

# Relationship with Employees

Nikon employees come from a wide range of backgrounds. The company's basic stance is to respect individual diversity and human rights, to treat people fairly without prejudice, and to provide an environment in which dedicated work leading to good results is possible.

## Fair Recruit Selection

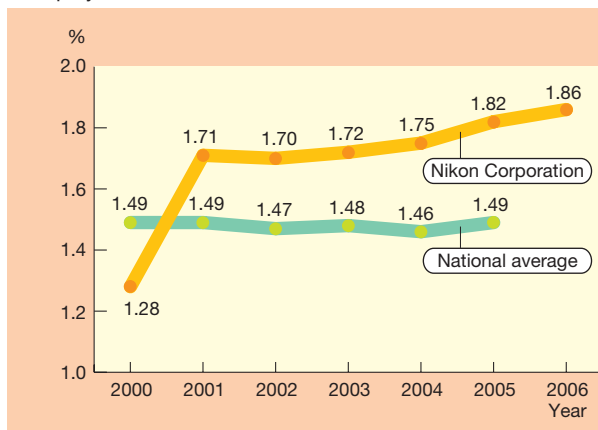
To bring in a broad range of competent people, Nikon regularly recruits new graduates as well as individuals with experience of working in a company. At the employment interviews for new graduates, we place particular emphasis on creating an atmosphere, even before the interview, that will draw out their intrinsic capabilities. For individuals with previous experience, we have established "job description-free hiring" recruitment terms to enable us to attract aspirants from a wide range of fields regardless of their previous line of work.

## Employing the Disabled

By providing a comfortable workplace where people with a disability can make the most of their skills and aptitudes, Nikon aims to increase hiring of the disabled as part of its social responsibilities as a corporation. With this thought in mind, the exceptional subsidiary Nikon Tsubasa Inc. was established in 2001. Here, a team of highly experience staff and instructors offer meticulous support for life in a company to enable individuals to realize their full potential.

We have already reached the statutory employment ratio of people with disabilities of 1.8% (the employment rate in 2006 was 1.86%), and are currently making strenuous efforts to create new workplaces for the disabled.

■ Employment Quota Rate for the Disabled



## Utilizing Foreigners

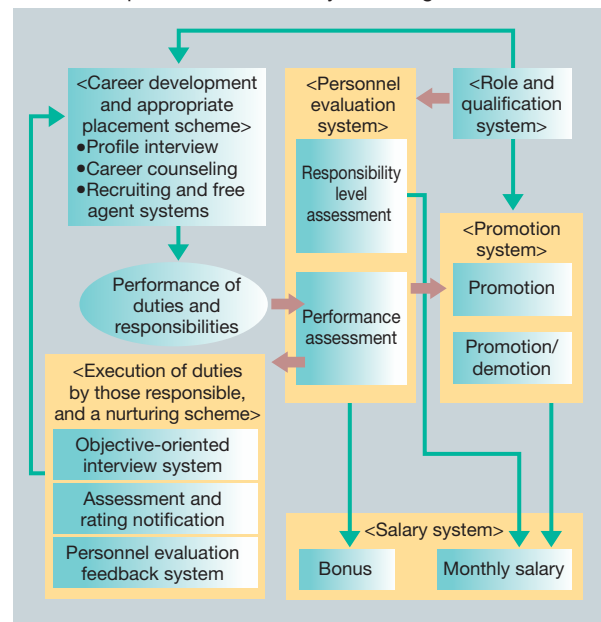
With the aim of developing as a global corporation, and also with an eye on the utilization of foreigners in overseas subsidiaries, Nikon is always looking for exceptional staff, regardless of their nationality. Employees from various countries working in a wide range of different specialist fields are making a huge contribution to our business results.

## Personnel System and Wage System

When placing employees, Nikon takes into consideration individual ability and aptitude, and future career development. For example, at Nikon Corporation, two-way communication between superiors and subordinates is promoted through such measures as the objective-oriented interview system, and other systems shown below have been introduced to deepen understanding of assessment.

Profile interviews are also conducted every autumn between superiors and subordinates focusing on such issues as career development direction and requests and desires concerning the company.

■ Nikon Corporation Personnel System Diagram



## Post-retirement Continued Employment System

Since amendment of the Golden Age Employment Stability Act in April 2006, corporations are now required to provide continued employment for people aged 60 or older. Aiming at being a company where senior citizens can continue working provided they have the incentive and ability, Nikon introduced its "Active Senior Employee System" in April 2006. With this system, employees reaching retirement age (60) are reemployed provided they satisfy certain conditions. Initially, the age limit for reemployment was 63 but this is being gradually extended, and from April 2009 it is scheduled to be set to 65 years of age. Ahead of this system, NIKON STAFF SERVICE CORPORATION was established in 2004 to support the utilization of senior citizens by finding reemployment for retirees at Nikon Corporation.

Through these and other measures, we aim to comprehensively promote the utilization of senior citizens.

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## Developing Human Resources

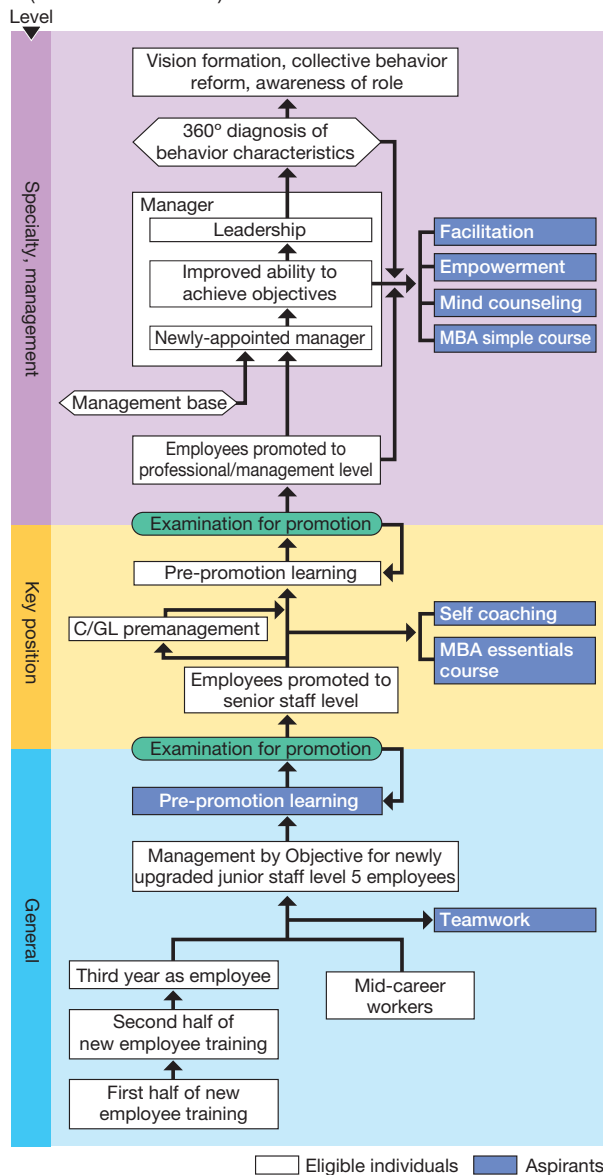
When developing human resources, to personify the corporate philosophy of "Trustworthiness and Creativity", the personnel required are defined as individuals who can:

**Work for the team, think on your own, and act.**

Employees must also clearly show the capabilities required for their post.

Nikon's approach to human resource development involves the provision of various training and self-development programs to enable employees to master and demonstrate these requirements. As well as verification of the adequacy and effect of each of the programs, annual plans are proposed and reinforced every year through review and revision.

### Position and Training Flow of Nikon Corporation Employees (Fiscal 2006 version)



□ Eligible individuals    ■ Aspirants

## Health and Safety

The Nikon health and safety targets and policies were determined after deliberation by the "Health and Safety Committee", which is composed of members from both management and labor. After receiving operations site targets and policies, each work site establishes its own "Work Site Health and Safety Targets", and everyone participates in related activities.

Manufacturing is conducted based on health and safety management rules that clearly specify the responsibilities of each work site manager for production line health and safety. It goes without saying that related laws are also strictly observed to assure that work proceeds with due regard for safety. Recently, specific measures have been implemented with the focus on the prevention of health impairment due to overwork and mental health.

### Fiscal 2006 Health and Safety Activity Objectives and Policies

Target: **A healthy, safe, vibrant corporation**

- Policy 1 **Safety considerations**  
"From no accidents to no danger"
- Policy 2 **Promote health improvement support activities**
- Policy 3 **Create a comfortable workplace**

### Routine Measures

Work site patrols by Plant Health and Safety Committee members (once a month)

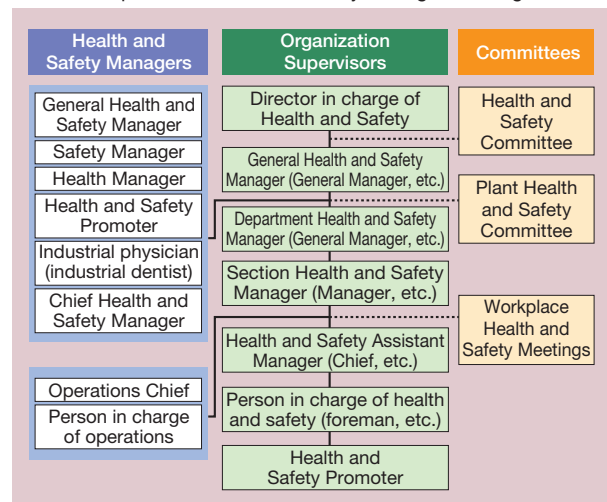
Work site self inspection by Plant Health and Safety Promotion Committee members (once a month)

### Recent Measures

- **January 2006** Comprehensive checks of Nikon Group safety, accident and crime prevention measures (including domestic and overseas subsidiaries)

- **July 2006-** Introduction and implementation of a Rehabilitation Support System for employee on sick leave (fewer work days and shorter working hours)

### Nikon Corporation Health and Safety Management Organization



## Work-Life Balance System

Nikon decided on the months of April and May 2006 as the term for its "Working Hours Campaigns".

The goal of the campaigns was to provide an opportunity for individuals at each work site to re-examine the way they work and to reconsider the importance of work site management. Details of the various campaigns are shown below.

In 2006 the campaigns were run in April, May and October but from next year campaigns will be run during October every year.



Working Hours Campaign Poster  
Winning entry

Way of Working Review Campaign	Campaign term
<p><b>Go Home Early Campaign (No Overtime Day) (Short Overtime Day) implemented</b></p> <ul style="list-style-type: none"> <li>In principle, Short Overtime Day means overtime of no longer than 2 hours</li> </ul> <p><b>Review of Meetings</b></p> <ul style="list-style-type: none"> <li>Ten meeting rules displayed in meeting rooms, on bulletin boards, etc.</li> </ul> <p><b>Introduction to time management techniques</b></p> <ul style="list-style-type: none"> <li>Time management world trends and examples of the approaches of other companies distributed to all employees via the Intranet</li> </ul> <p><b>Poster Campaign</b></p> <ul style="list-style-type: none"> <li>Collection of ideas for posters concerning review of how employees work, with display of the winning entries</li> </ul>	<p>April 2006 Implementation continued after the completion of the campaign</p>
<p><b>Cost Awareness Enhancement Campaign</b></p> <p><b>Display of cost per minute (meeting rooms, etc.)</b></p> <ul style="list-style-type: none"> <li>Display of cost per minute of a meeting room, etc. (average cost per employee)</li> </ul>	<p>April, May 2006</p>
<p><b>Communication and Health Promotion Campaign</b></p> <p><b>Daily Management Scores</b></p> <ul style="list-style-type: none"> <li>Checking of morning and lunchtime assembly enforcement, observation of the "5S" concept, meeting format, etc., by the section in charge of human resources</li> </ul> <p><b>Autonomous Improvement of the Workplace</b></p> <ul style="list-style-type: none"> <li>Selection of a workplace problem by section managers, and preparation of plans for improvement</li> </ul> <p><b>Model Workplace Selection and Publicity</b></p> <ul style="list-style-type: none"> <li>Selection of a workplace with advanced work and time management, and introduction through in-house newsletters</li> </ul> <p><b>Lectures by Corporate Lawyers</b></p> <ul style="list-style-type: none"> <li>Related to Workers' Accident Compensation standards, responsibility for worker safety, employer's liability, etc.</li> <li>Lectures regarding daily management points of concern</li> </ul>	<p>April 2006 (partly run from March)</p> <p>October 2006</p> <p>October 2006</p>
<p><b>Pressure-Free Campaign</b></p> <p><b>Thorough implementation of "No Overtime Day" and "Short Overtime Day"</b></p> <ul style="list-style-type: none"> <li>Implementation of patrols at offices</li> </ul> <p><b>Thorough implementation of a Paid Leave Acquisition Plan</b></p> <ul style="list-style-type: none"> <li>Determination in March of paid half-term leave of 2 days and 1 day on the personal anniversary, with thorough display at workplaces</li> </ul>	<p>April, May 2006</p>

## Work and Family Support System

Nikon introduced a system that enables employees with childcare and nursing care responsibilities to work with peace of mind.

### Nikon Corporation Childcare and Nursing Care System

Childcare related system	Steps to alleviate commuting stress during pregnancy (staggered hours/shortening of working hours by up to 2 hours)
	Time provided for hospital visits during pregnancy (1 hour-max. 1 day x number of hospital-visiting days)
	Childcare leave (as a general rule, until the child is 1 year old but can be extended to 1 year 6 months due to day nursery availability and other factors)
	Spouse maternity leave (2 days special leave)
	Choice of work hours (until the child is 1 year old: work time shortened by up to 4 hours per day/staggered hours)
	Shortened work hours (until the child completes year 3 of elementary school: up to 2 hours per day)
	Overtime limitation and exemption from late night work
Nursing care related system	Nursing care leave (up to 1 year)
	Shortened work hours (up to 4 hours per day for 1 year)
	Special accumulated leave for accident, illness or nursing care (accumulation of up to 40 days of paid leave that cannot be carried over possible)
	Nursing leave (up to 5 days per year for nursing pre-elementary school children)
	Overtime limitation and exemption from late night work

### Record of Leave Before and After Childbirth/ Childcare Leave and Return to Work

Mostly everyone return to work after taking leave. Unit: people

Fiscal year	Maternity leave	After maternity leave		Childcare leave acquired		Left company during childcare leave	Returned after childcare leave
		Returned	Childcare leave	Male	Female		
2003	18	1	17	0	17	0	17
2004	10	0	10	1	10	1	10
2005	12	0	12	0	12	0	12

### Record of Nursing Care Leave Acquisition and Return to Work

Unit: people

Fiscal year	Male	Female	Returned
2003	0	0	0
2004	2	0	2
2005	1	1	2

### Record of Paid Leave Acquisition

Employees take an average of 60% of the 20 days of paid leave offered, which is a high rate. Unit: days

Fiscal year	Union members			Employees		
	Male	Female	Total	Male	Female	Total
2003	12.8	15.5	13.1	11.9	15.3	12.2
2004	13.3	16.0	13.6	12.4	15.7	12.6
2005	13.6	15.8	13.8	12.6	15.7	12.9