

## Global Promotion of Compliance Activities

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

**Highlights**

### Group-wide Dissemination of the Revised Nikon Code of Conduct

In April 2011, the Nikon Group made revisions to the Nikon Code of Conduct to make it applicable to Group companies in Japan and overseas in order to strengthen internal control<sup>①</sup> across the entire Group. The revised code places emphasis on a more international CSR<sup>②</sup> perspective, and organizes individual categories, such as human rights, CSR-oriented procurement<sup>③</sup> and anti-corruption, more succinctly. At overseas companies, categories are added or changed as necessary according to local laws and circumstances.

With an aim of sharing a global awareness, during the year ended March 31, 2012, we worked to familiarize employees across the entire group with the revised Code of Conduct, and we completed education sessions at 51 Nikon Group companies. Education sessions were delayed at 11 companies in Europe as a result of work to confirm local laws etc., but are scheduled to be completed by June 30, 2012. Education activities were conducted at Group companies, both in Japan and overseas, with compliance facilitators selecting the tools most relevant to their workplace from a set of education tools prepared by the Compliance Section. At Nikon Group companies in Japan, most workplaces conduct group educational events, promoting activities while fostering communication within the workplace. Meanwhile, at overseas Group companies, although there is some variation in the activities undertaken, they are continuing to inform their employees about the Code of Conduct. In cooperation with compliance facilitators, we will continue to raise awareness for the importance of compliance.



Educational booklet distributed in Japan

**Voice Acting as a compliance facilitator (corporate ethics coordinators)**

As an original initiative, Nikon Business Service Co., Ltd. has been sending out the monthly Compliance Report to all employees since its second year of establishment.

Based on the Nikon Code of Conduct, we have strived to raise employees' awareness for the main points related to performing their duties and about "how they should act," including commentary on laws and regulations. We tend to tense up when we hear the word compliance, imagining something special or overburdening, but through writing for the Compliance Report, I have realized that it is the basis for conducting smooth business operations and good personal relations. I will continue my efforts in the hope of conveying this to many other employees.

**Toshihiro Itabashi** Administration Team, Planning and Management Department, Nikon Business Service Co., Ltd.



### Compliance Promotion

The Nikon Group defines compliance as "meeting the expectations of stakeholders<sup>④</sup> and earning their trust by not only complying with laws and regulations, but also conducting business activities that are sound, fair, and conform to corporate rules and social norms."

Group policies on compliance are determined by the Business Conduct Committee, which is chaired by Nikon Corporation's executive vice president. The Compliance Section of Nikon Corporation's CSR Department develops compliance activities based on these policies and in cooperation with persons in charge of promoting CSR and compliance stationed in the various departments of the company and in Group companies.

### Compliance Promotion Activities

#### Compliance education

The Compliance Section in the CSR Department at Nikon Corporation sends out an in-house compliance newsletter to local compliance facilitators, thereby reaching the local Nikon Group companies in Japan. In response to recent social trends, the newsletter took up such social news topics as the ban on relationships with antisocial forces. The section has also set up a compliance-related site on the Group intranet. In addition to calling attention to how to deal with public agencies and public servants, the site also handles inquiries.

In terms of group educational events, on top of workplace

**Compliance Promotion**



education delivered by the compliance facilitators in each department and company, we also provide compliance training for new regular employees, new mid-career workers and employees being promoted to managers, as well as education in response to individual requests. Compliance section also obtain the latest information on compliance by attending conferences and seminars hosted by external organizations.

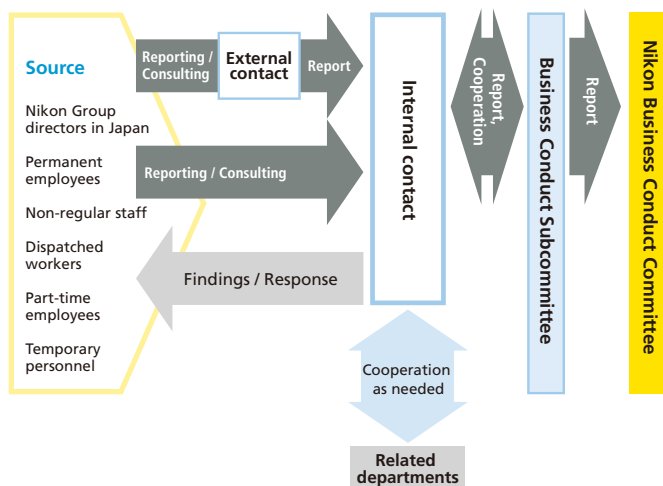
Education on compliance is also provided overseas, including group education delivered by the compliance facilitators in each company as well as e-learning sessions.

**Reporting/Consulting system**

The Nikon Group established the Code of Conduct Hotline as a central point of contact for employees of Group companies in Japan wanting to discuss a situation that might run counter to Nikon Code of Conduct.

For the sake of improving accessibility, in addition to the existing internal points of contact, we established new external points of contact serviced by external professionals in October 2011. At the

**Code of Conduct Hotline Flow Diagram (Japan)**



same time, we renewed awareness for the Code of Conduct Hotline, by distributing a new handy card listing the Hotline details to all Nikon Group employees in Japan.

The Code of Conduct Hotline protects the privacy of its users and ensures that they are not disadvantaged in terms of human rights and treatment. In the year ended March 31, 2012, the hotline was used 41 times, and these matters have been dealt with in cooperation with the relevant departments. Appropriate follow-up is also provided as needed.

Our overseas Group companies have also established compliance reporting and consultation hotlines and are informing their employees about the services.

**Compliance awareness survey (monitoring)**

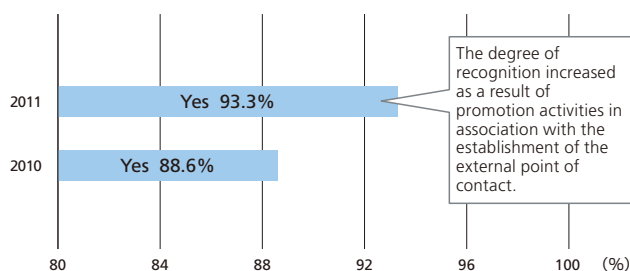
Every October, the e-learning system is utilized to survey all Nikon Group employees in Japan on their attitude to compliance (monitoring). Some departments and companies have inadequate Internet access, and so they were surveyed using a paper-based survey (443 employees). The overall response rate was 88%.

Survey answers are collected under anonymous conditions and a summary of the results is released via the intranet. Additionally, each department and company is given feedback based on their own survey results. For departments with weak scores, the Compliance Section explains the results, requests that improvements be made, and provides education directly. In our ongoing effort to raise awareness of compliance, the Nikon Group will pursue a PDCA cycle to increase awareness of relevant issues and improve performance in each department and company.

**Compliance Awareness Survey Results**

(Conducted in October 2011 / 11,714 respondents using e-learning)

**Q. Did you know that the Code of Conduct Hotline has been set up?**



**Preventing corruption**

The Nikon Group takes strict 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, 2012, disciplinary action against the perpetrator (and their managers/supervisors) was taken in two cases at Nikon Corporation, and one case at a Group company in Japan. In order to prevent the recurrence of similar problems, the level of the action and its base article are disclosed internally.