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Basic Policy for Procurement

We have established the Basic Procurement Policy to conduct honest and fair material procurement to continually provide products able to respond to customer expectations in the aim of building a better society and global environment as well as realizing the sustainable growth of the company.

Nikon Basic Procurement Policy

1. Sound corporate activities

Nikon shall conduct sound and fair corporate activities, while complying with applicable laws and prescriptive social norms.

Nikon shall also encourage socially responsible behavior within its supply chain.

2. Open-door procurement

Nikon procures goods and services from global suppliers in as transparent a fashion as possible.

3. Procurement based on the concept of fair competition

Based on the principles of fair, free competition, Nikon assigns top priority to suppliers that offer superior performance in terms of quality, cost, delivery, and corporate reliability.

4. Procurement based on the concept of partnership

Our approach is that Nikon and our suppliers are partners working together to make good products. Under this approach, we work to understand each other, to build a relationship of trust, and to prosper together.

5. Green procurement

For the protection of the global environment, Nikon assigns priority to suppliers that provide consideration for environmental issues and that are actively engaged in environmental preservation activities in the manufacturing process for the procured goods.

* "Nikon" refers to "Nikon Corporation and its domestic and overseas subsidiaries." Affiliates are encouraged to follow these Guidelines or to implement similar standards.

Communication With Procurement Partners

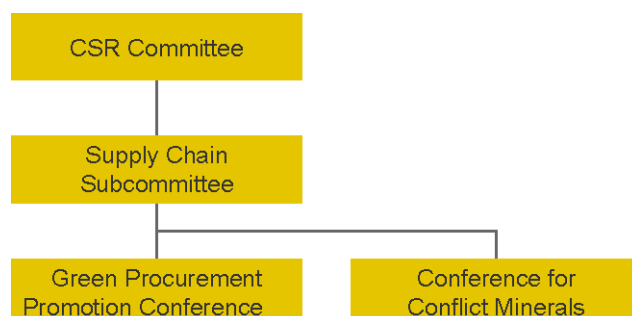
The Nikon Group considers its procurement companies to be partners in building better products together. The understanding and cooperation from people at our procurement partners is indispensable to execute our procurement activities in accordance with the Nikon Basic Procurement Policy as the supply chain becomes more complex.

We are holding meetings with procurement partners every year as a place for mutual communication with our procurement partners at the Nikon Group. These meetings are a venue to communicate the message from our President, including a description about the business environment Nikon is involved, by inviting representatives from the main procurement partners of Nikon. We have established the proper place to directly share the thoughts of Nikon even in regards to our CSR activities. We held explanatory sessions about CSR procurement and conflict minerals for our procurement partners in Japan and overseas in the year ended March 31, 2016.

Nikon Supply Chain Management System

The Nikon Group has established a Supply Chain Subcommittee under the authority of the CSR Committee, in which our directors are committee members, as an organization to judge and determine matters of concern throughout the entire supply chain across departments. The Chairman of the Supply Chain Subcommittee is the director of our procurement division while the members are composed of employees in managerial positions for quality assurance and procurement at each business division.

Outline of Supply Chain Management Organization



Supply Chain of the Nikon Group

Components of Nikon products and some complete parts are procured from procurement partners both inside and outside of Japan. We have approximately 1,700 procurement partners as of the year ended March 31, 2016. Japan, China, and Thailand make up more than 90% of these procurement partners when considered by country. (Calculated based on the country that the head corporate office of the procurement partner is located)