

Labor Practices

Nikon seeks out talent that follows its company philosophy of "Trustworthiness and Creativity," and follows best practices for the Nikon Group in terms of skill development, human resource (HR) development, hiring and HR evaluations.

Activity Policies

- Competency
- FUTURE IN FOCUS

Relevant Priority Issues

- Respect for human rights and labor practices, and promotion of diverse employees

Human Resources Management System / Human Resources Development / Labor Relations

The Nikon Group recognizes HR management as a key measure for accomplishing its corporate management policy. We strive to provide a working environment that empowers the personal and professional growth of each and every employee.

Global Human Resources Policy FUTURE IN FOCUS

FUTURE IN FOCUS is the name given to the Nikon Group's HR policy for developing its talent globally. Our goal is to create a working environment where our diverse pool of employees can actively contribute in a broad range of fields within the Nikon Group, regardless of nationality, race or gender.

● The Three Pillars of FUTURE IN FOCUS

Competency

By clarifying the talent we require to realize our corporate philosophy and management targets using the term competency, we provide a sense of unity in our management policy and the actions of individual employees, enabling the entire company and Group to work as one toward fulfilling our targets.

Performance and Development

This is the name given to an evaluation system that combines target management and competency evaluations. This enables supervisors and their people to communicate actively and continuously with one another, supporting each and every employee to reach their goals and achieve professional growth.

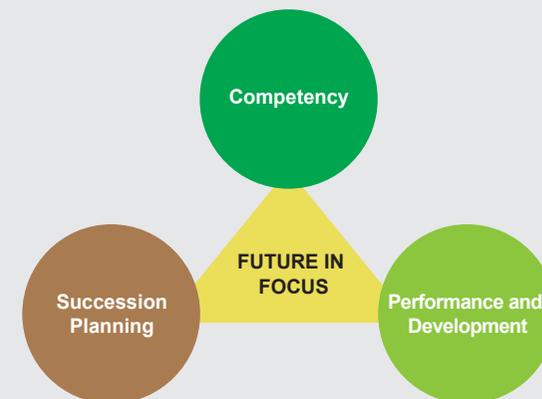
Succession Planning

To ensure the sustained robust growth of the Nikon Group, we identify key positions for achieving management targets and continuously select, develop and appoint talent from Group companies to fill these positions, regardless of their nationality, race or gender.

■ Competency-based Human Resources Evaluations

We are utilizing human resources across the Nikon Group by reflecting the mechanisms of HR development and evaluation in the HR policies of each Group company following the FUTURE IN FOCUS concept.

As of the year ended March 31, 2017, this process has been completed at 37 companies of Nikon Group. Efforts will continue to be made to steadily roll out this process at the other Group companies that remain.



Human Resources Management System

Each company of the Nikon Group has established its own HR management system to provide a work environment that enables each employee to get the most out of their skill set.

Nikon classifies its employees by four levels, Junior Staff, Mid-Level Staff, Senior Staff, and Professional/Management, according to their abilities and clearly states the respective responsibilities of each. We also have a dual-track system; namely, a professional track and a management track, where employees are given the opportunity to consider how they want to contribute to the company.

In addition, we are establishing frameworks that provide employees with the motivation to achieve their goals through various systems that evaluation of both performance and development.

■ Main Career Development Programs (Nikon)

Self Reporting System

Employees meet with their supervisors as necessary, while considering their future aspirations on an annual basis, to connect to their future career.

Career Counseling

We have established offices where employees can consult about improving their skills and advancing their careers if they so desire. These offices support employees to shape their careers by advice through counseling.

Open Recruitment System

The open recruitment system enables employees to apply for open recruitment when a new employee is required by a department, such as when launching new projects or expanding businesses.

Career Matching Support System (FA System)

This support system matches the desires and competency of employees with the HR needs of each department.

Human Resource Development

The Nikon Group clearly defines competency as a key trait of the people who will help it realize the corporate philosophy is "Trustworthiness and Creativity." Competency also forms a pillar of our Human Resources Development initiatives. Nikon offers a wide range of training and educational programs based on work duties, career trajectory, and company goals that are closely linked with the HR systems of other Group companies. In the year ended March 31, 2017, Nikon held a total of 244 training courses, which were attended by a total of 10,415 employees. On average, Nikon employees spent 1.56 days undergoing training during the year. Training participants are given a questionnaire on their training course to complete, which is then used to assess training curriculum and make continual improvements. Employees of the Group companies in Japan can also take part in training courses offered by Nikon, while each Group company in Japan provides employees with its own human resource development and training programs.

■ Examples of Training Offered by Nikon

- Mandatory training for nominated individuals at certain career milestones, such as promotions or specified years of service
- Application-based training for improving skills and knowledge through independent initiative
- Targeted training for women, foreign nationals, and managerial candidates

Nikon Training System (Year Ended March 31, 2017)

| | By job level | Career development | Targeted | Open recruitment |
|--------------------------|--|--|---|---|
| Professional/ Management | <ul style="list-style-type: none"> Training for select employees (MMC) Training for newly promoted employees | <ul style="list-style-type: none"> 59 years old 55 years old 50 years old | <ul style="list-style-type: none"> Training for evaluators (section managers) Training for evaluators (assistant managers) | <ul style="list-style-type: none"> Business skills Technical skills OA skills |
| Senior Staff | <ul style="list-style-type: none"> Training for select employees (PMC) Training for newly promoted employees | <ul style="list-style-type: none"> 40 years old | <ul style="list-style-type: none"> Employees assigned overseas Pre-departure orientation training Language school Language learning English Japanese Women Self-fulfillment Mentor program | |
| Mid-Level Staff | <ul style="list-style-type: none"> Training for newly promoted employees | <ul style="list-style-type: none"> 4th year 3rd year 2nd year 1st year follow-up | <ul style="list-style-type: none"> Manufacturing human resources Manufacturing training (new hires) Select development of manufacturing human resources | <ul style="list-style-type: none"> Other E-learning Subsidies for correspondence education Support for business department training |
| Junior Staff | <ul style="list-style-type: none"> Training for new hires - New engineer training - New administrative staff training - Manufacturing technology training - Plant tours | <ul style="list-style-type: none"> At time of hiring (regular hiring and mid-career hiring) | <ul style="list-style-type: none"> OJT instructor Support | <ul style="list-style-type: none"> Training by specialized departments |

Labor Relations

Nikon supports the principles of the UN Global Compact and respects basic labor rights.

Nikon has two labor unions. The Nikon Labor Union (a member of the Japanese Association of Metal, Machinery, and Manufacturing Workers [JAM] mostly made up of employees of SMEs in the metal industry), and the Nikon Chapter of the All-Japan Metal and Information Machinery Workers Union (JMIU). As of the year ended March 31, 2017, the total number of labor union members stood at 4,524, consisting of 4,523 Nikon Labor Union members and 1 JMIU Nikon Chapter member. The company and unions discuss various issues related to the labor environment, hold joint study meetings, and exchange opinions as necessary.

At Group companies in Japan, Nikon Labor Union chapters and employee-elected representatives serve the same role. At Group companies outside Japan, issues are discussed either by the company's in-house union or through the consultation with an outside labor union to which employees belong. At companies where there is no labor union, we hold briefings for all employees, dialogue with employee groups, and face-to-face meetings with individual employees. As a result, currently, labor and management maintain generally good relations.

Whenever a substantial change is made to the job description of a Nikon Group employee, the matter is discussed with his or her union or employee representative in advance to obtain their approval, ensuring adequate time is taken to communicate the change to the employee.