

Nikon Corporation Slavery and Human Trafficking Statement for the fiscal year ended March 2016

This statement is made pursuant to the United Kingdom Modern Slavery Act of 2015. Nikon Corporation endeavours to ensure that there are no human rights violations related to our own operations, our supply chain and our products. We hereby provide disclosure concerning our activities to prevent and tackle slavery and human trafficking.

a. Overview of the company, business and supply chain

Details of our company and business information can be found on the following website:

URL : <http://www.nikon.com/about/corporate/index.htm>

Most of our products sold in the U.K. market are through our group companies. However, some of our products are sold directly from Nikon Corporation to the U.K. market.

Product parts and a small portion of the final products are supplied from external procurement partners in and outside of Japan. There are approximately 1,700 procurement partners as of March 2016. More than ninety percent of the procurement partners are based in Japan, China and Thailand (calculated by the number of companies and in which country their headquarters are located).

b. Policies related to modern slavery and human trafficking

We have established “Nikon Corporate Social Responsibility (CSR) Charter” which addresses our group’s basic stance on our social responsibility, including ‘Respect for human beings’ and ‘Socially responsible behaviour within the supply chain’. We demonstrate our commitment to respect human rights in our business as well as in our supply chain. To enable every single employee to apply this Charter in daily activities, we outline the standards of how we act ethically, with integrity and in compliance with relevant laws and regulations in the Nikon Code of Conduct. In the Code, we state that we do not tolerate forced or child labour and we request our procurement partners to comply with our standards.

The Nikon CSR Charter can be found on the Nikon Sustainability Report 2016 (p.16):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=17

The Nikon Code of Conduct can be found on the Nikon Sustainability Report 2016 (p.47):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=48

As for our supply chain, we published in August 2015 “Nikon CSR Procurement Standards”, which is the guideline to promote Nikon’s stance on CSR throughout our supply chain and we request our procurement partners to comply with it. The Standards are based on the EICC (Electronics Industry Citizenship Coalition) Code of Conduct, which is the global standard for the electronics industry and articulates the prohibition of “forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, modern slavery or trafficking of persons”.

The Nikon CSR Procurement Standards can be found on the following website:

URL : <http://www.nikon.com/about/corporate/procurement/csr/index.htm>

In response to the issues of conflict minerals in the Democratic Republic of Congo and its neighboring countries, we set a policy of not using conflict minerals mined or intermediated by armed forces violating human rights in the area, and have been conducting surveys in our supply chain specifically on this issue.

Nikon’s Policy on Conflict Minerals can be found on the Nikon Sustainability Report 2016 (p.106):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=107

We also support the 10 principles of the United Nations Global Compact which can be found on the Nikon Sustainability Report 2016 (p.29):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=30

Nikon group's CSR promotion organigram (as well as the CSR promotion organigram regarding procurement partners) can be found on the Nikon Sustainability Report 2016 (p.62):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=63

c. Due diligence

Potential risk of modern slavery and human trafficking occurring is considered higher in our supply chain than in our group companies. In Nikon group companies, we conduct human rights & labour monitoring annually to ensure child and forced labour practices are not occurring. We will evaluate and address risks of modern slavery and human trafficking in our supply chain by enforcing the Nikon CSR Procurement Standards with our procurement partners and by conducting periodic monitoring.

In light of conflict mineral issues, we endeavour to prevent human rights violations such as modern slavery and human trafficking from occurring by ensuring that conflict minerals are not used in our products following our Policy on Conflict Minerals and by conducting investigations of our product components.

More details can be found on the Nikon Sustainability Report 2016 (p.105):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=106

Establishment of Hotlines

For Nikon employees, we have hotline(s) per company (or per region) for them to be able to report and/consult. As for our supply chain, Nikon CSR Procurement Standards state "Our Procurement Partners should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation." We will urge our procurement partners to set up such a mechanism through our monitoring activities to check the compliance status of the Standards.

We established a Conflict Minerals Hotline in October 2015 in order to get reports from our stakeholders, if there are acts contrary to the Nikon Policy on Conflict Minerals, or if it is a concern. We investigate properly the information obtained through the Hotline and take corrective actions as necessary.

More information about the Conflict Mineral Hotline can be found on the following website:

URL: <https://www.uw.nikon.com/form/com/cmh/form.php>

d. Risk assessment and risk management

In the fiscal year ended March 2016, we defined our business partner risk assessment criteria such as location, business type, transaction volume, length of business partnership and type of contract. Based on the assessment results, we conducted a self-assessment survey among 207 major 1st-tier business partners to check the Nikon CSR Procurement Standards compliance status. We received a response from all the surveyed companies. The answers to each question were weighed according to potential risks and we created risk profiles after compiling all the response data.

e. Measurement by appropriate indicators and effectiveness

From the above mentioned risk assessment results, we identified three potentially high risk companies and conducted on-site audits in these companies using third party auditors after advance notification. These companies are all located in Asian countries. The results of the audits conducted

in February and March 2016 identified some concerns in the area of labour and ethics in these companies and we requested rectification. Ten other companies where we did not conduct audits but which had been identified as relatively high risk were instructed to make improvements in the areas where the Nikon CSR Procurement Standards were not satisfied. We demanded that all 13 companies submit action plans and implement them after our approval. We are monitoring the implementation and they are progressing according to the plans. Overall in the fiscal year ended March 2016, we did not find any modern slavery and/or human trafficking issues.

The status and progress of the surveys, audits and improvement action plans are all reported to the Nikon Corporation CSR Committee which includes Board members via the Supply Chain Sub-Committee. The Supply Chain Sub-Committee is chaired by Corporate Vice President in charge of supply chain management, and its members include quality assurance and procurement department heads from each business unit.

More details about our activities based on the Nikon CSR Procurement Standards can be found on the Nikon Sustainability Report 2016 (p.103):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=104

We shall continue to disclose the details of our activity in relation to the Nikon CSR Procurement Standards such as the number of companies conducting self-assessment and audits as progress indicators.

f. Training and Capacity building

We explained modern slavery and human trafficking to the Supply Chain Sub-Committee when Nikon CSR Procurement Standards were deliberated and approved.

In the fiscal year ending March 2016, we held internal briefing sessions for 160 personnel who are responsible for product-related procurement in each business unit in Japan, China and Thailand. They were trained on the contents of the Nikon CSR Procurement Standards and requested to comply with them. We also provided two basic training sessions on procurement to 60 other personnel who have purchasing activities in other functions, explaining Nikon's stance on CSR and the CSR Procurement Standards. In the next fiscal year, we will review the training contents to enhance understanding of slavery and human trafficking risk.

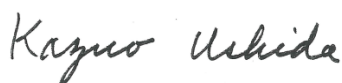
As for our procurement partners, we held explanatory sessions on CSR Procurement Standards and conflict minerals. Representing 897 1st-tier procurement partner companies, 1,223 people attended the training sessions in Japan, China and Thailand. In the next fiscal year, we will endeavour to improve the contents of the training aiming to deepen their understanding of modern slavery and the human trafficking risk.

More details concerning training can be found on the Nikon Sustainability Report 2016 (p.103):

http://www.nikon.com/about/sustainability/report/2016/sr2016_all.pdf#page=104

This Statement was reviewed and approved by the Nikon Corporation Board of Directors on 14 July 2016.

August 2016



Kazuo Ushida

President and Representative Director
Nikon Corporation