

Promoting Compliance Activities Globally

The Nikon Group is committed to making all its employees aware of the importance of compliance to ensure that each individual employee is able to take appropriate action.

Main achievements for the year ended March 31, 2010

Established compliance promotion systems at overseas Group companies and introduced an internal consulting service
 Conducted an awareness survey at Group companies in Japan and fed back the results to make individual improvements
 Enhanced the confidentiality rules of the Code of Conduct Hotline and further increased awareness of this hotline among employees

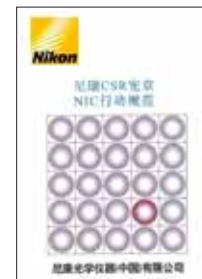
Major targets for the year ending March 31, 2011

Continue to promote global compliance activities
 Conduct an awareness survey at Group companies in Japan and execute a PDCA cycle based on the results
 Provide education on important themes

environments. While Nikon Group companies within Japan all apply the same Nikon Code of Conduct, overseas Group companies have their own codes of conduct in place, which have been formulated based on the Nikon Code of Conduct.



Nikon Code of Conduct (uniformly applied in Japan)

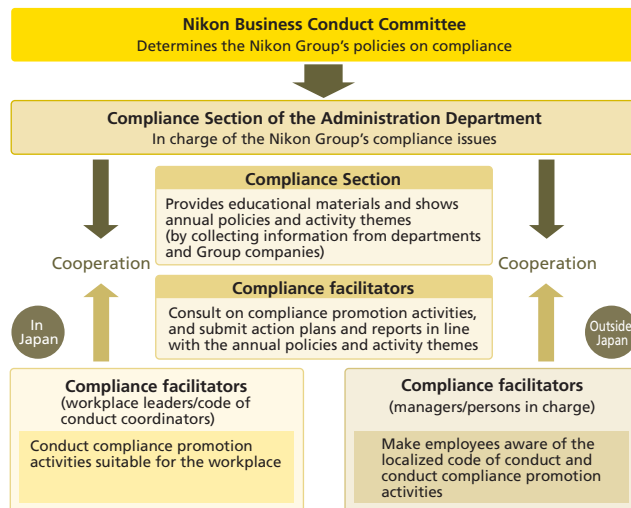


Nikon Code of Conduct (localized version for Nikon Imaging China Co., Ltd.)

Compliance Promotion

In the Nikon Group, the Compliance Section of Nikon Corporation's Administration Department fosters compliance activities in cooperation with the persons in charge of promoting CSR and compliance stationed in the departments of the company and in Group companies in Japan based on the group-wide policies set by the Nikon Business Conduct Committee.

Compliance Promotion



Nikon Code of Conduct

The Nikon Code of Conduct lays out the basic policies and gives guidance on matters closely related to daily business operations, including human rights, information management, entertainment and gifts, accounting practices, and workplace

Compliance Promotion Activities

Compliance education and awareness

The Nikon Group conducts compliance promotion activities through compliance facilitators stationed in the departments of Nikon Corporation and in Group companies. In the year ended March 31, 2010, in response to the results of the 2008 compliance awareness survey conducted on Nikon Group companies in Japan, we conducted e-learning sessions on power harassment. A total of 11,781 employees (88% of the targeted employees of Nikon Group companies in Japan) attended the sessions.

Moreover, the Compliance Section of Nikon Corporation provides compliance education as part of the initial training for regular employees and mid-career workers and as part of the training for employees being promoted to managers. The Compliance Section also provides education and training for Nikon Group companies on request.

Compliance awareness survey (monitoring)

Every year in October, we conduct a compliance awareness survey targeting employees of Nikon Group companies in Japan, with a view to increasing their compliance awareness. The response rate for the 2009 survey was 72% (9,501 employees). Awareness of the Code of Conduct Hotline, one of the questionnaire items, was 90%, up from 74% in the previous year's survey. We will continue to increase the employees' awareness of compliance and feed back the individual results to relevant departments to help them identify problems and make improvements.

Voice

Making each employee more aware of compliance

Compliance issues span a wide area, and it is essential for each employee to be aware of the importance of compliance to prevent problems. I am in charge of creating and dispatching the in-house compliance newsletter, in which I introduce incidents that could take place in any of our workplaces so that readers will think about compliance as something that affects them directly. I would like to continue with effective activities in cooperation with workplace compliance facilitators.



Ayumi Hamada

Compliance Section
Administration Department
Business Administration Center
Nikon Corporation

Preventing violations

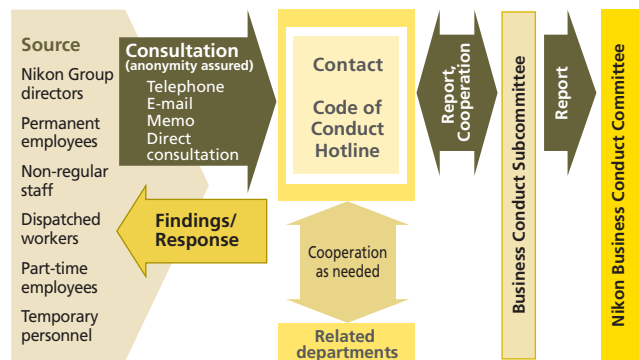
The Nikon Group takes disciplinary action against all violations of the working regulations of each Nikon Group company and the Nikon Code of Conduct based on its in-house disciplinary rules after investigating and confirming the facts. In the year ended March 31, 2010, disciplinary action was taken against three cases of violation at Nikon Corporation and three at Group companies in Japan. In order to prevent the recurrence of similar problems, the circumstances and basic details of the disciplinary action are disclosed internally.

Consulting/Reporting system

The Nikon Group established the Code of Conduct Hotline as a central point of contact for employees of domestic Group companies wanting to discuss a situation that might run counter to Nikon Code of Conduct. In the year ended March 31, 2010, the hotline was used 25 times, and these matters are now being dealt with in cooperation with the relevant departments.

The Code of Conduct Hotline protects the privacy of its users and ensures that they do not experience any prejudicial treatment. In June 2009, we revised some of the operating rules to improve confidentiality and once again promoted awareness of the hotline among employees. Outside Japan, almost all Group companies have similar hotlines in place.

Code of Conduct Hotline Flow Diagram (Japan)



Risk management activities

Implementing a Risk Management PDCA Cycle

We are managing risk comprehensively and implementing measures for the continuous advancement of the Nikon Group.

Main achievements for the year ended March 31, 2010

- Conducted information management audits in September and reported the results in February
- Began operating a system to manage information on contacting employees assigned overseas
- Reviewed the action plan and increased the reserve of goods used to prevent pandemic influenza
- Formulated operational guidelines to manage the provision of technical information

Major targets for the year ending March 31, 2011

- Support the establishment of information management systems by Group companies within and outside Japan
- Expanded the overseas business travel management system to Group companies in Japan
- Maintain and update the BCM system for large earthquakes and pandemic influenza through a PDCA cycle

Risk Management System

The Nikon Group has its own Risk Management Committee. This committee identifies risks that could impact the Group's management, formulates countermeasures against those risks, implements a range of measures to minimize the damage that could be caused if a risk materializes, performs constant monitoring, and manages the risks by executing a PDCA cycle. At present, the committee is also working to improve information security, management of risks for employees assigned overseas, and pandemic influenza.

The Nikon Group regards it as part of its social responsibility to ensure business continuity and has established an Integrated