

Promoting Diversity Activities

As a basic principle, we respect the diversity and human rights of employees with different backgrounds and treat them fairly, so that each of them can apply themselves to their work, display their abilities, and produce results as a team. In the year ended March 31, 2010, we began building a global management system for issues related to human rights and the labor environment, which are attracting attention in society.

The Ideal Employee, the Ideal Company

Nikon Corporation will develop human resources who can lead an organization, train subordinates, and contribute to the company with knowledge, technology, and skills, under the slogan "Work for the team, think on you own, and act."

Globally Managing the Issues Related to Human Rights and the Labor Environment

About 60% of Nikon Group employees are working outside Japan. In order to strengthen the global management of issues related to human rights and labor, we began conducting surveys based on the GRI Guidelines on how these issues are managed at Nikon Group companies. We will continue to conduct these surveys once a year, indentifying problems and building the necessary systems.

Major survey items (for 46 consolidated subsidiaries and 13 affiliates of Nikon Corporation)

Employment, labor-management relations, occupational safety and health, training and education, diversity and equal opportunities, and human rights

Personnel System

Nikon Corporation classifies employees into three levels (Junior Staff, Senior Staff, and Professional/Management) according to their abilities, and clearly states their respective responsibilities. The company tests employees who have fulfilled requirements to decide whether to promote them to a higher level. Also under a dual-track system, employees can choose whether to work as a specialist and make use of their knowledge and skills, or as a manager who serves as an organizational leader. Under this system, employees who are soon to make a choice between the two are provided support in the form of career planning sessions. Performance-linked grades are also set for each of these levels. In addition, the company has a system under which subordinates meet with their managers to decide on the targets they will pursue. This system helps employees understand the results of their performance evaluation and develop and grow their individual abilities.

Human Resource Development & In-house Training

Main achievements for the year ended March 31, 2010

Held 140 stratified training and business skill training courses
Reorganized and implemented a training system based on the ability indicators linked with the personnel system
Trained managers, instructors, and new employees based on the system and followed them up
Gave feedback on the results of the 360-degree diagnostics and incorporated them into future training plans
Promoted employees and allowed some to change track under the dual track system
Educated a total of 291 new and mid-career employees on human rights

Major targets for the year ending March 31, 2011

Develop and start implementing a system to develop global human resources for emerging economies
Build a training system to help employees develop their careers, and implement it on a trial basis

Nikon Corporation has built its training system based on the following three ability indicators linked with its personnel system: target setting and achievement ability; communication ability; and educational ability, and offers a range of educational courses and systems for employees to receive skill-up training according to their level and job details. Employees of Group companies in Japan also participate in the training provided by Nikon Corporation, and Group companies both within and outside Japan also provide their own education and training programs. In the year ended March 31, 2010, Nikon Corporation completed a review of its training system and held a total of 140 stratified training and business skills training courses, which were attended by a total of 3,362 employees. In addition, 138 engineer training courses were held for a total of 4,882 employees.

Evaluating the effects of engineer training

Nikon Corporation evaluates the effects of its engineer training with a questionnaire survey. In the survey conducted in the year ended March 31, 2010, a high 93% of respondents answered "The course was useful for my work," and "I can apply what I have learned explicitly in my work." We will use the survey results as indicators to continue to provide training that is highly useful in real work situations.

Education on human rights

To provide employees with workplaces where they can fully display their abilities, we are providing them with education on human rights. Nikon Corporation educates new employees on

basic human rights as part of the training they receive immediately after entering the company, and in the year ended March 31, 2010, 291 employees took part.

We will increase employees' awareness on human rights by ensuring that all employees know the 10 principles of the UN Global Compact. Group companies outside Japan already began relevant activities in the year ended March 31, 2010. Nikon Group companies in Japan will also hold e-learning sessions for all employees in the year ending March 31, 2011.

Labor-Management Relations

Nikon Corporation has two labor unions, whose members are its regular employees: one belongs to the Japanese Association of Metal, Machinery, and Manufacturing Workers (JAM) and the other is organized as a branch of the All-Japan Metal and Information Machinery Workers Union (JMIU). The company and the unions discuss various issues related to the labor environment, hold joint study meetings, and exchange opinions as necessary. Labor-management relations are stable and problem free.

As of March 31, 2010, the labor union has 5,169 members and the JMIU branch eight, which totals 5,177. When a substantial change is made to an employee's job, Nikon Corporation discusses the matter with his/her union, obtains its prior approval, and then takes time to communicate it to the employee. In the year ended March 31, 2010, there were joint ventures with affiliates, layoffs, and the reorganization and consolidation of Nikon Group companies related to the Precision Equipment Company.

Diversity

The Nikon Group respects the diversity of employees, including gender, age, nationality, personality, culture, and values. The management attaches great importance to creating a corporate culture in which every employee can develop to their full potential. To this end, we are building the necessary systems and conducting awareness-raising activities to spread and firmly establish diversity awareness throughout the organization.

Employees of Nikon Group Companies (as of March 31 of each year)

Region	2009	2010
Japan	9,439	9,480
Asia and Oceania	12,096	14,102
Europe	973	1,207
North America	1,251	1,336
Total	23,759	26,125

Notes: Regular employees of the 70 consolidated subsidiaries of Nikon Corporation, excluding those dispatched to non-consolidated affiliates. Employees dispatched to the 70 consolidated subsidiaries are counted as regular employees of the subsidiaries.

Employees of Nikon Group Companies within Japan (as of March 31, 2010)

	Total number	Sectional or higher-level managers	Number of leavers		
			Retirees	Others	
Men	Nikon Corporation	5,975	1,182	133	59
	Group companies within Japan*	2,835	226	19	62
Women	Nikon Corporation	579	22	4	7
	Group companies within Japan*	579	4	2	29

* Total numbers of the consolidated subsidiaries of Nikon Corporation in Japan (excluding Nikon Corporation itself)
Notes: The numbers of leavers are for the period from April 1, 2009 to March 31, 2010.
Employees dispatched to affiliates are included in the number of employees of the company from which they are dispatched.

Support for work-life balance

Main achievements for the year ended March 31, 2010

Regulated overtime work more strictly by measures such as setting a "no overtime" day
Implemented a trial for working at home (for five months)
Began providing a counseling service for better work-life balance

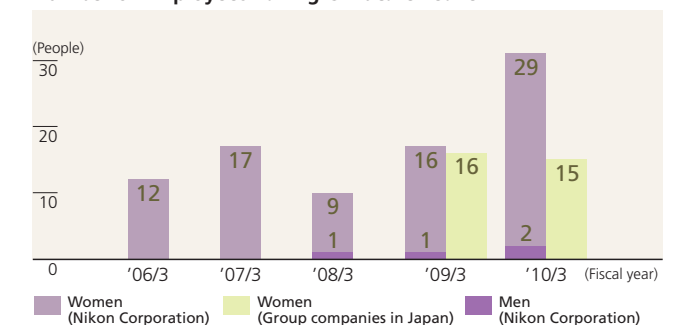
Major targets for the year ending March 31, 2011

Make employees more aware of the revised law on the care of children and other family members and examine flexible working styles
Verify the results of the trial for working at home and determine relevant policies

Nikon Corporation has adopted systems and measures that enable employees to work with ease of mind. As a result, employees can now take childcare leave for up to two years and work both flextime and for shorter hours to take care of their children and other family members. The company thus provides employees with support that exceeds the standards required by law, and is approved to use the Next-Generation Childcare Support Certification Mark (informally named Kurumin) by the government. Group companies in Japan are also working to establish similar support systems.

In the year ended March 31, 2010, Nikon Corporation performed the second trial for working at home and will decide its policy on the matter based on the results of the two trials. In addition, the company began offering a counseling service for better work-life balance and appointed as counselors some female employees who are making their work and private life compatible. This counseling system helps employees improve their career while maintaining a good work-life balance, which will in turn help the company raise its employee retention rate.

Number of Employees Taking Childcare Leave



Support for women in the workplace

Main achievements for the year ended March 31, 2010

Established a diversity liaison meeting at five Group companies in Japan
 Added "support for women in the workplace" to the themes for the training for managers and held the training
 Began operating a reentry (comeback) system

Major targets for the year ending March 31, 2011

Hold diversity training for managers on a trial basis
 Improve the percentage of women in regular employment to at least 20% and the percentage of women employed as engineers to at least 10%
 Foster the reentry (comeback) system

Nikon Corporation has been employing and treating employees without gender discrimination. In reality, however, there are differences between the numbers of male and female employees and managers. We regard this as a challenge to be tackled and have been proactively implementing measures to create a corporate culture where female employees can develop and display more of their abilities. In the year ended March 31, 2010, we set the following numerical targets:

Percentage of women in regular employment: at least 10% of employed engineers

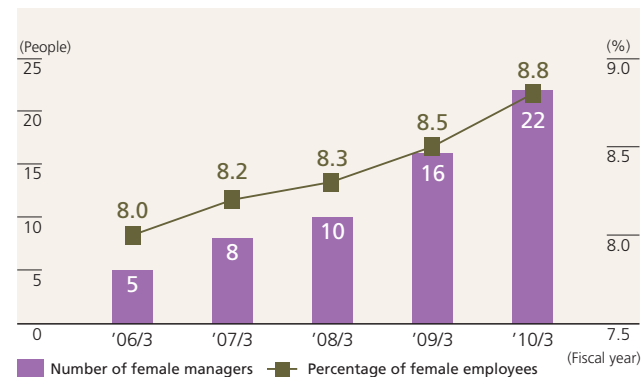
Percentage of women in new graduates employed through regular employment: at least 20%

Percentage of women in the total number of employees: 8.8% as of March 31, 2010 and increase this to at least 10% by the end of March, 2013

Number of female sectional and higher-level managers: 22 as of March 31, 2010, and double this by the end of March 2015

In the future, we will extend more support to female employees also at Group companies in Japan, for which we have selected five Group companies as model companies and are implementing measures in cooperation with them. We now require Nikon Group female employees in Japan to attend "self-realization training" to further develop their abilities and build a network. In the year ended March 31, 2010, 109 female employees participated in the training from Nikon Group companies in Japan and a total of 285 have already attended it, while 57% of Nikon Corporation's female employees have already attended it.

Percentage of Female Employees and Number of Female Managers



By the end of March 2013, all female employees of the company will participate in the training.

In addition, we will begin providing diversity training for managers in the year ending March 31, 2011, and have started to operate a reentry (comeback) system for employees who left the company for marriage, family care, job transfer of spouse, and for other reasons.

Average Years of Services and Ages of Male and Female Employees of Nikon Corporation (as of March 31, 2010)

	Average years of service	Average age
Men	19.5 years	43.5 years old
Women	14.4 years	38.0 years old

Employment of the disabled

Main achievements for the year ended March 31, 2010

Placed more orders to the Tsubasa workshop established in Sagamihara
 Expanded "paperless" (data digitization) work

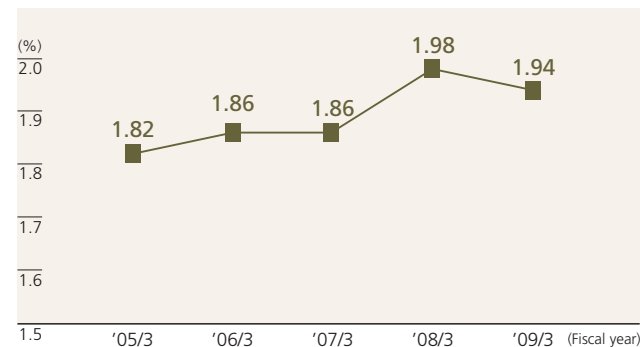
Main targets for the year ending March 31, 2011

Maintain the statutory employment rate for the disabled (1.8%)
 Place more orders with Nikon Tsubasa Inc.

Based on the Act on Employment Promotion etc. of Persons with Disabilities, Nikon Corporation established Nikon Tsubasa Inc. as an exceptional subsidiary in 2000. The number of employees of the subsidiary, which started with 10 mentally disabled employees, increased to 29 as of March 31, 2010 and it now accepts some orders also from outside the Nikon Group. Supported by experienced staff and instructors, employees are engaged in parts processing, packaging, assembly, and "paperless" (data digitization) work. In August 2008, Nikon Tsubasa Inc. opened a workshop within the Sagamihara Plant of Nikon Corporation where its employees inspect finished glass products.

Nikon Corporation, Nikon Tsubasa Inc., and Group companies in Japan have obtained government approval to calculate the statutory employment rate for the disabled as a group, and have already achieved the statutory figure.

Employment Rates of People with Disabilities



* The employment rates are based on the annual report on the employment of people with disabilities, which is published on June 1 every year.

Reemployment system for retirees

Main achievements for the year ended March 31, 2010

Reemployment rate for retirees reached 69%
 Held the Life Plan Seminar eight times, participated in by 54 couples

Major targets for the year ending March 31, 2011

Consolidate reemployment patterns
 Review when to decide on reemployment

Nikon Corporation introduced the Active Senior Employee System, under which employees who meet certain conditions are provided with an opportunity to continue to work for the company even after they reach the retirement age of 60. In the year ended March 31, 2010, about 70% of retirees were reemployed and are actively working for the Nikon Group. All employees who will retire from the company in a particular year are also provided with opportunities to attend a Life Plan Seminar, which helps them prepare for retirement. In the year ended March 31, 2010, we held this seminar eight times, participated in by 54 couples, including employees and their spouses.

Safety and Health of Employees

Main achievements for the year ended March 31, 2010

Provided risk assessment training (to 88 employees) as part of training for frontline managers
 Provided education for the health and safety staff of Group companies in Japan (17 employees)
 Held training for managers and gave new employees an opportunity to experience counseling
 Checked for mental stress in regular health checkups and gave follow-up
 Performed physical checkups for overworked employees
 Enhanced the check system to ensure that employees assigned overseas had regular health checkups, and took follow-up measures

Major targets for the year ending March 31, 2011

Educate the health and safety staff of Group companies in Japan and give them more support
 Proactively promote mental healthcare
 Enhance the check system to ensure that employees assigned overseas have regular health checkups

Health & safety

In addition to having a statutory safety and health committee, Nikon Corporation has its special Safety and Health Committee, which investigates and deliberates on matters related to the company's safety and health policies and on the basic measures taken to maintain and promote employees' health. This committee is composed of representatives of both labor and management to ensure that the opinions of employees are actively incorporated into the measures implemented by the company. At all its workplaces, a set of health and safety targets have been formulated based on the workplace goals and policies, and relevant activities are conducted with the

participation of all members. Moreover, all workplaces are reducing their risk factors through risk assessments. Nikon Corporation makes every effort to fulfill its safety obligation as a business entity based on its Safety and Health Management Rules specifying the responsibilities of local managers. Also, in order to improve health and safety management levels across the entire Nikon Group, employees in charge of health and safety at Group companies are provided with practical training, and a network of these employees has been established.

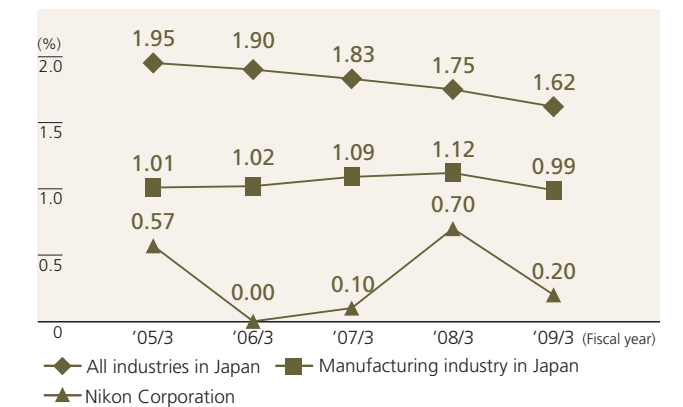
With regard to labor accidents, the Nikon Group had four lost time accidents (lost work days: 54) and zero cases of death in the year ended March 31, 2010.

It merits noting that in October 2009, Keiichi Maeda, an employee of Nikon Corporation, was granted the Green Cross award by the Japan Industrial Safety & Health Association in recognition of his lasting contribution to promoting health and safety.

Policies on Safety and Health for the Year Ended March 31, 2010

Goal : A safe, healthy, vibrant corporation through deeper communication
 Policy 1: Giving consideration to safety—Do not tolerate unsafe behavior.
 Policy 2: Conducting more activities to promote health
 Policy 3: Promoting comfortable workplaces

Nikon Corporation's Frequency Rates of Lost Time Accidents



Preventing damage to health from overwork and promoting mental health

Nikon Corporation is implementing intensive measures to prevent employees from suffering damage to their health or having mental problems due to overwork. Specifically, we have gone beyond what is legally required by establishing physical checkups for overworked employees, educating new managers and mid-level employees on mental health, and introducing a rehabilitation support system for employees on sick leave.