

Highlights Strengthening Risk Management Systems for Increasing Globalization

Nikon Corporation is working to consolidate information management functions and on other measures to proactively eliminate risks to employees assigned overseas and to minimize the damage caused by such risks in the event that they materialize.

In 2008 the Nikon Group established its "Nikon Group Risk Management Rules for Employees Assigned Overseas," which sets forth rules to help prepare for risks caused by such factors as national and international conflict, infectious disease, and earthquakes, and to respond quickly to such events when they arise.

We are also developing our information system that enables smooth communication with employees overseas in case of emergency and raising awareness of the system across the Nikon Group, while developing ways to give our employees, as well as

their accompanying family members, peace of mind when living overseas, for example by traveling to and investigating the situation in developing countries where business is expanding before the employees are sent there.

The Nikon Group also provides cross-cultural training, with the understanding that deepening our employees' understanding of local cultures is an important way to manage the dangers they face when living overseas.



Cross-cultural training

Providing support for carefree overseas transfers

Technology-based solutions such as information management systems are important indeed, however, we also believe it is important to provide employees with educational support and training before they move, focused on certain topics like cultural differences and overseas risk management. The act of moving abroad itself involves a considerable amount of pressure, moreover, when the destination is a developing country or a politically unstable region, an overseas transfer can have serious consequences for the physical health and even life of not only the employee but also his/her family. To make overseas transfers as stress-free as possible, we work on a daily basis to collect the latest information, conduct educational activities, and perform other supportive tasks.

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Voice



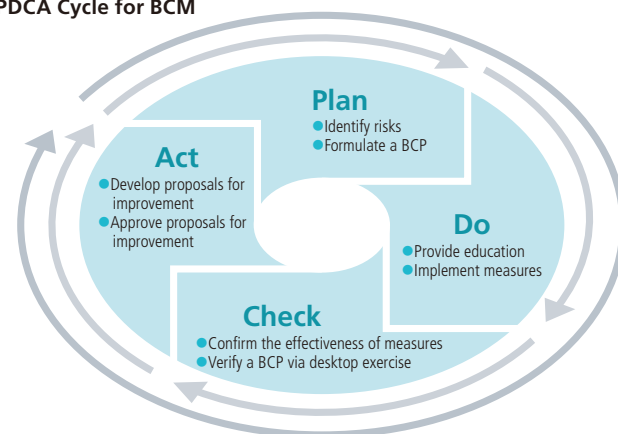
Implementation of a Risk Management PDCA Cycle

We work to comprehensively manage risks and implement measures towards the continuous advancement of the Nikon Group.

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 implementing a PDCA cycle. At present, the committee is also working on information security, management of risks for employees assigned overseas, and measures against pandemic influenza. The Nikon Group regards it as part of its social responsibility to ensure business continuity and has established an Integrated Disaster Prevention and BCM Committee to deal with risks associated with major earthquakes and fires. Drawing on the experience gained from our response to

PDCA Cycle for BCM



the earthquake and tsunami that struck eastern Japan in March 2011, we will revise our BCP to prepare for an earthquake in the Tokyo region, and will conduct education and trainings for our employees to enhance our risk management capabilities.

Major Risk Management Activities

Information resources risk management

Based on the Nikon Group Information Management Rules, we are taking measures globally to prevent information leakage. In particular, we strictly control access to personal information. Nikon Imaging Japan Inc. has obtained approval to use the PrivacyMark from Japan Information Processing Development Corporation. We have distributed the Nikon Group Information Security Handbook to employees to ensure that each of them complies with the rules based on a full understanding of the importance of information management. In addition, we conduct various forms of education including the e-learning comprehension test and conduct information management audits twice a year in Japan to constantly increase employees' awareness of the rules.

In the fiscal year ended March 31, 2011, our efforts focused on making overseas Group companies aware of the basic rules of information management.



The Information Security Handbook

Overseas risk management

As the Nikon Group expands its business on a global scale, the number of employees who are assigned to various regions of the world or make overseas business trips has been increasing year by year. We have expanded the scope of the emergency support to help these employees deal with region-specific risks (illness, disasters, accidents, and crime) to include employees locally employed by Group companies in addition to employees assigned overseas from Japan.

We have enhanced our information system to communicate smoothly with employees assigned overseas in case of emergency, and have validated the use of our "safety confirmation system" we use in Japan. We strive to collect the latest information, particularly when it comes to developing countries and politically unstable regions, by, for instance, traveling to the location to confirm local conditions in person before sending our employees there. We also conduct prior training for employees to be sent overseas, as well as special education for managers and emergency drills to enhance risk management training. As one concrete example of the various efforts we are making in the area of risk management, we set up a Nikon Support Desk (phone consultation hotline) to be used by local employees.



A local tour

Measures against pandemic influenza

Taking advantage of our experience in preventing infection and the spread of infection among employees during the global outbreak of a pandemic influenza (H1N1) in 2009, the Nikon Group revised its action plan to include greater detail and increased awareness of the plan throughout the Group. We are also continuing activities to prepare for the next spread of the H1N1 virus or another highly pathogenic influenza strain. These include information gathering, desktop exercises, and replenishing and increasing medical and emergency stockpiles. We have also established an information system to facilitate information sharing.



A desktop exercise

Enhancing export controls

Nikon Corporation has formulated its Operation Guidelines for Provision of Technical Information to enhance control of the provision of technical information in addition to the existing export control. The Nikon Group is striving to raise awareness of export control, including control over the transmission of technical explanation through e-mail, by holding e-learning for all employees and information sessions. The Nikon Group is especially diligent about export control with regard to our Precision Equipment Company, which handles an exceptional amount of technical information.

Moreover, export control audits were performed on 10 departments at Nikon Corporation and 12 Group companies in Japan.