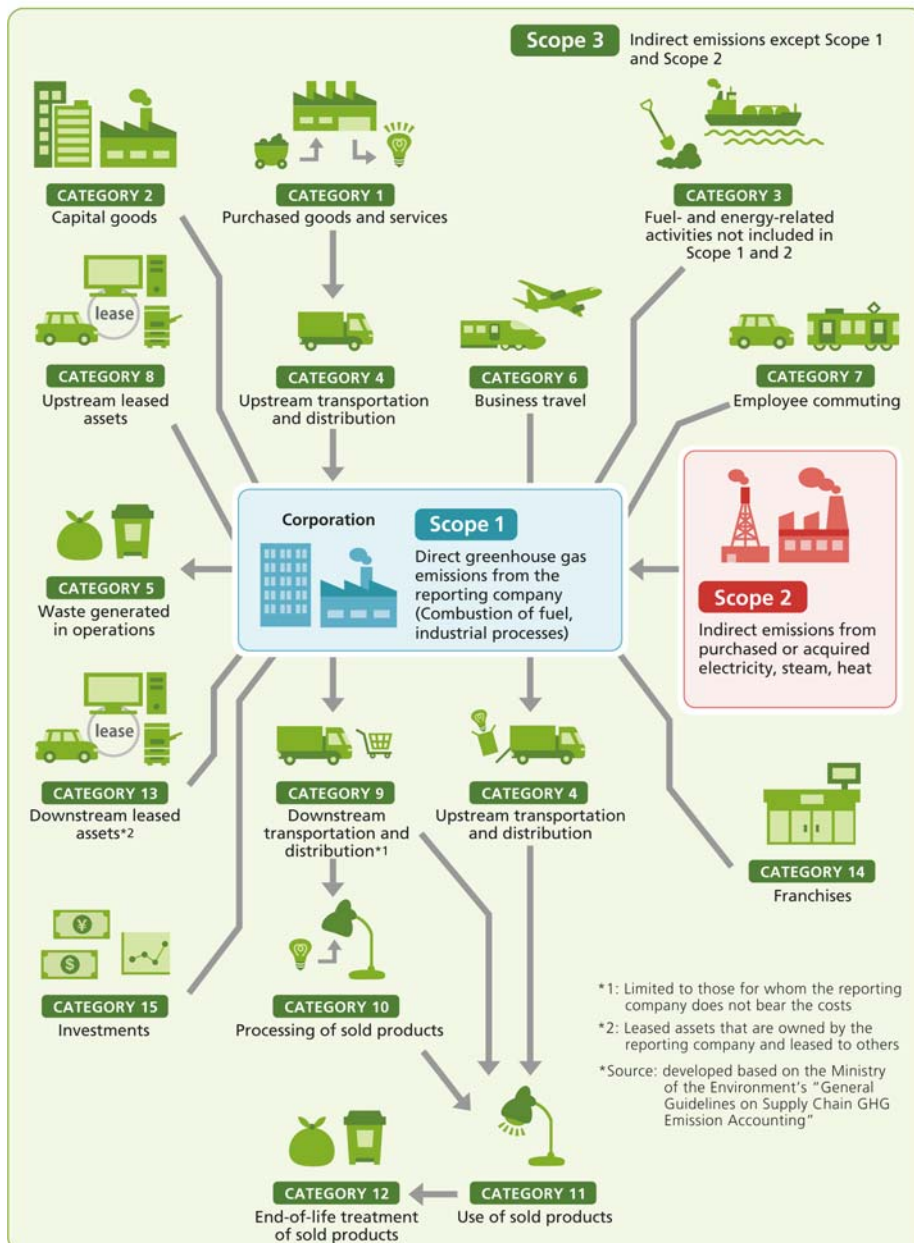
The Nikon Group recognized that environmental impact should be evaluated not only through initiatives in each facility but also from the perspective of the entire supply chain.

Scope 3 Emission Assessment

In addition to current direct emissions (Scope 1*) and indirect emissions from energy consumption (Scope 2*), we have started to work with indirect greenhouse gas emissions related to business activities in the supply chain (Scope 3*).

- * Scope 1
Direct greenhouse gas emissions due to the use of fuel on site
- * Scope 2
Indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam
- * Scope 3
Indirect greenhouse gas emissions related to business activities in the supply chain (except those of Scope 1 and 2)

Image of Scope 1, Scope 2, and Scope 3



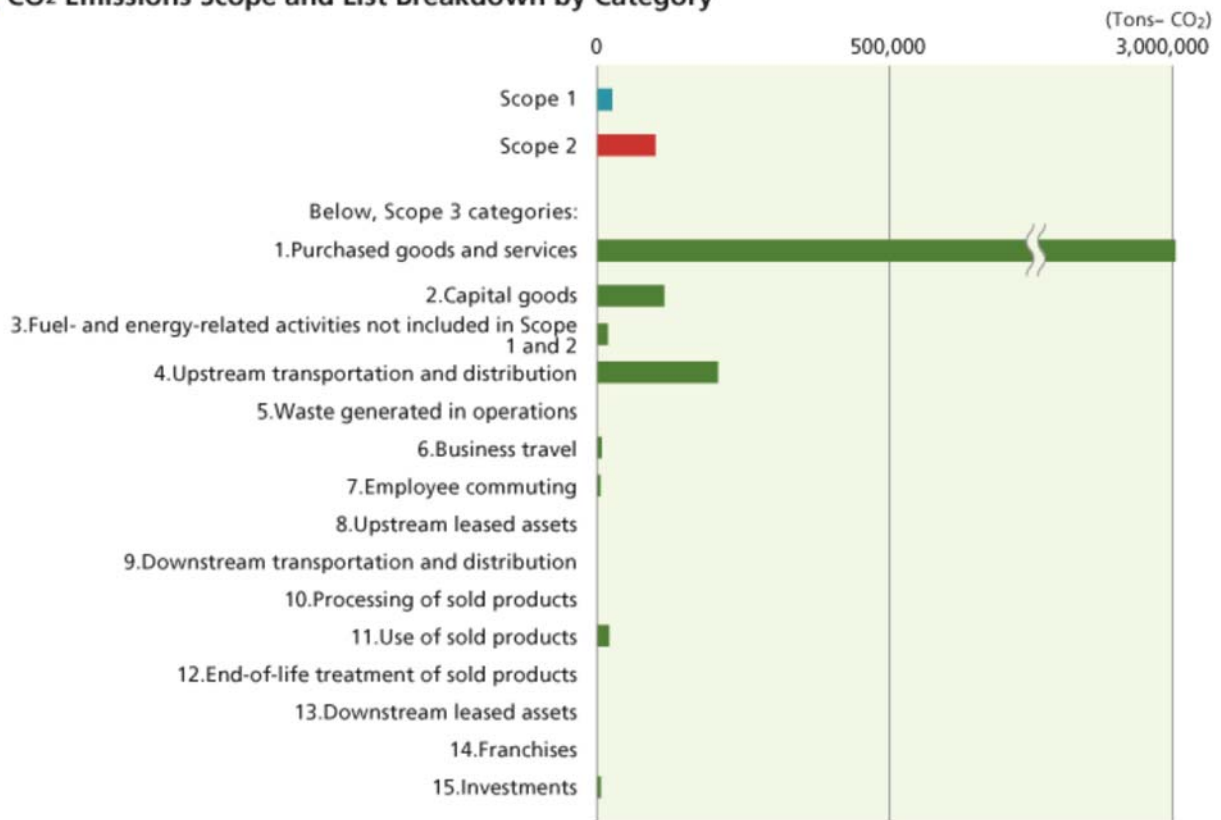
Calculation of Scope 3 emissions (breakdown by category)

We estimated the emissions using calculations based on the "General Guidelines on Supply Chain GHG Emission Accounting", produced by the Ministry of the Environment in the year ended March 2015. From now on, we plan to continue to improve the accuracy of our calculations by expanding the calculation range, as well as by studying measures that focus on those categories that produce a large amount of emissions.

CO₂ emissions scope and list breakdown by category

Scope/Category		Reporting period	Calculation range
Scope 1		Year ended March 2014	Nikon Corporation Group manufacturing companies in Japan
Scope 2		Year ended March 2014	Nikon Corporation Group manufacturing companies in Japan Nikon Imaging (China) Co., Ltd. Nikon (Thailand) Co., Ltd.
Scope 3	1. Purchased goods and services	Year ended March 2014	The entire Nikon Group
	2. Capital goods	Year ended March 2014	The entire Nikon Group
	3. Fuel- and energy-related activities not included in Scope 1 and 2	Year ended March 2014	Nikon Corporation Group manufacturing companies in Japan Nikon Imaging (China) Co., Ltd. Nikon (Thailand) Co., Ltd.
	4. Upstream transportation and distribution	Year ended March 2014	The entire Nikon Group
	5. Waste generated in operations	Year ended March 2015	Nikon Corporation Group manufacturing companies in Japan
	6. Business travel	Year ended March 2014	Nikon Corporation
	7. Employee commuting	Year ended March 2014	Nikon Corporation Group companies in Japan
	8. Upstream leased assets	-	Calculation included in Scope 2
	9. Downstream transportation and distribution	-	Out of scope
	10. Processing of sold products	-	Not calculated
	11. Use of sold products	Year ended March 2014	Imaging products
	12. End-of-life treatment of sold products	-	Not calculated
	13. Downstream leased assets	Year ended March 2015	Nikon Corporation
	14. Franchises	-	Out of scope
	15. Investments	Year ended March 2014	Nikon Corporation

CO₂ Emissions Scope and List Breakdown by Category



Example of emission reduction (upstream transportation and distribution)

Following are examples of continuing activities out of emissions categories.

› [Distribution-related Activities \(P68\)](#)

Hazardous chemical substances management within the entire supply chain

We properly manage the chemical substances contained in a product through green procurement activities. These aim to prevent, in addition to CO₂ emissions, harmful chemical substance emissions into the environment across the entire supply chain.

› [Promoting Green Procurement \(P123\)](#)

Nikon's Approach to Compliance

In order to engage honestly with society's trust, we established a cross-Group promotion structure based on our corporate philosophy "Trustworthiness and Creativity", and we are striving to make the entire Nikon Group aware of compliance.

Our Concept of Compliance

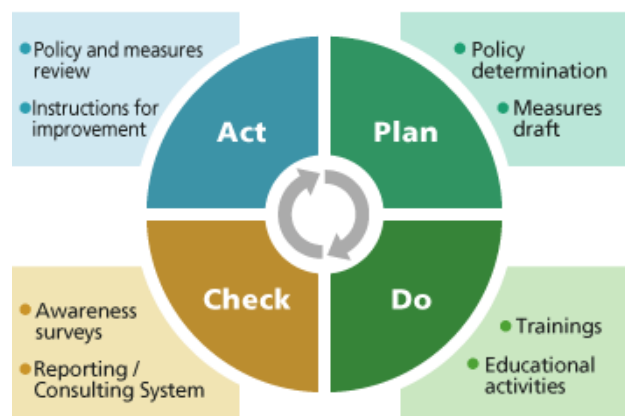
The Nikon Group defines compliance as meeting the expectations of stakeholders and earning their trust by not only complying with laws and regulations, but also conducting sound and fair business activities that conform to corporate rules and social norms.

We recognize that it is the foundation of Nikon's CSR promotion for every employee to deeply understand and implement the concept of compliance.

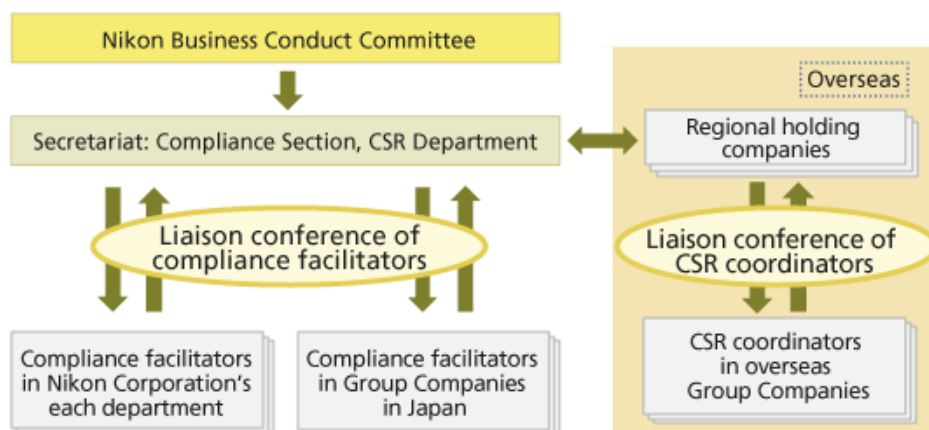
Compliance Promotion

The Business Conduct Committee, chaired by the Senior Executive Vice President of Nikon Corporation, performs the functions of deliberation and decision-making regarding measures on important issues for compliance promotion. The Compliance Section of Nikon Corporation's CSR Department, designs and develops the measures based on regional promotion situations and issues, in cooperation with CSR sections of each regional holding company. Moreover, in order to implement highly effective compliance promotion activities, we periodically hold CSR coordinators liaison conferences in each region. During these conferences, we reinforce global activities by hearing CSR coordinators' opinions directly and sharing the knowledge of culture business, customs and regulations of each country and region. We have consolidated the compliance promotion PDCA both in and outside Japan.

PDCA Cycle of Compliance Promotion



Compliance Promotion Structure



Nikon Code of Conduct

The Nikon Code of Conduct sets the standards of behavior to ensure that each and every individual at Nikon can make proper judgments and act ethically and in accordance with Nikon's rules and with laws and regulations, reflecting an awareness of compliance in his or her regular business activities.

Since its establishment in 2001, the Nikon Code of Conduct has been revised several times to respond with flexibility to the changing time. During the revision in April 2011, we put more emphasis on global CSR perspectives, and compiled issues such as fair transactions, human rights, CSR procurement, and anti-corruption in an easily understandable manner, based on ISO26000, the international standards regarding social responsibility. Currently, the Nikon Code of Conduct is available in 19 languages and is distributed to employees as the unified code of conduct of the Nikon Group companies all over the world.

▶ [Nikon Code of Conduct \(P91\)](#)



Educational booklet distributed in Japan

Anti-Bribery Initiatives

The Nikon Group has clarified its zero tolerance approach toward bribery in the Nikon Corporate Social Responsibility (CSR) Charter and the Nikon Code of Conduct. Nikon also supports the principles of the United Nations Global Compact* covering anti-corruption. Furthermore, in order to reiterate our anti-bribery commitment both in and outside the company, Nikon established the Nikon Anti-Bribery Policy in 2014. Based on this policy, we are currently developing local guidelines for each region. During the process of policy establishment and guideline preparation, we interviewed relevant local employees as part of risk assessment. We are proud that the Nikon Group has never been the subject of investigation by any competent authority for corrupt practices.

▶ [Nikon Anti-Bribery Policy \(P95\)](#)

* United Nations Global Compact

The UN Global Compact was announced by the then UN Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999, and was officially launched at the UN headquarters in New-York in 2000. It is composed of ten principles in the areas of human rights, labor, environment and anti-corruption, and supportive companies are requested to embrace and implement these principles.

Measures to Prevent Competition Laws Infringements

At the Nikon Group, fair competitions and transactions is included in the Nikon Code of Conduct and conducting fair competitions and transactions by complying with each country's competitions laws constitutes our basic stance. So far, each Group company has been proactively striving to comply with the competition laws, but with the recent increase in the attention being paid by the international society to the competition laws, stricter measures are required. In response to this trend, we have reinforced the management of the Nikon Group, by strengthening legal functions and reviewing collaboration structures. Moreover, we are also conducting training across the whole Group.

The Beijing Nikon Ophthalmic Products Co., Ltd.'s, a subsidiary of the equity method affiliate Nikon-Essilor Co., Ltd., paid the fine to the China competition authorities in May 2014, because it was judged to have violated Article 14 of the Chinese Anti-Monopoly Law, for its retail pricing practices.

Nikon Code of Conduct

(Established May 1, 2001, revised April 4, 2011)

Introduction

1. What is the Nikon Code of Conduct?

The Nikon Code of Conduct sets the standards of behavior for Company directors and employees. By following the code, we conduct activities in compliance with all applicable laws and other standards of ethical conduct to practice the Nikon Corporate Social Responsibility (CSR) Charter.

While the Nikon Corporate Social Responsibility (CSR) Charter describes Nikon's basic policy on social responsibility, implementation of the Nikon Code of Conduct by everyone will help to promote our social responsibilities.

2. Scope

The Nikon Code of Conduct applies to all directors and employees of Nikon, as described below. "Nikon" as mentioned herein refers to Nikon Corporation and both its domestic and international subsidiaries, and "we" refers to all directors and employees of Nikon. Other affiliate companies are recommended to apply the Nikon Code of Conduct itself or its contents.

Nikon Code of Conduct

1. Sound corporate activities

1. Compliance

1. We will make every effort to understand and comply with corporate rules, and applicable laws and regulations, governing the conduct of our business in various countries.
2. We constantly endeavor to understand applicable laws related to our business and, when necessary, consult with relevant corporate departments, specialists, administrative authorities, etc.

2. Integrity

1. We will make every effort to comply with applicable rules, operate in a sincere appropriate manner, and strengthen our corporate competencies.
2. We try to control and manage company assets including facilities, equipment, funds, information, intellectual properties and software appropriately to prevent misplacement, theft, damage, etc. We will not use company assets for private or fraudulent purposes.
3. We will not engage in any activities that damage Nikon's reputation or financial interests in order to benefit ourselves or third parties.
4. We cooperate in maintaining social order, and will not engage in antisocial, disruptive activities.

3. Fair Competitions and Transactions

1. Based on the principle of fair and open competition, we promote competing vigorously in the marketplace, but it is our policy to do so by fully complying with all antitrust and other competition laws of governments in applicable countries.
2. We may not enter directly or indirectly into any formal or informal agreement with competitors that fixes prices, allocates markets, eliminates competition, or otherwise unreasonably restrains trade.
3. We exchange legitimate contracts with our customers, suppliers, etc., and adhere to those contracts.

4. Appropriate Purchasing/Procurement with Suppliers

1. We select our suppliers appropriately and fairly. We base our supplier relationships on lawful, efficient and fair practices.
2. We will not exploit our position in business relationships to force onto our suppliers certain unethical conditions or disadvantages, engage in fraudulent activities, or seek personal gain.
3. We also expect our suppliers to adhere to compliance, business ethics, product quality and safety, human rights protection, fair labor practices, health and safety, environmental preservation, information security, etc., and promote socially responsible behavior within our supply chains.

5. Information Management

1. We manage business information including personal information appropriately in accordance with their degree of confidentiality to avoid loss and unauthorized disclosure.
2. We take every reasonable precaution to keep confidential information confidential. The obligation to protect our confidential information continues even after employment terminates. We will not use such information for our own purposes.
3. We obtain personal information only for legitimate business needs. We will not use obtained personal information for any other purpose other than as originally specified.

6. Protection of Intellectual Property Rights

1. We respect the intellectual property rights of third parties. We obtain intellectual property information from third parties using legitimate and appropriate methods. We consult with specialist or other designated section concerning necessary licenses or approvals to use such intellectual property.
2. We cooperate in establishing, protecting and utilizing corporate rights in all Nikon intellectual property assets.

7. Export Control

1. We conduct international transactions which are subject to export control laws and regulations.
2. We need to know, understand and comply with related export control laws and regulations, as well as corporate rules, upon export of hardware (such as products and components), and upon transfer of technical information controlled by export regulations.

8. Insider Trading Prevention

We will not engage in insider trading of securities based on confidential information not available to the general public.

9. Entertainment and Gifts

1. We comply with related laws and regulations regarding provision/receipt of entertainment and gifts to/from our customers, suppliers, etc., and engage in such practice to the extent necessary and reasonable under social norms. We will not provide or receive entertainment and gifts within the Nikon group.
2. We will not provide entertainment and gifts to a supplier, vendor, customer, or any other person in exchange for assistance or influence, or upon the understanding that such assistance or influence has been or will be rendered, in connection with any business transaction affecting the company. Similarly, we will not accept entertainment and gifts from suppliers, vendors, customers or other persons under circumstances which may be interpreted as potentially influencing a decision involving a business transaction.
3. We will report to our superiors on all provision/receipt of entertainment and gifts, except for gifts of nominal value that are normal and customary given the business circumstances.

10. Relationships with public authorities

1. We are committed
to maintain sound and sincere relationships with domestic and international public authorities and public service personnel,
to comply with related laws and regulations, and
to strive to avoid corruption. Should the possibility of violation of related laws or regulations arise, we will immediately report the situation to our superiors and take appropriate measures.
2. We take every care to avoid behavior that might raise suspicions of bribery.

2.Provision of valuable goods and services for society

1. Understanding Expectations and Demands

1. We contribute to society by actively communicating with our stakeholders to understand their expectations and demands, and by providing to society useful products and services reflecting such expectations and demands.
2. We try to respond to inquiries and requests fairly and promptly. We are committed to providing useful and accurate information in an easy-to-understand form to stakeholders to enable them to make sound decisions and judgments.

2. Safety and Security

1. We take the utmost care in the quality and safety of our products and services.
2. We provide user-friendly instructions and other information so that our products and services may be used safely. Should safety issues arise, we will follow prescribed rules to promptly implement appropriate measures such as product recalls, and simultaneously make efforts to prevent recurrence.

3.Respect for Human Beings

1. Respect for Human Rights

1. We are dedicated to equal employment opportunity. We are committed to compliance with applicable employment laws everywhere we operate, including applicable international human rights laws and regulations. We do not tolerate unlawful harassment and discrimination, but respect the unique individuality of each and every person.
2. We will not engage in any forced labor or child labor and request our suppliers to follow suit.

2. Comfortable and Safe Working Environment

1. We mutually accept different opinions and values, provided they do not unlawfully infringe on the rights of others, and work together as one to create a working environment where we can all perform at our best.
2. We comply with laws and regulations related to labor as well as health and safety to ensure a comfortable and safe work environment.

4.Protection of the Natural Environment

1. We conduct environment-oriented business operations, and work to increase environmental awareness in order to contribute to a sustainable society.
2. We strive to reduce environmental burdens in all stages of our business operations—from procurement of raw materials to development, manufacturing, logistics, sales, use, services, and finally disposal—and provide environmentally friendly products and services.
3. We not only comply with environmental laws and regulations, but also actively strive for appropriate use and management of chemical substances, waste reduction, etc. We also make assertive efforts to reduce CO₂ emissions, such as implementing energy-efficient facilities and energy conservation.
4. We strive for resource conservation, efficient use, re-use and recycling so as to realize sustainable use of limited resources.

5.Responsibility to Society as a Corporate Citizen

1. As members of Nikon, we try to understand and respect the cultures and customs of each country and region in which we do business.
2. We understand and actively cooperate with Nikon's basic philosophy on social contribution activities.

6. Transparent Operating Activities

1. We promote fair and open communication with our stakeholders. We try to disclose useful and proper information in a timely manner to further the interests of the parties.
2. We follow appropriate accounting practices based on facts to realize timely and proper information disclosure. We will not engage in inappropriate accounting practices to secure profits, achieve sales budgets, fulfill budgeted expenses, or for any other reason.

7. Responsibility of Top Management

1. Executives and organization supervisors will take the initiative in complying with this Code, and strive for thorough compliance with this Code, within its pertinent organizations.
2. Executives and organization supervisors will operate pertinent organizations objectively and fairly, and actively promote communication among its members.
3. Should violations or potential violations of this Code be reported to the company, executives and the organization supervisors will immediately investigate the facts, resolve, as appropriate, and take measures to prevent recurrence.

Closing

1. Consequences of Violation

Violation of the Nikon Code of Conduct may result in disciplinary actions by the company, up to and including termination of employment and/or in proceedings by government authorities, etc.

2. Reporting/Consulting System

If you become aware of a violation or a potential violation of the Nikon Code of Conduct, please report it immediately to or consult with your immediate superior. When reporting to or consulting with your superior is difficult, please report to the Reporting/Consulting Office or designated section/person of your company.

Personal information of the reporting or consulting individual will be managed appropriately, and the individual will receive neither disadvantageous treatment nor retaliation because of the reporting or consulting.

3. Establishment, Revision, Discontinuance

Establishment, revision and discontinuance of the Nikon Code of Conduct shall take place first with a proposition from the chair of the Business Conduct Committee, next an application to the Executive Committee of Nikon Corporation, and then a final decision. Minor changes will be decided by the Business Conduct Committee chair.

Nikon Anti-Bribery Policy

Established April 21, 2014

Nikon proves worthy of the trust given by society under its corporate philosophy "Trustworthiness and Creativity", and has clarified its zero tolerance approach against bribery in Nikon Corporate Social Responsibility (CSR) Charter and Nikon Code of Conduct.

By establishing this policy, Nikon will fulfill its group-wide commitment to the prevention of bribery in all countries and areas where it conducts business, to enhance the relationship of trust with society.

- **SCOPE**

This policy applies to all directors and employees of Nikon ("Employees"). Nikon mentioned herein refers to Nikon Corporation and its subsidiaries.

- **RESPONSIBILITY**

Responsibility for compliance with this policy is with top management who will immediately investigate the facts, and take appropriate actions, should any violations or potential violations of this policy occur.

- **POLICY STATEMENTS**

1. **Prohibition of Bribery**

Nikon prohibits the providing, offering or promising of money, benefit or other advantage ("Benefit"), directly or indirectly, to another person or entity, for the purpose of securing an improper advantage. Nikon also prohibits the accepting or requesting of improper Benefit.

2. **Dealing with Public Officials**

Nikon will never provide, offer or promise bribes to public and quasi-public officials (including but not limited to officers or staff of national or local governments, government-controlled enterprises, government-controlled hospitals, political parties, etc., "Public Officials"). Nikon will conduct its business activities in compliance with applicable anti-bribery laws and regulations of relevant countries.

3. **Dealing with Third Parties**

Nikon will never provide, offer or promise bribes to Public Officials through third parties such as agents and / or consultants. Nikon will select and assess the third parties from the perspective of anti-bribery compliance before starting business transactions, and requests their pledges against bribery when necessary. When undertaking investment activities, Nikon will perform due diligence including evaluation of bribery risks, of target companies in merger and acquisition transactions or prospective joint venture partners.

4. **Accurate Record-Keeping**

Nikon will keep accounting books accurately based on facts and maintain related vouchers appropriately, under its sound internal control system, to demonstrate its compliance with this policy and applicable anti-bribery laws and regulations of relevant countries.

5. **Risk Assessment and Guidelines**

Nikon will assess the bribery risks facing its business as appropriate, and review this policy when necessary. In addition, regional or individual company guidelines will be established by relevant group companies based on this policy.

6. **Training and Reporting**

Nikon will communicate this policy and applicable guidelines to Employees through education and training, and will require Employees to comply with them. Nikon will develop a reporting framework in order to prevent or correct any violations of this policy or applicable guidelines.

7. **Consequences of Violation**

Violation of this policy and / or applicable anti-bribery laws and regulations of relevant countries may result in disciplinary actions by the relevant Nikon group company, and may also result in such other action, including legal action, by appropriate government authorities.

8. **Revision or Discontinuance**

This policy is drafted by the chairperson of the Nikon Business Conduct Committee and approved by the Executive Committee.

Compliance Promotion Activities

At the Nikon Group, in order to implement highly effective compliance promotion activities, we conduct consistent Group activities, while taking into account regional characteristics, in cooperation with persons responsible for compliance promotion of each company and with CSR sections of the regional holding companies.

Providing All Group Employees with Compliance Education

In order to ensure compliance of top management and all employees, we are implementing training sessions through e-learning as well as group training conducted by facilitators of all departments and companies in and outside Japan. To emphasize local characteristics, regional holding companies take the lead on specific training activities outside Japan.

We established the Nikon Anti-bribery Policy in April 2014. In order to disseminate this policy, in the fiscal year ended March 2015, we implemented of compliance training aimed at informing everyone about the policy, in 74 Group companies (including 5 non-consolidated Group companies). In the fiscal year ending March 2016, regional holding companies will take the lead in the development of harassment-prevention training materials, in line with regional characteristics.



E-learning regarding fair transactions (Compliance with anti-bribery and competition laws)
(Conducted from November to December 2014 / 10,904 participants among 12,438 employees)



CSR newsletter

We are also distributing a compliance newsletter named Compliance Insight at global level. It takes up compliance related news reported around the world and explains the thinking on compliance in the Nikon Group. From January 2015, it is integrated with the CSR Today, a newly issued CSR newsletter and distributed to the employees in 15 languages.

Also, the members of the Compliance Section at the CSR Department and members of the CSR sections at regional holding companies attend external seminars to improve their understanding and take in the latest information about compliance.

Expansion of the Competition Law training

At the Nikon Group, we developed our employees' training regarding Competition Law worldwide during the year ended March 2015. Competition Law contents and practices differ depending on the country and region. Thus, we developed and conducted training based on each region's regulations and businesses, for every transaction-related-department employee, such as sales and procurement departments. Starting from the imaging and microscope solutions business units which seem to pose higher Competition Law infringement risks, we implemented trainings to 1,200 employees from 56 Group companies of the two business units, including non-consolidated Group companies, in the fiscal year ended March 2015. We will also sequentially expand the training to employees of other business units.

We also conducted Competition Law training to every employee in Japan through the compliance e-learning, in order to raise the awareness of fair transactions.

Global Awareness Survey

The Nikon Group conducts monitoring on a global scale through awareness surveys among its employees in an effort to understand the degree of penetration of our Corporate Philosophy and awareness of the Code of Conduct, as well as the implementation of compliance education, which are then reflected in the development of promotional activities. During the Business Conduct Committee in December 2014, we reported the awareness survey's results, including inter-regional and inter-annual comparison. All companies outside Japan received feedback on their results from regional holding companies. Hence, we then established the compliance promotion PDCA cycle in all regions.

Group companies outside Japan also have their own reporting/consulting hotlines. In the Americas, an external hotline has been established with the help of an external specialist firm. Also in Europe, we are preparing the introduction of an external hotline, targeting the fiscal year ending March 2016. We will conduct information campaigns through the holding companies in each region.

Actions Taken against Violations

The Nikon Group takes strict action against all violations of the work regulations and the Nikon Code of Conduct based on its in-house disciplinary rules after investigating the facts. In the year ended March 31, 2015, disciplinary action against the offender (and their managers/supervisors) was taken in two cases at Nikon Corporation and two cases at Group companies in Japan. In order to prevent the recurrence of similar problems, details of the cases, including the level of disciplinary action, are disclosed internally.

Nikon Group HR Vision

We have established Nikon Group HR Vision based on the foundation that Nikon seeks employees that follow our company philosophy of "Trustworthiness and Creativity". This new vision also indicates Nikon goals for global talent management. We will spread this vision throughout all Nikon Group companies.

Nikon Group HR Vision

Established March 25, 2013

To achieve future growth of Nikon, the Nikon Person Core Competencies are defined. All Nikon employees need to act with these core competencies in mind.

Human Resource Management activities include recruitment, development, and deployment of the right people, in the right place, at the right time performed in order to promote diversity.

Nikon Person Core Competencies

- **Seek new knowledge**

It is necessary to keep honing your job skills and knowledge, and have unconventional creative power that generates new ideas without adhering to stereotypes. You need inquisitive spirit to stay ahead and demonstrate results that exceed other's expectations as well as an enduring passion to achieve goals.

- **Display integrity**

Never forget to make diligent and sincere efforts. Self-discipline and respect for others will establish your credibility. Seek to communicate fairly with others with a cheerful attitude.

- **Be pro-active**

When taking actions, it is necessary to broaden your perspective, accept changes, be flexible, devise strategies, make bold decisions, and act with agility. Take ownership and lead your teams while also promoting independent activities and efforts.

- **Communicate well**

In a business environment where speed is emphasized, the ability to involve everyone concerned, share common issues, and solve problems quickly are required. To foster global teamwork and networking, the ability to communicate with empathy is needed.

- **Embrace diversity**

It is important to respect and understand different races, religions, gender, ages, and national origins. Demonstrate your courage and creativity to experience new values.

Nikon Corporation Human Resources Department

Human Resources Management System / Human Resources Development

The Nikon Group recognizes human resources management as a key measure to accomplish its corporate management policy. We strive to provide a working environment that maximizes the capability of each and every employee.

Initiatives for Global Human Resources Management

The Nikon Group aims to create a working environment where all of the employees around the world can maximize their capabilities and grow with Nikon. In the year ended March 31, 2015, we held the Global Human Resources Management Meeting in Japan and in Scotland, to which we invited HR managers from some of the major countries. In the meetings, we discussed building a talent management system and established competency models.

The established competencies reflect the human resources image that Nikon expects from its employees and define the behaviors that employees are expected to take. We have also been delivering messages to all the Group employees by establishing an intranet website, "Global Human Resources", in order to penetrate the competency models to all the employees around the world.



The "Global Human Resources" Intranet website

Initiatives to develop global leaders for the next generation

The Nikon Group aims to develop global leaders who drive business around the world. In the year ended March 31, 2015, we held a global leaders development program for the next generation in Tokyo, in continuation of the previous fiscal year's program. In the 4-days program, 21 employees from 9 countries across the Nikon Group gained a deep understanding of Nikon's history and corporate philosophy. They also discussed strategies to achieve the corporate vision, and those strategies were presented to the Board members on the final day of the program.

We will continue establishing development programs which enable Nikon group employees to be able to contribute to our business globally.



Global leaders development program for the next-generation

Personnel System

Each company of the Nikon Group has established its own personnel system to provide labor environment that enables each employee to maximize their capability.

Nikon Corporation classifies its employees by four levels (Junior Staff, Mid-Level Staff, Senior Staff, and Professional/Management) according to their abilities and clearly states their respective responsibilities. We also have a dual-track system, namely, a professional track and a management track, where employees are given the opportunity to consider in what forms they want to contribute to the company. In addition, the company strives to create an environment where work can be performed with a constant awareness of objectives and purpose.

Nikon Corporation will introduce an evaluation and development system in October 2015 as part of an initiative to deploy a new human resource initiative program, "FUTURE IN FOCUS". This features "competency", which represents a human resource image that we expect.

Human Resource Development

Nikon Corporation has built a training system based on the ability indicators linked with its personnel system. It offers a range of educational courses and systems for employees to receive new skills training according to their current level and job description. The available sessions are divided into three types: mandatory training, business skills training (including foreign language training), and engineer training. In the year ended March 31, 2015, Nikon Corporation held a total of 166 mandatory training and business skills training courses, which were attended by a total of 3,570 employees. In addition, 278 engineer training courses were held for a total of 4,202 employees.

An average Nikon Corporation employee spent 2.44 days in training during the year. Employees of Nikon Group companies in Japan also participated in training sessions of Nikon Corporation, and the Group companies provide their employees with their own human resource development and training programs.

Respect for Human Rights

At the Nikon Group we respect human rights, and in addition to not engaging in any acts that infringe human rights, we are also striving to avoid complicity with other human rights infringements.

Basic Stance towards Human Rights

In the Nikon CSR Charter and Nikon Code of Conduct, Nikon Group commits to respecting human rights. As an advocate and supporter of international declarations, it also endorses the UN Global Compact*, which consists of principles in the area of human rights and labor. We also respect the basic rights of workers and endeavor to maintain a workplace that is free of all kinds of discrimination, harassment, forced labor, and child labor.

* United Nations Global Compact

The UN Global Compact was announced by the then UN Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999, and was officially launched at the UN headquarters in New-York in 2000. It is composed of ten principles in the areas of human rights, labor, environment and anti-corruption, and supportive companies are requested to embrace and implement these principles.

Human rights education

Nikon Group works to deepen its employees' understanding of human rights through education on the UN Global Compact. We have started to issue a CSR newsletter including human rights education for all the Nikon Group employees since January 2015.

Nikon Corporation provides new employees with human rights education in the initial training they receive after entering the company. This education includes briefings on related issues such as discrimination and harassment. We also hold seminars on human rights on a regular basis.



The CSR newsletter
It is translated in local languages in each facility and distributed to employees.

Conducting monitoring surveys at Group companies

Since 2010, we have conducted regular monitoring surveys at all Nikon Group companies for global management of human rights- and labor-related issues. These surveys are conducted in order to understand the current situation in the Group awareness of the issues. They cover a broad range of topics; human rights and labor, such as child and young workers, labor unions, and cases of discrimination as well as disciplinary actions. The survey results are reported at the CSR Committee and if any problems are detected, we will communicate with a group company for reconfirmation and instructions will be given for corrective action in order to avoid recurrence and fully implement prevention. In the year ended on March 31, 2015, we conducted a monitoring survey of 68 companies in total, including three non-consolidated Group companies. No serious problems have been identified in the surveys conducted to date. Monitoring surveys allow us to understand the real conditions in each country, which would be difficult to assess by simply looking at numerical data. Each Group company is notified of the results and the Nikon Group takes actions to deal with the issues brought by the surveys. Through the surveys, we will continue to identify the actual situations of each Group company in order to provide better working environments globally across the Group.

Labor-management Relations

Nikon Corporation has two labor unions, each comprising Nikon Corporation's regular employees: the Nikon Labor Union (a member of the Japanese Association of Metal, Machinery, and Manufacturing Workers (JAM), which is mostly made up of employees of small and medium-sized companies in the metal industry), and Nikon Chapter of the All-Japan Metal and Information Machinery Workers Union (JMIU). As of March 31, 2015, the Nikon Labor Union has 4,893 members, while the JMIU Chapter consists of three, for a total of 4,896. The company and the unions discuss various issues related to the labor environment, hold joint study meetings, and exchange opinions as necessary. At Group companies in Japan, Nikon Labor Union chapters and employee-elected representatives serve the same function. At Group companies outside Japan, issues are discussed either by the company's in-house union or through the consultation with an outside labor union to which employees belong. At companies where there is no labor union, issues are discussed in a briefing for all employees, in a dialog with employee groups, or in face-to-face interviews with individual employees. As a result, currently, labor-management relations are generally good.

When a substantial change is made to an employee's job, Nikon Group discusses the matter with his/her union or employee representative, obtains their prior approval, and then takes the required time to communicate the change to the employee.

Vigorous Activities Demonstrated by Diverse Employees

Our basic policy toward diversity is to provide an environment in which employees from a variety of backgrounds can work. We prioritize the promotion of women's empowerment and support persons with disabilities in Japan.

Respect for Diversity

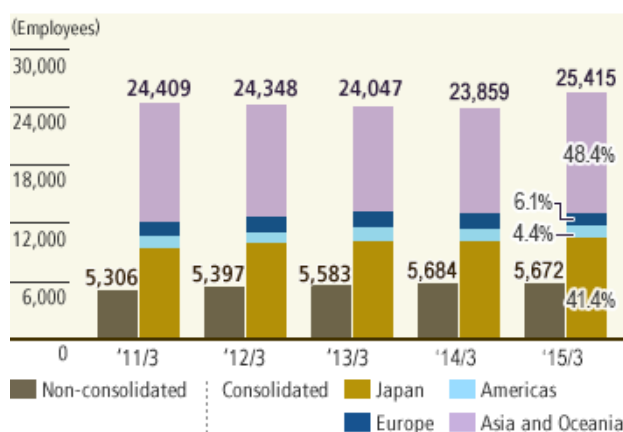
Employees from a variety of backgrounds work in the Nikon Group. Our basic policy toward diversity is to provide an environment in which employees can maximize their capabilities and create output in a team. This is based upon fair treatment, respecting diversity* and human rights.

Concretely, the Nikon Group treats all employees on an equal basis, regardless of race, beliefs, gender, educational background, nationality, religion, or age, respects their individuality and human rights, and provides them with workplaces where they can work with a high level of motivation. We recognize "capability to accept diversity" as a major pillar of the human resources vision in the Nikon Group.

Currently, the Nikon human resources department is leading the initiatives based on prioritizing the policy to promote women's empowerment and support persons with disabilities. These activities are reported regularly to the CSR Committee.

Nikon Corporation promotes the understanding of diversity. Our training programs for newly promoted managers include a session to review what kind of benefit will be generated from diversity promotion. A total of 80 managers participated in the program in the year ended March 2015.

Employee Numbers (Non-consolidated, Consolidated)



* Consolidated figures include permanent and non-regular staff of the Nikon Group and director of Group companies. For regional percentages, employees of Nikon Corporation who are temporarily dispatched to Group companies are included in the region to which they are assigned, while employees dispatched to non-consolidated companies are not included. Employees of Nikon Metrology NV and its subsidiary group companies are included in the European figures.

* Diversity

The state of being varied, or to accept diversity. The idea that a variety of attributes (gender, age, nationality, disability, etc.), values, and ideas of each employees are valuable to the company. These attributes help the company to respond rapidly and flexibly, which contributes toward the growth and competitiveness of the company.

Average Ages

Unit: year old

		'11/3	'12/3	'13/3	'14/3	'15/3
Men	Nikon Corporation	43.9	44.0	44.4	44.7	44.3
	Group companies in Japan	41.2	41.1	41.8	42.4	42.9
	Group companies outside Japan	35.8	36.0	36.3	37.2	37.4
Women	Nikon Corporation	38.4	38.6	39.0	39.3	39.0
	Group companies in Japan	41.4	41.7	42.5	43.2	44.0
	Group companies outside Japan	29.4	29.6	31.8	32.6	32.0

* Permanent employees and non-regular staff in the Nikon Group (consolidated).

* Includes Nikon Corporation employees who are temporarily dispatched to affiliated companies.

Average Years of Service

Unit: years

		'11/3	'12/3	'13/3	'14/3	'15/3
Men	Nikon Corporation	19.8	19.9	19.9	20.1	19.2
	Group companies in Japan	15.7	14.5	15.2	15.5	15.9
	Group companies outside Japan	7.6	7.2	7.8	8.4	8.9
Women	Nikon Corporation	14.6	14.8	14.7	14.8	14.2
	Group companies in Japan	16.9	15.5	16.5	16.9	17.3
	Group companies outside Japan	4.8	5.2	6.1	7.1	6.9

* Permanent employees and non-regular staff in the Nikon Group (consolidated).

* Includes Nikon Corporation employees who are temporarily dispatched to affiliated companies.

Turnover

Unit: people

		Nikon Corporation		Group companies in Japan		Group companies outside Japan	
		Men	Women	Men	Women	Men	Women
'11/3	Retirees	154	3	42	1	17	10
	Others	78	11	56	14	154	61
'12/3	Retirees	149	4	49	7	16	6
	Others	70	10	66	31	191	93
'13/3	Retirees	189	7	50	7	25	8
	Others	40	11	55	18	182	93
'14/3	Retirees	143	3	38	8	11	13
	Others	102	9	61	20	221	131
'15/3	Retirees	80	6	24	3	14	2
	Others	97	8	45	14	153	102

* Permanent employees and non-regular staff in the Nikon Group (consolidated). Group companies outside Japan exclude manufacturing companies: Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd., Nikon Imaging (China) Co., Ltd. and Hikari Glass (Changzhou) Optics Co., Ltd..

Women in the Workplace

Nikon Group employs and treats its employees equally regardless of gender. In Japan, however, there are still large differences between the numbers of male and female employees and managers. We regard this as a challenge to overcome.

Nikon Corporation recognized that the percentage of women employees should be improved and we set a target of increasing the percentage by at least 10% of the total number (permanent employees and non-regular staff) by the end of March 2014. We implemented initiatives to achieve this target. In our recruiting activities, we participated in several joint job fairs for women and also held events such as informal gatherings with our female engineers in order to increase the recruitment of women.

We also improved the work environment and promoted the achievement of a work-life balance in order to increase the retention rate of female employees. As a result of the initiative, the percentage of female employees rose to 10.0% and we achieved our target. We will continue to take measures to increase the ratio of female employees.

Increase the Ratio of Female Managers

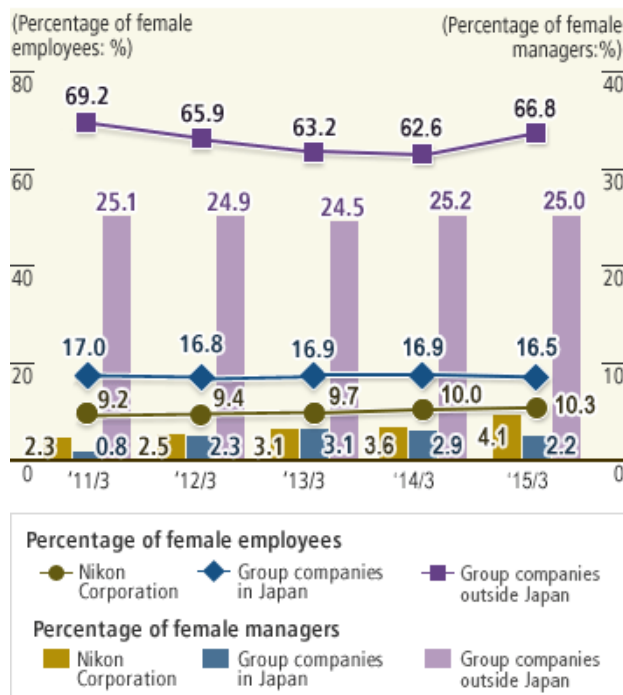
Nikon Corporation recognizes as a challenge the fact that there is a low female ratio even in management positions. We have set a target of increasing the rate of women managers*1 to at least 5% of the total by the end of March 2017. The ratio as of March 2015 is 4.1% (as of March 2014 when we set the target: 3.6%) and 55 female managers in total*2. Of this figure, the proportion of female managers who are general manager and above is 3.2% (1.3% in Group companies in Japan) while 3.8% are section managers (3.7% in Group companies in Japan).

We will continue to support career development and provide a work environment that will encourage employees to achieve a work-life balance.

*1 Including those in positions other than department manager or higher and those in section manager positions

*2 The breakdown of job type is shown as below.
 Planning and Administration: 49%, Sales and Marketing: 18%,
 Service: 2%, Development, Designing and Engineering: 19%,
 Production and Procurement: 12%

Percentages of Female Employees and Managers at the Nikon Group



- * Permanent employees and non-regular staff in the Nikon Group (consolidated). Those dispatched to affiliates are counted as employees of the affiliates.
- * The figures for the year ended March 31, 2013 include the figures for the two equity method affiliates.
- * "Managers" means section managers and higher.
- * Group companies outside Japan include Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd., Nikon Imaging (China) Co., Ltd. and Hikari Glass (Changzhou) Optics Co., Ltd.
- * Managers at Nikon Corporation include those in positions other than department manager or higher and those in section manager positions.

Career Development Support

Nikon Corporation has introduced a mentor system to promote career development of females. In the year ended March 31, 2015, we implemented this mentor system for six months targeting 30 people (fifteen mentor-mentee pairs), with directors and managers serving as mentors. This prompted the mentees to view themselves objectively. We will continue to implement this system in the year ending March 31, 2015 and onward, to help our employees with their career development.

In addition, we are holding self-fulfillment seminars to help female employees develop their skills and build networks. The number of participants has risen to a total of 498 (as of March 2015) since we started the program.



We have also started the "leader candidate training" program since the year ended March 2015. Four female employees are participating in the program. Training is 8 months long and includes the opportunity of cross-industry exchange. It provides knowledge and fosters the mind required for a leader of the next generation.

Maintaining a Diverse Workforce

Nikon Corporation aims to achieve true globalization and diversity in terms of its human resources as a means to further increase its corporate value. Therefore, we actively pursue diversity in our recruitment activities in order to continue to provide all employees with a workplace where individuals with different values can draw inspiration from each other and generate synergies.

In the year ended March 31, 2012, Nikon Corporation took part for the first time in an employment forum held in Boston (United States) to recruit Japanese students who are studying outside Japan and want to join Japanese companies after graduation. In the year ended March 31, 2013, we began participating in similar employment forums in Australia to recruit Japanese students studying overseas and students of foreign nationality.

Nikon Corporation also employs new graduates in the fall (October), in addition to April, in consideration of the fact that some people study under educational systems that are different to that of Japan.

We also hold recruitment events to provide women with more employment opportunities and are proactively working to employ foreign students studying in Japan and people with disabilities.

In addition to this, the Nikon Group employs local human resources in the countries and regions where our offices are located. We work on human resources development and promotion to management positions.

Reemployment System for Retirees

Nikon Group in Japan has introduced a system under which employees could continue to work actively for the company after reaching the retirement age of 60. In the year ended March 2015, about 80% of retirees at Nikon Corporation were reemployed and are actively working for Nikon Group.

A Life Plan Seminar is also held for employees who will reach retirement age in the following year. In the year ended March 2015, about 198 employees attended this seminar.

Supporting People with Disabilities

Nikon Group aspires to establish an environment that enables each and every employee to make the most of their personal quality and ability regardless of any disability.

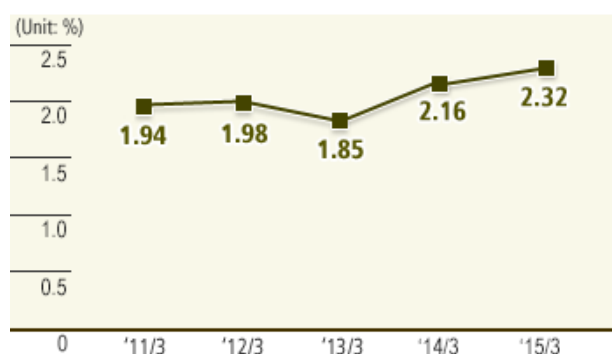
As an initiative to achieve this, we established Nikon Tsubasa Inc., a special subsidiary of Nikon Corporation in 2000. Supported by experienced staff and instructors, a total of 35 employees worked for the company as of March 31, 2015, under the principle of being independent members of society. In addition to parts processing, assembly, and packaging, they are also mainly engaged in document digitalization, disassembly of camera parts which is aimed at recycling the parts, process to erasing magnetic media, and inspection of finished glass products, fulfilling work orders from Nikon Group companies. The Nikon Group is striving to give Nikon Tsubasa more work orders.



Nikon Tsubasa Inc.

In terms of the statutorily required percentage of disabled employees, Nikon Corporation, Nikon Tsubasa Inc., Nikon Systems Inc., and Nikon Business Service Co., Ltd. have obtained government approval to calculate the rate as a group, and have achieved the required standard. As for other Group companies in Japan, six of those subject to the Levy and Grant System for Employing Persons with Disabilities in 2014 fell below this standard. These Group companies will strive to meet the standard by employing more people with disabilities with the help of public and private employment agencies.

Employment Rate of People with Disabilities at Nikon Corporation and Three Group Companies



* The rates are as of June 1 of each year.

To gain greater public understanding about the work done by people with disabilities, Nikon Tsubasa accepts tours of its workplaces. In the year ended March 31, 2015, a total of 274 people from 55 companies and associations, including Nikon Corporation, participated in the tours. Furthermore, Nikon Tsubasa is supporting the social inclusion and work of people with disabilities by accepting 15 trainees from welfare facilities and schools for the disabled.

Extending Support to Contract Workers

Nikon Corporation assigns fixed-term workers and dispatch workers to each business department in accordance with our staffing plans and provides them with training as necessary.

Supporting Diverse Work Styles

Nikon Group work-life balance policy is to create an environment for employees to make the most of their abilities and produce results as a team by developing systems and measures which allows them to work peacefully and striving to manage working hours appropriately.

* Work-life balance

A state of equilibrium achieved between employees' priorities in their responsibilities in their jobs and their family and community life. In this state, employees can select a diverse work style and work with a rewarding sense of fulfillment, as well as being able to choose and implement a variety of lifestyles.

Support for Work-Life Balance

At Nikon Corporation, employees can take childcare leave for up to two years and combine staggered work shift with short-time work shift, as well as leave on an hourly basis to take care of their children and other family members. In the fiscal year ended March 2015, 80 employees (5 males and 75 females) participated in the staggered work shift and the short-time work program.

In the fiscal year ended March 31, 2015, we worked on the further enhancement of measures to assist employees in childbirth and child rearing, etc. Specifically, we expanded the acquisition rule regarding the reserve amount of paid leave (up to 40 days). The reserve amount can now be used for infertility treatment, whereas previously it was limited to being available only for sick and care leave. We also held a briefing session in order to encourage a smooth return of employees after childbirth. This aims to provide an opportunity to communicate with managers, understand the various support systems offered, and to enable an exchange between returning employees.



As a result of these initiatives, the Nikon Corporation has obtained the Kurumin Mark certification for three consecutive years, following 2008 and 2011. We will formulate a new action plan in 2015 based on the revision of the Act on Advancement of Measures to Support Raising Next-Generation Children. Group companies in Japan will also work actively to support the balance between work and childcare.

For three consecutive years, since 2013, the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange have selected Nikon Corporation as one of the Nadeshiko Brand companies. Our efforts from both the corporate culture building and the system development to support the career development of female employees have been recognized.

* Kurumin

It is the pet name of the Act on Advancement of Measures to Support Raising Next-Generation Children's certification mark. The Ministry of Health, Labor and Welfare certifies companies and corporations actively supporting childcare and meeting some criteria.

* Nadeshiko Brand

The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange jointly select and disclose a list of enterprises that are exceptional in encouraging women's success within the workplace, and grant them the "Nadeshiko Brand" Designation.

Number of Employees Taking Childcare Leave

Unit: people

		'11/3	'12/3	'13/3	'14/3	'15/3
Nikon Corporation	Men	3	4	7	3	9
	Women	21	15	16	22	21
Group companies in Japan	Men	0	1	1	1	1
	Women	28	28	35	32	12

* Permanent employees and non-regular staff

* Employees of equity methods affiliates are excluded.

* Childcare leave acquirers' return rate (for the fiscal year ended March 31, 2015): Nikon Corporation 100%, Group companies in Japan 92.7%

Number of Employees Taking Maternity Leave

Unit: people

		'11/3	'12/3	'13/3	'14/3	'15/3
Nikon Corporation		19	17	16	23	13
Group companies in Japan		20	13	31	22	15

* Permanent employees and non-regular staff

* Employees of equity methods affiliates are excluded.

Number of Employees Taking Nursing Care Leave

Unit: people

		'11/3	'12/3	'13/3	'14/3	'15/3
Nikon Corporation	Men	1	1	1	2	2
	Women	1	2	0	0	1
Group companies in Japan	Men	6	1	0	0	0
	Women	5	3	1	2	1

* Permanent employees and non-regular staff

* Employees of equity methods affiliates are excluded.

Re-entry System

In May 2014, Nikon Corporation introduced a system under which former employees with specialized skills or extensive work experience who left the company for child care, family care, spouse's job transfer or other unavoidable reasons can try to rejoin the company. We will continue striving to establish an environment that permits employees with motivations and excellent skills to try to rejoin the company or continue to work for the company.

Telecommuting

Nikon Corporation has introduced telecommuting systems at those departments with a particularly strong need. In the year ended March 31, 2015, the company continued to run the systems at the same departments as the previous year. Nikon Systems Inc. (Japan) has also officially introduced the system. We will maintain the systems in order to increase work efficiency and provide more options for achieving a work-life balance.

Volunteer Leave System

Nikon Corporation allows employees to take leave to participate in volunteer activities that the company considers make a valuable contribution to society. Such activities include volunteering at nursing care facilities, participating in cooperation activities conducted by international exchange delegations, and activities to support the recovery of areas affected by natural disasters.

In Japan, Nikon Group established Rules for Activities Supporting Recovery from the Great East Japan Earthquake to encourage employees to perform volunteer work to support the afflicted areas. Employees who participate in the recovery support activities mediated or introduced by their companies are granted special leave plus subsidies for their transport and accommodation costs. The Group thus supports employees who participate in activities for the recovery of the afflicted areas.

Employees' Health and Safety

We recognize a labor environment that enables employees to work safely and vigorously, both physically and mentally, leads to the improvement of workplace vitality and productivity. Based on this idea, we are working on strict safety management and health-promotion activities.

Health and Safety Management System

Nikon Group maintains the Nikon Group Health and Safety Goal to secure the health and safety of each employee—who are the foundation of all its corporate activities—and to remain a vibrant corporation where people can be committed to work with enthusiasm and vitality. In addition to having a statutory health and safety committee, the Nikon Group has its own Central Health and Safety Committee, which investigates and deliberates on matters related to the company's health and safety policies and on the basic measures taken to maintain and promote employee health. With members representing both labor and management, the committee encourages the incorporation of employees' opinions into measures implemented by the company. At all Nikon Corporation facilities, through consultation with labor and management, a set of health and safety targets have been formulated based on their goals, and relevant activities are conducted with the participation of all members.

Sendai Nikon Corporation (Japan), Nikon (Thailand) Co., Ltd., and Nikon Imaging (China) Co., Ltd. were certified for OHSAS 18001, the international standard for occupational health and safety management systems, in December 2001, September 2010, and January 2013, respectively.

Health and Safety of the Nikon Group for the Year Ended March 31, 2015

Goal: "Let's kick off health management! Ensure health and safety in order to create a labor environment that enables both employees and the Nikon Group to grow!"

The Four Policies:

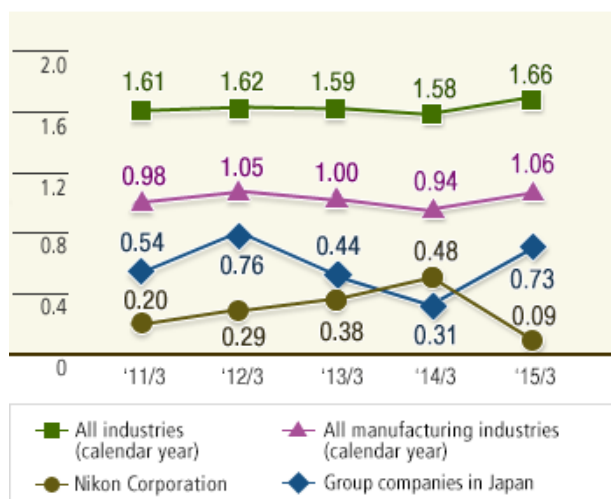
- Fulfill obligations of health and safety considerations based on CSR
- Establish a comprehensive health management system
- Enhance training programs
- Establish a system for group-wide cooperation

Raising Health and Safety Management Standards in the Nikon Group

Nikon Corporation is introducing safety management standards in order to reduce potential risk factors in its workplaces through risk assessments made from the equipment, chemical, and human error perspective. At Group companies in Japan, training is provided for Health and Safety Managers and Persons in charge of Health and Safety, in addition policies and measures related to health and safety are steadily implemented through the Personnel and Administrative Affairs Meeting.

In Japan during the year ended March 31, 2014, we shared the database of information about labor accidents posted on the intranet across Nikon Group to prevent the reoccurrence of similar incidents. This helped Nikon Corporation and Group companies in Japan (including non-consolidated companies) achieve frequency rates* and severity rates* of lost time accidents far below the average for the Japanese manufacturing industry.

Frequency Rates of Lost Time Accidents at Nikon Corporation and Group Companies in Japan



* 25 Group companies in Japan including non-consolidated companies until the year ended March 2014, and 24 for the year ended March 2015.

Group companies outside Japan are also implementing health and safety measures, including workplace safety assessments and audits. The Nikon Group, nevertheless, is facing a need to check its overall health and safety management standards in accordance with an increase in the number of Group companies outside Japan. Thus, from now on we will continue to collect basic health and safety data from Group companies outside Japan, and we will begin their analysis.

* Frequency rate

The number of deaths and injuries resulting from labor accidents per million man-hours worked, which is used as an index for the frequency of labor accidents.

* Severity rate

The number of work days lost per 1,000 man-hours worked, which is used as an index for the severity of labor accidents.

Severity Rates at Nikon Corporation and Group Companies in Japan

	'11/3	'12/3	'13/3	'14/3	'15/3
All industries in Japan (calendar year)	0.09	0.11	0.10	0.10	0.09
Manufacturing industry in Japan (calendar year)	0.09	0.08	0.10	0.10	0.09
Nikon Corporation	0.00	0.00	0.70	0.01	0.00
Group companies in Japan	0.01	0.01	0.01	0.00	0.01

* "0.00" indicates a rate of less than 0.005.

* 25 Group companies in Japan including non-consolidated companies until the year ended March 2014, and 24 for the year ended March 2015.

Supporting the Health of Employees Transferring from Japan to Group Companies outside Japan

For employees that are transferring from Japan to Group companies outside Japan, we are enhancing the training given prior to their departure and also improving the regular health checkup and follow-up system applicable to them while they are stationed outside Japan. We also give support to these employees in response to local medical risks through coordination with international medical assistance services and other measures.

Prevention of Excessive Overtime Work

Nikon Group focuses on preventing employees from working overly long overtime hours. The company has worked to prevent excessive works, by encouraging to take paid holidays in a planned manner, adopting the flextime system, and designating No Overwork Days and Short Overtime Days. As of the end of March 2015, the flextime system was applied to 2,898 employees (2,548 males and 350 females).

Moreover, Nikon Corporation has fostered measures to prevent health damage caused by excessive overtime work. In addition to taking prevention measures, the company established the Cooling System which is intended to prevent certain individuals from taking on an excessive overtime load. The system includes the implementation of physical checkups for those who are stressed through being overworked. In the year ended March 31, 2015, we drove the Work Time Campaign, promoting the taking of annual paid leave. We called for planned vacation acquisition and encourage those departments with a low take-up to improve.

The standards of Nikon Corporation applied to prevent excessive work are also applied to Group companies overseas, including the implementation of physical checkups. We are working on the appropriate measures to be taken according to each country and region.

Mental Health Care

Nikon Group is fostering mental health care at each of the Group companies. In April 2013, Nikon Corporation strengthened its mental health care system by inviting psychiatrists to serve the company concurrently as advisors and industrial doctors who are responsible for overall mental healthcare issues for the company. In addition, since December 2014, we have placed a psychiatrist in all of our offices and established a system in order to respond appropriately to those with mental health disorders. Also, the company offers support to those returning to work after taking leave for mental health reasons, including implementing measures to prevent the aggravation of their illness after their return, based on cooperation between their workplaces, relevant health and safety sections, and human resource departments. In the year ended March 31, 2014, a mental health seminar was given to all department managers of Nikon Corporation. This was a measure for improving mental health management in the workplace and was completed in February 2015. We also conducted a mental health seminar for health and safety officers aiming to learn about mental illness and how to treat it.

System to Support the Return of Employees Who Took Leave due to Illness

Nikon Corporation strives to enhance a system to support the smooth return of employees who have taken leave due to illness. Under this system, if the employee applies for shorter hours and the company approves the application, he/she will be allowed to work shorter hours or on fewer days for up to three months after returning to work. Under the same system, the industrial doctor, nurse, staff from the HR department, and employee's manager will cooperate to support the employee's return to work, including making a support plan and interviewing the employee on a regular basis.

For Group companies without an industrial doctor, Nikon Corporation provide the relevant information and support necessary in establishing a system that allows an employee to leave work temporarily and then return.

Community Contribution Activities

We at Nikon Group seek to demonstrate a firm commitment to community contribution activities by formalizing a "good corporate citizen" philosophy within the Nikon CSR Charter.

This Policy has been established to incorporate such activities into corporate life, encouraging all Nikon Group companies to engage in community contribution activities within all countries and areas where business is conducted.

Nikon Community Contribution Activities "Basic Policy"

(Established October 6, 2014)

1. Nikon will actively engage in community contribution activities in accordance with our corporate philosophy and CSR Charter to create a prosperous society with sustainable development.
2. Nikon will conduct community contribution activities under the headings of "Environment," "Education," "Welfare," "Culture and Arts" and "Assistance for Reconstruction."
3. Nikon will provide assistance to its employees' volunteer activities.

Environment

Believing that the resolution of environmental problems is imperative for human coexistence and sustained business growth, Nikon supports environmental conservation activities conducted by non-profit organizations and non-government organizations and works towards the environmental enlightenment of the next generation.

Supporting the AKAYA Project in Japan

Nikon has been supporting the AKAYA Project* since 2005 by providing products for research and recording activities to the Nature Conservation Society of Japan. The AKAYA Project is Japan's first cooperative project, aiming to regenerate biodiversity in Akaya Forest, a 10,000-hectare government-owned forest located on the border between Gunma and Niigata Prefectures, through cooperation between the national government, local people and nature conservation groups.

Nikon provided many products including binoculars, field scopes and cameras to the project through the Nature Conservation Society of Japan for activities in Akaya Forest. Photos taken by project members and volunteers are used for research, environmental education and public awareness.

In the year ending March 2015, Nikon, Nikon Imaging Japan and Nikon Vision provided their products to the project that began in September 2014 with the aim of enhancing the endangered golden eagles' habitat. We are confident that Nikon's products will prove useful for the project's aim of regenerating a healthy forest with rich biodiversity, where golden eagles can brood their babies.



Full view of the Akaya Forest

* Officially called the "Biodiversity Restoration Program for Mikuni Mountains and Akaya River." The Program is commonly known as the "AKAYA Project" because its activities are conducted in the areas around Tone River tributaries and upstream of the Akaya River.

Supporting the Children's Forest Program in Thailand

Since 2012, Nikon has been supporting the Children's Forest Program in Thailand—an international program organized by OISCA. This program educates children on the importance of forests, while also promoting global greenery through the planting of trees.

Nikon started supporting the program in 2011, when severe flooding occurred in Thailand, causing heavy damage to Nikon (Thailand) Co., Ltd. The program seeks to raise environmental consciousness among the local populace and plants trees near schools in areas where improvement of the watershed protection capability of the forest is needed. In the year ending March 2015, the program focused on Northern regions (including Chiang Rai, Lamphun and Chiang Khong) and about 1,000 trees were planted on 0.8 hectares.



Tree planting in Chiang Khong
Photo: OISCA Thailand

Cooperating with the United Nations Environment Programme (UNEP)

Nikon has organized the 23rd International Children's Painting Competition on the Environment with the United Nations Environment Programme (UNEP) and other partners, hoping to raise environmental awareness among children who will be the future.

Although Nikon will no longer cosponsor the event after the 23rd contest, Nikon will continue to spread children's environmental message to the world by showcasing the winning entries at exhibitions and distributing postcards.

Education

The Nikon Group is actively involved in educating the next generation and supporting academic research. We will continuously communicate with related people so that we can not only support them but also grow with them.

Nikon Scholarship Program in Thailand

Nikon established a scholarship program in Thailand with which Nikon has maintained positive relations in business over the years and where Nikon (Thailand) Co., Ltd. is located as a manufacturing base for imaging products. As Nikon's 90th anniversary project, the program is comprised of two scholarships, supporting students attending junior high school, high school and university and supporting Thai students studying at graduate schools in Japan. In the year ending March 2015, 150 junior high and high school students and 24 university students were given support to enable them to attend school, while three university students received support to attend graduate schools in Japan. The Nikon Shanti Scholarship is designed to support junior high school, high school and university students getting basic education. A total of 1,366 students have been awarded this scholarship.

The Nikon Chulalongkorn Scholarship is implemented in cooperation with Chulalongkorn University, a top-ranked educational institution in Thailand. Its goal is to develop local human resources who will aid the future prosperity of Thailand and cultivate friendship with Japan. This scholarship supports Thai university students studying at graduate schools in Japan. Five students have completed their graduate work and three students are currently enrolled in graduate schools.



After the scholarship conferment ceremony in Bangkok (November 2014)

Nikon Scholarship Program in Laos

After starting operation of Nikon Lao Co., Ltd. in Savannakhet Province, Lao P.D.R. in 2013, Nikon established two scholarships in May 2014; the Nikon-EDFJapan Scholarship for Laos to support junior high school students and the Nikon-JICA Scholarship for Laos to support university students.

With the cooperation of the Education for Development Foundation Japan (EDF-Japan), the Nikon-EDFJapan Scholarship for Laos supports students in Savannakhet Province attending junior high schools so that children can create a bright future. The Nikon-JICA Scholarship for Laos which started with the cooperation of the Japan International Cooperation Agency (JICA) extends scholarships to students studying at Savannakhet University, aiming for the development of individuals who will improve the future of Laos and cultivate friendship with Japan.

In the year ending March 2015, 100 junior high school students and 40 university students were awarded as the first recipients of the scholarship program.



Ceremony at Savannakhet University (March 2015)

Providing Educational Tools for Environmental Education

Nikon has created educational tools focusing on the environment that can be used in educational venues, such as schools and nature observation gatherings. They target elementary school students and junior high school students so that the children will more fully enjoy nature and at the same time increase their knowledge and interest in biodiversity and environmental conservation. The tools have been effectively used in educational institutions in many places throughout Japan.

Nikon has created "AKAYA NOTE" in connection with its longtime support of the AKAYA Project. "AKAYA NOTE" introduces the story of biodiversity in Akaya Forest and tells it with a variety of interesting anecdotes and an abundance of photos and illustrations. Nikon has provided a total of about 7,400 copies of "AKAYA NOTE" (up to the year ended March 2015) to educational sites in Japan in response to their requests.

"IKIMONO KARUTA" was produced for children so that they learn about biodiversity while having fun. It has been used at a total of 231 educational sites including elementary schools, junior high schools and other public facilities in Japan (up to the year ended March 2015).



Summer Schools using Nikon's educational tools

Welfare

As a responsible member of society, the Nikon Group is conducting various activities to improve health, medical care and the welfare of society as a whole. We also have activities in which every one of our employees can participate voluntarily.

A Community Contribution Program Involving Cafeterias/Vending Machines

Nikon is participating in the TABLE FOR TWO (TFT) initiative. TFT is an organization that aims to address hunger in developing countries and unhealthy dietary habits in developed countries, thereby mitigating the food gap between countries and helping people lead healthier lives.

A TFT meal is provided in the cafeterias at all Nikon plants, including the Oi Plant, Yokohama Plant, Sagami-hara Plant, Kumagaya Plant, Mito Plant and Yokosuka Plant. When an employee voluntarily buys a healthy TFT meal containing balanced nutrients, 20 yen of the price will be used to cover the cost of one school meal for a child in the African countries of Uganda, Ethiopia, Kenya, Tanzania, Rwanda and Myanmar.

As the Nikon Corporation head office has no cafeteria, a vending machine was installed instead. When Nikon employees buy a drink from the machine, Nikon Business Service Co., Ltd. and Kirin Beverage Corporation donate 1% each (a total of 2%) from the sales. With the collected donation, over 100,000 school meals have been sent to children through TFT.



©TABLE FOR TWO International

Culture and Arts

Nikon conducts various cultural and arts related activities with an aim to create a prosperous society.

Nikon Photo Contest

The Nikon Photo Contest is an international photo competition that Nikon has organized since 1969. Nikon holds the contest every other year with the objective and "vision to nurture an aspirational community that supports photographers and filmmakers who wish to share important stories and influence the way people think through images." Approximately 390,000 photographers have entered the contest to date, submitting more than 1.54 million entries.



Flowers of Fukushima, the 2014-2015 Grand Prize (Still photo) award winner, photographed by Katsuhiko Noguchi, Japan

Assistance for Reconstruction

Nikon provides emergency support for areas stricken by large-scale natural disasters. Nikon also continues its support for reconstruction of areas affected by the Great East Japan Earthquake.

Assisting Reconstruction through Photography: Photo Book Project for Junior High School Students

This project provides opportunities for junior high school students in the disaster-stricken areas to experience photography. Nikon donated digital cameras to all participating junior high schools. Students actively work for about one year to create their photo book with assistance from teachers. Nikon prints the students' work into photo books and, subsequently, presents the completed photo books to all participating students.

Furthermore, Nikon helps the students by arranging photography classes and supporting exhibitions held in schools.

Nikon hopes that participating students will share their feelings with others through the creative process, including taking pictures, choosing their favorites and conveying their feelings through the photos with comments. Nikon also hopes that the project will encourage the students to tap into their own individual strength for the sake of reconstruction.

In the year ending March 2015, 41 schools and one organization participated in the project, and a total of 2,579 students created their own photo books.



Junior high school students from Iwate holding photo books

Assisting Reconstruction through Photography: Nikon Plaza Sendai

Nikon Plaza Sendai was set up by Nikon Imaging Japan Inc. as a base station for reconstruction support and it is now being operated in collaboration with the Community Contribution Section of Nikon Corporation.

The Nikon Plaza Sendai is a complex facility. It provides a community space at no cost to NPOs or volunteer groups so that they may utilize the space for activities in aid of the reconstruction. The community space is also host to a variety of local cultural activities. The photo gallery is likewise provided at no cost to amateur photographers and photographic groups so that photographic exhibitions may conveniently be held. Provision is also made at the facility's service center for a repair and maintenance service for imaging-related devices. Nikon Group employees utilize the Nikon Plaza Sendai as a base for volunteer activities.

In the year ending March 2015, 25 events including photography classes set up by a local non-profit organization and 25 photo exhibitions were held at Nikon Plaza Sendai. One of the exhibitions displayed natural scenic photos of the southern coasts in Iwate Prefecture.



Community Space

Participating in the Coastal Forest Restoration Project

Nikon supports the Coastal Forest Restoration Project. This 10-year project conducted by OISCA Japan and the Association for the Coastal Forest Restoration in Natori City aims to restore black pine trees to the coastal forests devastated by the tsunami.

The project creates jobs for regional development, and at the same time conducts restoration work. The work includes raising seedlings, planting trees and cultivating forests-to build a local infrastructure that protects habitation areas and farmlands from salt damage, sand storms and storm surge.

Every year since 2012, Nikon donates money to the project, provides photo equipment, assists photo exhibitions of the project held throughout Japan, and sends employees as volunteers to help out. In the year ending March 2015, a total of 43 Nikon employees participated as volunteers to assist local forestry workers. Nikon also assisted OISCA's activity-reporting panel exhibition held at a concourse in JR Sendai Station and other places in Japan.



Local plant breeders planting seeds
Photo credit: OISCA Japan

Volunteer Activities by Nikon Employees for Reconstruction of Areas Stricken by the Great East Japan Earthquake

The Nikon Group enthusiastically encourages its employees to volunteer for a variety of activities. In the year ending March 2015, Nikon employees and their families worked for various projects and activities. These included the "reunion" project which supports child evacuees from Fukushima and their parental guardians; the hosting of photography classes for the computer club in Yamamotocho, Miyagi Prefecture, whose members used local SNS to share local information; and assisting the Urato Nanohana Project. This project works to restore rapeseed blossom fields on Urato Islands, Miyagi Prefecture. In total, 526 employees have participated in volunteer activities since Nikon started supporting its employees to participate in volunteer activities for reconstruction. (128 Nikon employees participated in volunteer activities throughout the year ending March 2015.)



Volunteer activities in Tohoku

Promoting CSR-oriented Procurement

We tackle CSR-oriented procurement in cooperation with procurement partners to fulfill our corporate social responsibility for the supply chain.

CSR-oriented Procurement Promotion System

Based on the Nikon CSR Charter, which is our basic approach toward CSR, and the Nikon Basic Procurement Policy, the Nikon Group is promoting the procurement of CSR to engage with CSR issues including the prevention of bribery and respect for human rights along the entire supply chain.

In terms of a CSR-oriented Procurement Promotion System, the Nikon Group has established the Supply Chain Sub-Committee, which was renamed from the Green Procurement Sub-Committee in October 2014. At the same time the Procurement Communication Conference and its subordinate organization, the CSR Procurement Conference, were abolished. The new organization aims to deliberate and make cross-organization decision regarding entire supply chain issues with members of all the Nikon Group companies. We also participate in the Supply Chain Working group of the Global Compact Network Japan*. This helps us to share the latest trends regarding CSR-oriented procurement activities in the supply chains within the Nikon Group.

► [Nikon Basic Procurement Policy](http://www.nikon.com/about/info/procurement/policy.htm)
<http://www.nikon.com/about/info/procurement/policy.htm>

* Global Compact Network Japan

It is the Japanese network of the United Nations Global Compact, inaugurated in December 2003. In April 2008 the network became top management-driven by mobilizing action of member companies and organizations. This change reinforced the network and enabled it to actively work for the achievement of a sustainable society. The network was incorporated in October 2011.

Risk Prevention by CSR Procurement

The Nikon Group is promoting a system development in order to prevent CSR risk within its supply chain, through CSR procurement. We have been strengthening, step by step, the approach toward procurement partnerships with briefing sessions, CSR questionnaires, interviews with individual procurement partners and onsite inspections.

Development of CSR Procurement Standards

In the year ended March 31, 2015, we conducted a simulated audit of overseas Group manufacturing companies in China (Changzhou) in order to further step up our activities. Nikon Holdings Hong Kong Limited (Hong Kong), which is the regional holding company, joined the audit. As a result, we found that Nikon's CSR requirements to the procurement partners were not clearly understood. Therefore, we formulated the draft Standards in order to newly establish "Nikon CSR Procurement Standards," while replacing the "Nikon Procurement Partners' CSR Guidelines" which was the reference for CSR procurement. With this Standards, we defined strict Key Performance Indicators (KPI) concerning the major issues in the current supply chain. "Ethics," "labor," "health and safety," "environment," and "management system" were positioned as the five main items referring to EICC*. Also, we conducted a monitoring of two companies, using questionnaires and metrics based on the Standards in order to verify their validity.

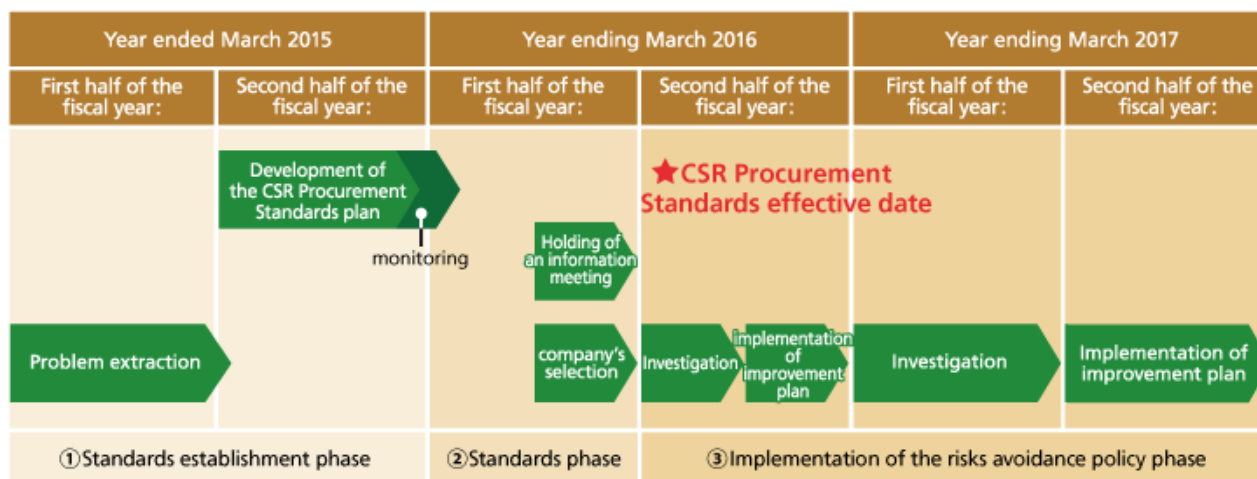
In the period ending March 31, 2016, we will establish the Standards, conduct focused surveys and implement measures by risk. Based on those actions, we will work on a system that reduces risks more effectively.

In the future, we plan to include the CSR items in the basic transaction agreement to encourage procurement partners to be aware of the CSR Procurement Standards, and to build a foundation that raises the activity level from "demand" to "compliance."

* EICC (Electronic Industry Citizenship Coalition)

It is a CSR alliance of the electronic industry inaugurated in 2014, and it is composed mainly of Western companies. It defines the supply chain's CSR standards (EICC Code of Conduct).

Image of the CSR Procurement Activities



Activities Based on the Paper Procurement Policy

The Nikon Group strives to procure paper with concern given to the sustainable use of forest resources, from the viewpoint of biodiversity conservation.

Paper Procurement Policy

(Established April 25, 2013)

Policy

Nikon shall procure paper with concern given to biodiversity conservation and sustainable use of forest resources.

Operation Policy

1. In procuring paper, Nikon shall preferentially purchase paper made with concern for the environment based on the following principle:
We shall preferentially purchase FSC-certified paper or 100% recycled paper (R100).
2. In case the paper described in item 1 above is unavailable, we shall purchase the following as a second-best paper:
 1. Paper certified by a reliable certification system other than the FSC or recycled paper other than R100.
Ensure that the paper is not obtained from a forest of high protective value, such as those defined as HCVPs or by the FSC; or
 2. Paper confirmed to be compliant with relevant laws and regulations.
Raw timber for the procured paper shall be trimmed following an appropriate procedure according to laws pertaining to forests in the country or region where the raw timber is produced.
3. We shall avoid purchasing paper materials made by a company deemed to have environmental or social problems in its material procurement and business activities.

Promoting the Paper Procurement Policy

In the period ended March 31, 2015, we formulated the three-year plan based on the Paper Procurement Policy at the Nikon Group. As the first step, we promoted the use of FSC (Forest Stewardship Council) certified paper for any printed material published by our corporate department and distributed to stakeholders outside of the Group. All paper used in Japanese catalogues issued by Nikon Imaging Japan Inc. for customers of imaging products have been completely switched to FSC certified.

We will continue to conduct periodic monitoring surveys to verify that paper procurement in the Group is being carried out correctly.

Participating in the Consortium

Since we frequently hear reports of numerous problems involving the procurement of raw materials for paper and the decline in the world's natural forests, it is very important to procure paper in the proper manner, but the actions of a single company have limited impact. Therefore, Nikon has participated in the Consortium for Sustainable Paper Use (CSPU) since June, 2014. The consortium was established jointly by World Wide Fund for Nature (WWF) Japan, an international environmental conservation NGO, Response Ability, Inc. that helps companies to promote their sustainability and companies taking progressive actions regarding paper use. Its objective and goal is to encourage and expand sustainable use of paper throughout society. Nikon is developing its own initiatives through exchanges of information with member companies, and also contributing to informing society as a whole of the appropriate use of paper.



CSPU's logo

- › Consortium for Sustainable Paper Use (WWF Japan)
http://www.wwf.or.jp/corp/2014/06/post_20.html

Promoting Green Procurement

In addition to reducing the environmental impact of businesses, we also manage the chemical substances in Nikon products in an appropriate manner through green procurement activities in order to prevent the discharge of hazardous chemical substances into the environment along the entire length of the supply chain.

Green Procurement Promotion System

The Nikon Group has established Nikon Green Procurement Standards for procuring environmentally friendly parts and materials. We have incorporated the standards in the basic transaction agreement, and we promote them along the entire length of the supply chain. In recent years, compliance with regulations on chemical substances in products, such as the European RoHS Directive* and European REACH Regulation*, has become a key issue, and we have worked to enhance our management systems. Managing hazardous chemical substances contained in Nikon products requires the cooperation of our procurement partners because the products are manufactured from materials and parts that are procured and manufactured along a complex supply chain. The Nikon Group examines, implements, and monitors concrete action at the Supply Chain Subcommittee and its subordinate organization, the Green Procurement Conference, to build a system to manage chemical substances in products throughout its supply chain.

* RoHS Directive (Restriction of Hazardous Substances)

"RoHS" stands for "Restriction of Hazardous Substances." This directive was adopted by the EU in 2003. It restricts the use of certain hazardous chemical substances in electrical and electronic equipment with a view to minimizing the risks that these substances pose to the environment and human health.

* REACH Regulation

A regulation on chemical substances issued by the European Union (EU) in 2007. "REACH" stands for the "Registration, Evaluation, Authorization and Restriction of Chemicals." Under the regulation, manufacturers and importers of chemical substances are mandated to register information on the safety and use of these substances.

Revising the Nikon Green Procurement Standards

Bearing in mind overseas regulations on chemical substances, the Nikon Group formulated the Nikon Green Procurement Standards in October 2005. We briefed partners inside and outside the company, concluded agreements with procurement partners, implemented surveys of environmental conservation structure, and promoted green procurement activities. The content of the standards is revised on a regular basis.

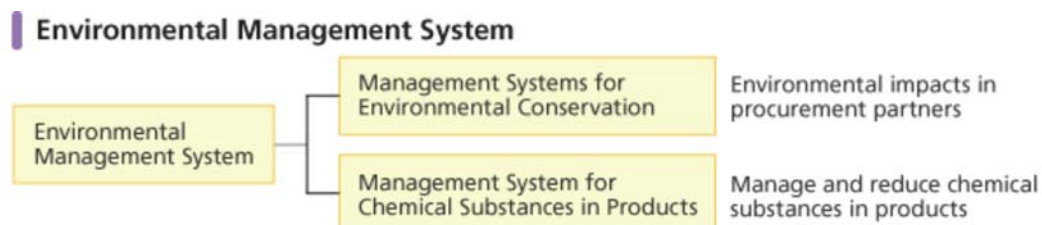
We issued version 4.1 as a reference revised from version 4.0, which took effect in the year ended March 2015. We also revised three times a separate brochure for the list of chemical substances.

Building Environmental Management Systems throughout the Supply Chain

The Nikon Group asks procurement partners to establish and operate environmental management systems that meet the Nikon Green Procurement Standards. Environmental management systems are classified as management systems for environmental conservation and management systems for chemical substances in products.

Systems for managing environmental conservation require our procurement partners to build structures for reducing the environmental impact of their business activities. Because of the worldwide rise in awareness of environmental conservation, many procurement partners have already obtained ISO 14001 or Eco-Action certifications. Systems to manage chemical substances, on the other hand, require building structures that target procured products and their manufacturing processes to manage and reduce chemical substances that have an impact on the environment. There are still some procurement partners who have not built these systems.

As well as auditing the environmental management systems of our procurement partners, the Nikon Group supports the construction of these systems and promotes further improvements of environmental management systems across the supply chain.



Auditing Environmental Management Systems and Certifying Nikon Environmental Partners

The Nikon Group has been auditing environmental management systems built and operated by our procurement partners since the year ended March 31, 2010. We request corrections in case of deficiencies in the environmental management systems, and depending on the situation, we support procurement partners who have not yet built the systems. We also certify procurement partners who meet the requirements for environmental management systems based on the Nikon Green Procurement Standards as Nikon Environmental Partners. This Partner certification is subject to renewal audit once every three years. For the year ended March 31, 2015, the total number of certified companies was 258.

We also conduct internal audits of business departments within the Group to verify our own systems for managing chemical substances in products.

Audits in the Nikon Group for the year ended March 31, 2015

Category	Businesses
Environmental management systems audit (new)	82
Renewal audit of Environmental Partner certification	11
Audit for Environmental Partner certification (Corrections, completions)	19
Internal audit of systems for managing chemical substances in products (Nikon Group's business departments)	5

Environmental Partner certifications in the Nikon Group for the year ended March 31, 2015

Outcome	Target	Businesses	Total
Environmental Partner certification	Audited as of year ended March 31, 2015	37	105
	Completion of correction at audit for year ended March 31, 2014 or earlier	68	
	Renewal audits for Partner certification		15

Training Environmental Management Systems Auditors

In the year ended March 31, 2015, we organized environmental audit training for 10 persons at Nikon and Group companies. All of them passed the examination and were registered as auditors of Environmental Management Systems, bringing the total number of auditors to 110 (19 overseas). The decrease of the total number of auditors compared to the previous year is due to retirement leaves.

We also created the second edition of the Requirements Checklist for Audit Leaders of Environmental Management Systems, which clarifies the requirements for the audit leaders who have an important role in the audits. We strive to improve audit leadership abilities by urging leaders to use this list to verify and improve audit content.

In the year ending March 31, 2016, we will develop and promote annual audit plans based on the long-term audit plan. In addition, we plan to administer audits efficiently by training audit leaders and allowing the transfer of audits to the departments.

Dealing with the Issue of Conflict Minerals

The problem of conflict minerals in the Democratic Republic of Congo and its neighboring countries has become one of the most serious social issues the world faces. According to article 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act, companies listed on US stock exchanges are required to conduct and disclose investigations into the subject. The law went into effect in January 2013. While this law does not pertain to Nikon, we have established the basic policy of not using conflict minerals mined or intermediated by armed forces violating the human rights in the area, and have been conducting surveys in our supply chain since 2011 in order to cut off funding to such groups. Usage of conflict minerals was not discovered within verifiable areas in our 2014 investigation. We will continue to advance these efforts along with our procurement partners in 2015 and beyond to achieve "conflict-free" Nikon products.

Policy on Conflict Minerals

In November 2011, we established the Policy on Conflict Minerals and determined to make efforts to avoid the use of conflict minerals mined or intermediated by armed forces. In July 2014, we revised the policy with more specific details as outlined below in order to reinforce our activities.

Policy on Conflict Minerals

(Established November 1st, 2011, revised February 1st, 2013, and July 1st, 2014)

In view of the situation that four minerals (conflict minerals: tantalum, tin, tungsten and gold) mined in the Democratic Republic of the Congo and its neighboring countries are used to finance armed groups, aggravating conflicts, human rights abuses and environmental destruction, Nikon shall not, with the cooperation of our Procurement Partners, use conflict minerals mined or intermediated by armed groups.

Operation Policy

Nikon will conduct and continue surveys in line with the OECD Due Diligence Guidance* for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We request our Procurement Partners to understand and agree to cooperate with our Policy on Conflict Minerals. Our Procurement Partners are also encouraged to cooperate with the surveys and audits conducted by Nikon and to perform responsible procurement of mineral resources within its supply chain.

* "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas"

Execution of Due Diligence

1. Establish strong company management systems

Internal promotion framework

Based on our Policy on Conflict Minerals, we formed in January 2013 a cross-departmental project team in the company led by a Director, Member of the Board. In order to make addressing conflict minerals to be continuous activities, we established a standing Conference for Conflict Minerals in 2014. The Conference is composed of the members in procurement and CSR-related divisions and is an organization-crossing structure under the CSR Committee, which decides policies for all CSR activities. Significant matters deliberated and decided in the Conference for Conflict Minerals are approved by the Directors in the Executive Committee.

Organization for Conflict Minerals



Announcement of Nikon's policy

Our Policy is listed in the "Nikon CSR Procurement Standards."

› Nikon CSR Procurement Standards

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

In February 2014, we held explanatory meetings for the presidents of our procurement partners to ask them for understanding the policy and for cooperation in investigation.

From March through June of 2014, we also held the same meetings for staff in procurement partners both in domestic and overseas, explaining Nikon policies, asking cooperation to policies, and providing instruction on filling out CFSI conflict minerals report template*(CFSI template). Additionally, we did explanatory sessions for the members in procurement –related divisions both within and outside Japan in Nikon.



"An explanatory session at Nikon (Thailand) Co., Ltd."

* CFSI conflict minerals report template

Official name: Conflict Minerals Reporting Template (CMRT). This is the publicly available template from CFSI, which is an initiative of European and US electronics industry organizations Electronics Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI).

Conflict Mineral Hotline

For actions that violate our Policy on Conflict Minerals, Nikon is preparing Conflict Mineral Hotline to allow reporting by all of our stakeholders.

2. Identify and assess risk in the supply chain

Reasonable country of origin inquiry and risk assessment

Almost all Nikon products have electronic components and circuits, and tantalum, tin, tungsten, or gold may be contained in them. The subjects of our 2014 survey were, following 2013 survey, core products of Nikon and components incorporated into products of SEC listed companies. We conducted the survey using the CFSI template, which is regarded as the international standard.

Risks identified and assessed through survey

Examples of major risks

Procurement Partners' risks

- No response
- No conflict minerals policy

Smelters' risks

- Smelter name not listed
- Smelter does not match any CFSI-acknowledged smelters
- Smelter is CFSI-acknowledged, but is not CFSP-compliant

Major survey results

	Total	Imaging Business Unit	Glass Business Unit
Response Rate (%) ^{*1}	99.9% (1,014/1,015 companies)	100% (828/828 companies)	100% (10/10 companies)
CFSI-acknowledged ^{*2}	221	220	12
CFSP-compliant	129	128	11

*1 Calculations in our 2013 investigation treated some group companies as 1st tier procurement sources. However, as this was not done in our 2014 investigation, and all Nikon Group procurement sources were included in calculation of initial procurement sources, the number of surveyed companies was increased.

*2 Smelters acknowledged by CFSI (as of April 2015). As of April 2015, 279 smelters were CFSI-acknowledged and 150 smelters were CFSP-compliant.

- Procurement partners who did not respond are managed by chart and sent periodic reminders to improve response rates. Additionally, responses were inspected carefully and procurement partners whose responses were found insufficient were given additional training to improve the reliability of responses.
- 828 smelters answered in our 2014 survey however some of their names could not be specified as smelters.
- All 12 smelters whose locations were confirmed to be in Democratic Republic of Congo and neighboring countries were CFSP-compliant.
- In Glass Business Unit, all smelters specified in the 2014 survey were either CFSP-compliant or CFSI-acknowledged (under switching to CFSP-compliant smelters), and we are making continuous efforts to achieve conflict free status.

 [CFSP-compliant smelter list in Nikon's supply chain \(PDF:47KB\)](http://www.nikon.com/about/csr/conflict-minerals/pdf/cfs_list.pdf)
http://www.nikon.com/about/csr/conflict-minerals/pdf/cfs_list.pdf

3. Design and implement a strategy to respond to identified risks

Response to identified risks in 2014 survey

Identified risks are to be addressed by priority. And, strategies decided were reported to the Executive Committee and approved.

Major examples of response to risks

Procurement Partners' risks

- Asking for cooperation in investigation and setting of policies to procurement partners by visiting or in writing

Smelters' risks

- Visiting smelter and facilitating actions towards CFSP-compliant
- Asking procurement partner for identifying smelter

With the cooperation of our procurement partners, we keep collecting accurate information on smelters, and also spur designated smelters to take action toward receiving CFS registration.

4. Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.

CFS (Conflict Free Smelter) Promotion

Nikon is tackling this issue in cooperation with industry organizations and others. In November 2012, we participated in the study group "Responsible Minerals Trade Working Group" established by the Japan Electronics and Information Technology Industries Association (JEITA) to collect more information. We have engaged in industry group activities since then.

One of the essential steps in promoting conflict-free products is to increase the number of smelters around the world that are confirmed as having no connection with armed forces. That is why we joined in April 2014 the Conflict-Free Sourcing Initiative (CFSI; headquartered in Washington, D.C.), which is establishing the CFS Program.



- › [Japan Electronics and Information Technology Industries Association | Responsible Minerals Trade Working Group](http://home.jeita.or.jp/mineral/eng/index_e.html)
- › [Conflict-Free Sourcing Initiative](http://www.conflictreesourcing.org/)

5. Report on supply chain due diligence

We disclose our supply chain due diligence both on our website and the NIKON REPORT.

- 📄 [NIKON REPORT 2014 \(PDF:3.04MB\)](http://www.nikon.com/about/ir/ir_library/ar/pdf/nr2014/14nikonreport_e.pdf)

Dialog with Citizens' Groups

At Nikon, we don't just comply with government wishes in the form of regulations. We value dialog and collaboration with NGOs and citizens' groups in order to have various opinions among people. For example, in February 2014, we joined a mission to the US organized by the Council for Better Corporate Citizenship (CBCC; organization affiliated with the Japan Business Foundation (KEIDANREN)). We played our part in exchanging opinions with the human rights NGO Responsible Sourcing Network (RSN) and learned directly about RSN's position on this issue. And, in March 2015, we participated in "The Ethical Keitai Campaign"* seminar as a panelist, explained how we deal with the conflict mineral and exchanged opinions of ethical mineral/metal procurement with other attendees.

We will endeavor to engage in dialog and collaboration with NGOs, as we strive to procure mineral resources in a responsible manner and tackle human rights issues in the Democratic Republic of Congo and its neighboring countries.

* The Ethical Keitai Campaign is operated by an executive committee consisting of international environmental youth organization A SEED JAPAN, FLAT SPACE, international environmental NGO FoE Japan, and Amnesty International Japan.

Tin Mining in Indonesia

Serious issues concerning environmental destruction, human-rights infringements and inappropriate working conditions at tin mining sites in the Indonesian islands of Bangka and Belitung have been the subject of a report published by an international environmental NGO.

As stated in the Nikon CSR Charter and the Nikon CSR Procurement Standards, we have an on-going commitment to responsible procurement throughout our supply chain. As a general measure to address the issue of conflict minerals, we have been conducting a supply chain survey with reference to OECD guidance, and have been supporting the CFSI's programs to verify conflict-free smelters.

Even though Nikon does not procure tin directly from suppliers in this region, our 2013 survey result showed us that some Nikon products may incorporate tin that has been smelted or refined in Indonesia. The possibility that some of this tin might have originated in the Bangka-Belitung region is of great concern to us, and we consider this to be a serious matter. In March, 2015, we introduced this issue at "The Ethical Keitai Campaign" as described above, for announcement, together with international environment NGO. We will make concerted efforts to improve the situation in Indonesia through our various activities in cooperation with industry groups, NGOs, suppliers or other relevant organizations.

Independent Practitioner's Assurance

To ensure the reliability, independent practitioner's assurance has given to the CSR report.

Assurance scope

Heading	Assurance scope
Environmental activities	CO2 emissions and those emissions per unit of sales (index) from Nikon Corporation and Group manufacturing companies in Japan
	Energy use and its use per unit of sales (index) by Nikon Corporation and Group manufacturing companies in Japan
	CO2 emissions from Group manufacturing companies outside Japan
	Number of cases where wastewater quality exceeded the legal standards at Nikon Corporation and Group manufacturing companies in Japan
	Water use by Nikon Corporation and Group manufacturing companies in Japan
	Amount of waste disposal including valuable resources and its breakdown by category/processing method at Nikon Corporation and Group manufacturing companies in Japan
Working environment	Frequency rates* of lost time accidents and severity rates* at Nikon Corporation and Group companies in Japan

* Frequency rate

The number of deaths and injuries resulting from labor accidents per million man-hours worked, which is used as an index for the frequency of labor accidents.

* Severity rate

The number of work days lost per 1,000 man-hours worked, which is used as an index for the severity of labor accidents.

Scope

Results for the year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

Independent Practitioner's Assurance Report

To the President and Representative Director of Nikon Corporation

We have undertaken a limited assurance engagement of the sustainability information (CO₂ Emissions and Those Emissions per Unit of Sales (Index) from Nikon Corporation (the "Company") and Group Manufacturing Companies in Japan, Energy Use and Its Use per Unit of Sales (Index) by the Company and Group Manufacturing Companies in Japan, CO₂ Emissions from Group Manufacturing Companies outside Japan, Number of Cases where Wastewater Quality Exceeded the Legal Standards at the Company and Group Manufacturing Companies in Japan, Water Use by the Company and Group Manufacturing Companies in Japan, Amount of Waste Disposal Including Valuable Resources and Its Breakdown by Category/Processing Method at the Company and Group Manufacturing Companies in Japan, and Frequency Rates of Lost Time Accidents and Severity Rates at the Company and Group Companies in Japan) (the "sustainability information") for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015) included in the "Nikon website "CSR" information" of the Company created for the Company's webpage.

The Company's Responsibility

The Company is responsible for the preparation of the sustainability information in accordance with the calculation and reporting standard adopted by the Company (indicated with the sustainability information).

Inherent Uncertainty

CO₂ quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Proposed Environmental Report Review Standard*, issued by the Japanese Ministry of Environment.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's sustainability information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.

Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.
Tokyo, Japan
August 21, 2015

Member of
Deloitte Touche Tohmatsu Limited

* International Standard on Assurance Engagements (ISAE) 3000 and 3410

These are standards on assurance engagements that were developed by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). The ISAE 3000 deals with "assurance engagements other than audits or reviews of historical financial information of entities," which encompass assurance engagements on environmental information and information about social aspects. In particular, the ISAE 3410 prescribes the procedures of assurance engagements on greenhouse gas statements based on the ISAE 3000. To comply with the ISAE 3410, the requirements of the ISAE 3000 also need to be fulfilled.

* Inherent uncertainty

Uncertainty is inherent in greenhouse gas quantification. This uncertainty is unavoidable for any entity that performs the calculations, because the global warming potential values and other elements used for the quantification are simply scientific assumptions today, and errors generated by measuring equipment and other sources are inevitable. This uncertainty does not mean that quantified values are inappropriate. The ISAE 3410 stipulates that information can be assured as long as the assumptions are reasonable and the information is adequately disclosed.

GRI Content Index

The following tables indicate the pages of Nikon website and "Nikon CSR Report 2015" (this report) that contain content relating to the required disclosure items in the GRI Sustainability Reporting Guidelines version 3.1. The table also includes comparative data concerning the 10 principles of the UN Global Compact and ISO 26000.

1. Strategy and Analysis

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	—	6.2	P3	Message from the Top Management
1.2	Description of key impacts, risks, and opportunities.	—	6.2	P3 P19 P29	Message from the Top Management Priority Issues Set Forth in the CSR Medium Term Plan Targets and Results for the Priority Issues

2. Organizational Profile

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
2.1	Name of the organization.	—	—	P2	Corporate Information
2.2	Primary brands, products, and/or services.	—	—	P2	Business Domains
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	—	6.2	—	Securities Report (Japanese only)
2.4	Location of organization's headquarters.	—	—	P2	Corporate Information
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	—	—	P2	Corporate Information
2.6	Nature of ownership and legal form.	—	—	—	Securities Report (Japanese only)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	—	—	—	Securities Report (Japanese only)
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees; • Number of operations; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. 	—	—	P2	Corporate Information Securities Report (Japanese only)
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations). 	—	—	—	Nikon announces reorganization of corporate structure Announcement of Head Office Relocation
2.10	Awards received in the reporting period.	—	—	P27	Stakeholders Evaluation

3. Report Parameters

GRI Guidelines	UN Global Compact principles	ISO 26000 core subjects	Corresponding		
			page	website	
Report Profile					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	—	—	P2	➤ CSR Report 2015
3.2	Date of most recent previous report (if any).	—	—	P2	➤ CSR Report 2015
3.3	Reporting cycle (annual, biennial, etc.)	—	—	P2	➤ CSR Report 2015
3.4	Contact point for questions regarding the report or its contents.	—	—	P2	➤ CSR Report 2015
Report Scope and Boundary					
3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report. 	—	—	P16 P19 P21	➤ CSR Policy ➤ Priority Issues Set Forth in the CSR Medium Term Plan ➤ Dialogue with Stakeholders
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	—	—	P2 P49	➤ CSR Report 2015 ➤ Environmental Management System
3.7	State any specific limitations on the scope or boundary of the report.	—	—	P2 P49	➤ CSR Report 2015 ➤ Environmental Management System
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	—	—	—	—
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	—	—	P2 P52 P72	➤ CSR Report 2015 ➤ Environmental Accounting ➤ Reducing CO2 Emissions
GRI Content Index					
3.12	Table identifying the location of the Standard Disclosures in the report.	—	—	P132	➤ these tables
Assurance					
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	—	—	P130	➤ Independent Practitioner's Assurance

4. Governance, Commitments, and Engagement

GRI Guidelines	UN Global Compact principles	ISO 26000 core subjects	Corresponding		
			page	website	
Governance					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	1-10	6.2	P34	➤ Corporate Governance Organization
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	1-10		P34	➤ Corporate Governance Organization
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	1-10		P34	➤ Corporate Governance Organization
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	1-10		P34	➤ Corporate Governance Organization

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding		
				page	website	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	1-10	6.2	P34	› Corporate Governance Organization	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	1-10		P34	› Corporate Governance Organization	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	1-10		P34	› Corporate Governance Organization	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	1-10		P16 P26 P29 P46 P53 P91 P95 P99 P120 P125	› CSR Policy › Approach to UN Global Compact › Targets and Results for the Priority Issues › The Nikon Basic Environmental Management Policy › Environmental Action Plan › Nikon Code of Conduct › Nikon Anti-Bribery Policy › Nikon Group HR Vision › Promoting CSR-oriented Procurement › Dealing with the Issue of Conflict Minerals	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	1-10		P24 P26 P34 P49	› CSR Promoting System › Approach to UN Global Compact › Corporate Governance Organization › Environmental Management System	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	1-10		P34	› Corporate Governance Organization	
Commitments to External Initiatives						
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	7		6.2	P37 P42 P46 P89 P112 P120 P125	› Internal Control System › Risk Management › Environmental Activities › Compliance Activities › Employees' Health and Safety › CSR-oriented Procurement › Dealing with the Issue of Conflict Minerals
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	1-10			P16 P49 P53	› CSR Policy › Environmental Management System › Environmental Action Plan
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	1-10			P21 P125	› Dialogue with Stakeholders › Dealing with the Issue of Conflict Minerals
Stakeholder Engagement						
4.14	List of stakeholder groups engaged by the organization.	—	6.2 Organizational Governance	P19 P21	› Priority Issues Set Forth in the CSR Medium Term Plan › Dialogue with Stakeholders	
4.15	Basis for identification and selection of stakeholders with whom to engage.	—		P21	› Dialogue with Stakeholders	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	—		P21 P130	› Dialogue with Stakeholders › Independent Practitioner's Assurance	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	—		P29 P130	› Targets and Results for the Priority Issues › Independent Practitioner's Assurance	

5. Management Approach and Performance Indicators

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
Economic					
	Disclosure on Management Approach	1, 4, 6, 7	6.2 6.8	—	➤ Securities Report (Japanese only)
Economic Performance Indicators					
Aspect: Economic Performance					
Core EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	—	6.8 6.8.3 6.8.7 6.8.9	—	➤ Securities Report (Japanese only)
Core EC2.	Financial implications and other risks and opportunities for the organization's activities due to climate change.	7	6.5.5	P52	➤ Environmental Accounting
Core EC3.	Coverage of the organization's defined benefit plan obligations.	—	—	—	➤ Securities Report (Japanese only)
Core EC4.	Significant financial assistance received from government.	—	—	—	—
Aspect: Market Presence					
Add. EC5.	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	1	6.3.7 6.4.4 6.8	—	—
Core EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	—	6.6.6 6.8 6.8.5 6.8.7	P120	➤ Promoting CSR-oriented Procurement ➤ Procurement
Core EC7.	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	6	6.8 6.8.5 6.8.7	—	—
Aspect: Indirect Economic Impacts					
Core EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	—	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9	P115	➤ Community Contribution Activities
Add. EC9.	Understanding and describing significant indirect economic impacts, including the extent of impacts.	—	6.3.9 6.6.6 6.6.7 6.7.8 6.8 6.8.5 6.8.6 6.8.7 6.8.9	—	—
Environmental					
	Disclosure on Management Approach	7, 8, 9	6.2 6.5	P16 P26 P46 P72	➤ CSR Policy ➤ Approach to UN Global Compact ➤ Environmental Management ➤ Reducing CO2 Emissions
Environmental Performance Indicators					
Aspect: Materials					
Core EN1.	Materials used by weight or volume.	8	6.5 6.5.4	P47 P83	➤ Business Activities and the Environment ➤ Control and Reduction of Chemical Substances in Manufacturing
Core EN2.	Percentage of materials used that are recycled input materials.	8, 9	6.5 6.5.4	—	—
Aspect: Energy					
Core EN3.	Direct energy consumption by primary energy source.	8	6.5 6.5.4	P47 P72	➤ Business Activities and the Environment ➤ Reducing CO2 Emissions
Core EN4.	Indirect energy consumption by primary source.	8	6.5 6.5.4	P47 P72	➤ Business Activities and the Environment ➤ Reducing CO2 Emissions

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
Add. EN5.	Energy saved due to conservation and efficiency improvements.	8, 9	6.5 6.5.4	P53 P72	<ul style="list-style-type: none"> ➤ Environmental Action Plan ➤ Reducing CO2 Emissions
Add. EN6.	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	8, 9	6.5 6.5.4	P53 P61 P70 P72	<ul style="list-style-type: none"> ➤ Environmental Action Plan ➤ Eco-friendly Product Development ➤ Eco-friendliness of Key Products ➤ Reducing CO2 Emissions
Add. EN7.	Initiatives to reduce indirect energy consumption and reductions achieved.	8, 9	6.5 6.5.4	P61 P77 P86	<ul style="list-style-type: none"> ➤ Eco-friendly Product Development ➤ Efforts by Non-manufacturing Facilities ➤ Supply Chain Management
Aspect: Water					
Core EN8.	Total water withdrawal by source.	8	6.5 6.5.4	P79	<ul style="list-style-type: none"> ➤ Preventing Air/Water Pollution and Protecting Water Resources
Add. EN10.	Percentage and total volume of water recycled and reused.	8, 9	6.5 6.5.4	P79	<ul style="list-style-type: none"> ➤ Preventing Air/Water Pollution and Protecting Water Resources
Aspect: Biodiversity					
Core EN12.	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	8	6.5 6.5.6	P58	<ul style="list-style-type: none"> ➤ Biodiversity Conservation
Add. EN13.	Habitats protected or restored.	8	6.5 6.5.6	P115	<ul style="list-style-type: none"> ➤ Supporting the AKAYA Project in Japan ➤ Supporting Children's Forest Program in Thailand
Add. EN14.	Strategies, current actions, and future plans for managing impacts on biodiversity.	8	6.5 6.5.6 6.8.3	P58	<ul style="list-style-type: none"> ➤ Biodiversity Conservation
Aspect: Emissions, Effluents, and Waste					
Core EN16.	Total direct and indirect greenhouse gas emissions by weight.	8	6.5 6.5.5	P47 P53 P68 P72 P77 P86	<ul style="list-style-type: none"> ➤ Business Activities and the Environment ➤ Environmental Action Plan ➤ Distribution-related Activities ➤ Reducing CO2 Emissions ➤ Efforts by Non-manufacturing Facilities ➤ Supply Chain Management
Core EN17.	Other relevant indirect greenhouse gas emissions by weight.	8	6.5 6.5.5	P68	<ul style="list-style-type: none"> ➤ Distribution-related Activities
Add. EN18.	Initiatives to reduce greenhouse gas emissions and reductions achieved.	7, 8, 9	6.5 6.5.5	P53 P72 P77	<ul style="list-style-type: none"> ➤ Environmental Action Plan ➤ Reducing CO2 Emissions ➤ Efforts by Non-manufacturing Facilities
Core EN19.	Emissions of ozone-depleting substances by weight.	8	6.5 6.5.3	—	—
Core EN20.	NOx, SOx, and other significant air emissions by type and weight.	8	6.5 6.5.3	WEB	<ul style="list-style-type: none"> ➤ Environmental Data (Japanese only)
Core EN21.	Total water discharge by quality and destination.	8	6.5 6.5.3	WEB P79	<ul style="list-style-type: none"> ➤ Environmental Data (Japanese only) ➤ Preventing Air/Water Pollution and Protecting Water Resources
Core EN22.	Total weight of waste by type and disposal method.	8	6.5 6.5.3	P47 P80	<ul style="list-style-type: none"> ➤ Business Activities and the Environment ➤ Waste Reduction
Core EN23.	Total number and volume of significant spills.	8	6.5 6.5.3	P83	<ul style="list-style-type: none"> ➤ Control and Reduction of Chemical Substances in Manufacturing
Aspect: Products and Services					
Core EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	7, 8, 9	6.5 6.5.4 6.6.6 6.7.5	P53 P62 P70	<ul style="list-style-type: none"> ➤ Environmental Action Plan ➤ Reducing Hazardous Substances in Products ➤ Eco-friendliness of Key Products
Core EN27.	Percentage of products sold and their packaging materials that are reclaimed by category.	8, 9	6.5 6.5.3 6.5.4 6.7.5	P64	<ul style="list-style-type: none"> ➤ Product Reuse and Recycling
Aspect: Compliance					
Core EN28.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	8	6.5	P79 P49	<ul style="list-style-type: none"> ➤ Preventing Air/Water Pollution and Protecting Water Resources ➤ Environmental Management System
Aspect: Transport					
Add. EN29.	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	8	6.5 6.5.4 6.6.6	P68 P77	<ul style="list-style-type: none"> ➤ Distribution-related Activities ➤ Efforts by Non-manufacturing Facilities

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
Aspect: Overall					
Add. EN30.	Total environmental protection expenditures and investments by type.	7, 8, 9	6.5	P52	➤ Environmental Accounting
Social Performance Indicators					
Labor Practices and Decent Work					
	Disclosure on Management Approach	1, 3, 6	6.2 6.4 6.3.10	P16 P26 P29 P99 P120 P125	➤ CSR Policy ➤ Approach to UN Global Compact ➤ Targets and Results for the Priority Issues ➤ Labor Environment ➤ Promoting CSR-oriented Procurement ➤ Dealing with the Issue of Conflict Minerals
Labor Practices and Decent Work Performance Indicators					
Aspect: Employment					
Core LA1.	Total workforce by employment type, employment contract, and region, broken down by gender.	—	6.4 6.4.3	P104	➤ Vigorous Activities Demonstrated by Diverse Employees
Core LA2.	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	6	6.4 6.4.3	P104	➤ Vigorous Activities Demonstrated by Diverse Employees
Add. LA3.	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation.	—	6.4 6.4.3 6.4.4	P100	➤ Human Resources Management System / Human Resources Development
Core LA15.	Return to work and retention rates after parental leave, by gender.	—	6.4 6.4.4	P109	➤ Supporting Diverse Work Styles
Aspect: Labor/Management Relations					
Core LA4.	Percentage of employees covered by collective bargaining agreements.	1, 3	6.3.10 6.4 6.4.3 6.4.4 6.4.5	P102	➤ Respect for Human Rights
Core LA5.	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	3	6.4 6.4.3 6.4.4 6.4.5	P102	➤ Respect for Human Rights
Aspect: Occupational Health and Safety					
Add. LA6.	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	1	6.4 6.4.6	P102	➤ Respect for Human Rights
Core LA7.	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	1	6.4 6.4.6	P112	➤ Employees' Health and Safety
Core LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	1	6.4 6.4.6 6.8 6.8.3 6.8.4 6.8.8	P112	➤ Employees' Health and Safety
Add. LA9.	Health and safety topics covered in formal agreements with trade unions.	1	6.4 6.4.6	P112	➤ Employees' Health and Safety
Aspect: Training and Education					
Core LA10.	Average hours of training per year per employee by gender, and by employee category.	—	6.4 6.4.7	P100	➤ Human Resources Management System / Human Resources Development
Add. LA11.	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	—	6.4 6.4.7 6.8.5	P104	➤ Vigorous Activities Demonstrated by Diverse Employees
Add. LA12.	Percentage of employees receiving regular performance and career development reviews, by gender.	—	6.4 6.4.7	P100	➤ Human Resources Management System / Human Resources Development
Aspect: Diversity and Equal Opportunity					
Core LA13.	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	1, 6	6.3.7 6.3.10 6.4 6.4.3	P109	➤ Supporting Diverse Work Styles
Aspect: Equal Remuneration for Women and Men					
Core LA14.	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	1, 6	6.3.7 6.3.10 6.4 6.4.3 6.4.4	—	—

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
Human Rights					
	Disclosure on Management Approach	1, 2, 3, 4, 5, 6	6.2 6.3 6.3.3 6.3.4 6.3.6 6.6.6	P16 P26 P29 P96 P99 P120 P125	<ul style="list-style-type: none"> ➤ CSR Policy ➤ Approach to UN Global Compact ➤ Targets and Results for the Priority Issues ➤ Compliance Promotion Activities ➤ Labor Environment ➤ Promoting CSR-oriented Procurement ➤ Dealing with the Issue of Conflict Minerals
Human Rights Performance Indicators					
Aspect: Investment and Procurement Practices					
Core HR2.	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	1, 2, 3, 4, 5, 6	6.3 6.3.3 6.3.5 6.4.3 6.6.6	P120	<ul style="list-style-type: none"> ➤ Promoting CSR-oriented Procurement
Add. HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	1, 2, 3, 4, 5, 6	6.3 6.3.5	P96 P102	<ul style="list-style-type: none"> ➤ Compliance Promotion Activities ➤ Respect for Human Rights
Aspect: Child Labor					
Core HR6.	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	1, 2, 5	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10 6.6.6	P102 P120 P125	<ul style="list-style-type: none"> ➤ Respect for Human Rights ➤ Promoting CSR-oriented Procurement ➤ Dealing with the Issue of Conflict Minerals
Aspect: Forced and Compulsory Labor					
Core HR7.	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	1, 2, 4	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10 6.6.6	P102 P120 P125	<ul style="list-style-type: none"> ➤ Respect for Human Rights ➤ Promoting CSR-oriented Procurement ➤ Dealing with the Issue of Conflict Minerals
Aspect: Security Practices					
Add. HR8.	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	1, 2	6.3 6.3.5 6.4.3 6.6.6	—	—
Aspect: Assessment					
Core HR10.	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	—	6.3 6.3.3 6.3.4 6.3.5	P102 P120 P125	<ul style="list-style-type: none"> ➤ Respect for Human Rights ➤ Promoting CSR-oriented Procurement ➤ Dealing with the Issue of Conflict Minerals
Aspect: Remediation					
Core HR11.	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	—	6.3 6.3.6	P96	<ul style="list-style-type: none"> ➤ Compliance Promotion Activities
Society					
	Disclosure on Management Approach	10	6.2 6.6 6.8	P16 P29 P115	<ul style="list-style-type: none"> ➤ CSR Policy ➤ Targets and Results for the Priority Issues ➤ Community Contribution Activities
Society Performance Indicators					
Aspect: Local Communities					
Core SO1.	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	—	6.3.9 6.8 6.8.3 6.8.9	—	—
Core SO9.	Operations with significant potential or actual negative impacts on local communities.	—	6.3.9 6.5.3 6.5.6 6.8	P83	<ul style="list-style-type: none"> ➤ Control and Reduction of Chemical Substances in Manufacturing

GRI Guidelines		UN Global Compact principles	ISO 26000 core subjects	Corresponding	
				page	website
Core SO10.	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	—	6.3.9 6.5.3 6.5.6 6.8	P83	➤ Control and Reduction of Chemical Substances in Manufacturing
Aspect: Corruption					
Core SO2.	Percentage and total number of business units analyzed for risks related to corruption.	10	6.6 6.6.3	P42 P96 P120	➤ Risk Management ➤ Compliance Promotion Activities ➤ Promoting CSR-oriented Procurement
Core SO3.	Percentage of employees trained in organization's anti-corruption policies and procedures.	10	6.6 6.6.3	P96	➤ Compliance Promotion Activities
Core SO4.	Actions taken in response to incidents of corruption.	10	6.6 6.6.3	P96	➤ Compliance Promotion Activities
Aspect: Public Policy					
Core SO5.	Public policy positions and participation in public policy development and lobbying.	1-10	6.6 6.6.4 6.8.3	—	—
Product Responsibility					
	Disclosure on Management Approach	1, 8	6.2 6.6 6.7	P16 P21 P32	➤ CSR Policy ➤ Dialogue with Stakeholders ➤ Quality Control
Product Responsibility Performance Indicators					
Aspect: Customer Health and Safety					
Core PR1.	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	1	6.3.9 6.6.6 6.7 6.7.4 6.7.5	P21 P32	➤ Dialogue with Stakeholders ➤ Quality Control
Add. PR2.	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	1	6.3.9 6.6.6 6.7 6.7.4 6.7.5	P32	➤ Quality Control
Aspect: Product and Service Labeling					
Core PR3.	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	8	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	—	—
Add. PR4.	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	8	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	—	—
Add. PR5.	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	—	6.7 6.7.4 6.7.5 6.7.6 6.7.8 6.7.9	P21 P27	➤ Dialogue with Stakeholders ➤ Stakeholders Evaluation
Aspect: Marketing Communications					
Core PR6.	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	—	6.7 6.7.3 6.7.6 6.7.9	—	—

* Categories for which there is no corresponding data are not included.

Picture on the front cover

Prize-winning work in the 23rd 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: "Food Waste"

Web Cooperating with the United Nations Environment Programme (UNEP)
<http://www.nikon.com/about/csr/society/earth/icpc/index.htm>



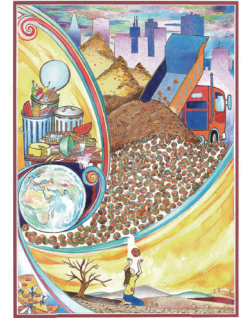
1st prize global winner
 Sami Asim Khan (The United States of America, 13 years)



2nd prize global winner
 Ada Maria Ciontu (Romania, 10 years)



Asia and the Pacific regional winner,
 5th prize global winner
 Kandage Kiyara Chenuli Perera (Sri Lanka, 8 years)



Europe regional winner,
 5th prize global winner
 Panna Kvell (Hungary, 12 years)

* Winner profiles are those of when the 23rd competition was held.



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