

# Supply Chain Management

We are committed to building strong relationships with our procurement partners and ensuring materials are procured honestly and fairly to fulfill the social responsibilities of not only the Nikon Group, but the supply chain as a whole.

## Action Plan

- Nikon Basic Procurement Policy
- Nikon CSR Procurement Standards
- Nikon Green Procurement Standards
- Policy on Conflict Minerals

## Management System

- Supply Chain Subcommittee

## Relevant Priority Issues

- Promotion of CSR activities in the supply chain

## Nikon's Supply Chain Management

Nikon considers its suppliers to be an important partner, and with this mind we work to build solid relationships with them. We are committed to the responsible procurement of materials that takes into account human rights, the environment, among other factors, and that aims for the co-existence and co-prosperity of both parties.

### Basic Policy for Procurement

We have established the Nikon Basic Procurement Policy to continually supply customers with products that meet and exceed their expectations and with the hope of building a better society and global environment as well as realizing the sustainable growth of the company. Using this plan as a set of guidelines, the Nikon Group will carry our procurement activities in an honest and fair manner.

### ● Nikon Basic Procurement Policy

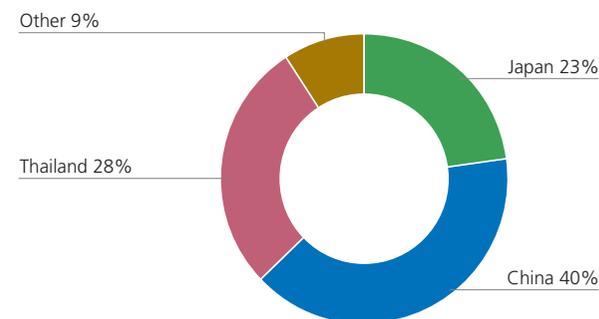
1. Sound corporate activities
2. Open-door procurement
3. Procurement based on the concept of fair competition
4. Procurement based on the concept of partnership
5. Green procurement

▶ [Nikon Basic Procurement Policy](http://www.nikon.com/about/corporate/procurement/policy/)  
<http://www.nikon.com/about/corporate/procurement/policy/>

### The Nikon Group's Supply Chain

We manufacture and assemble nearly all products within the Nikon Group. We have a large number of procurement partners we use for raw materials and parts. These partners are located around the world and number approximately 1,700 (as of March 31, 2017), with around 700 of these considered major procurement partners. When viewed by country, more than 90% of our procurement partners are located in Japan, China and Thailand, where the Nikon Group operates its main manufacturing facilities (calculated based on the location of the procurement partner's headquarters). We strive to ensure a high degree of quality, cost and delivery (QCD) and help local economies grow by actively procuring raw materials and parts from the countries and regions where we manufacture our products.

Transactional Value with Major Procurement Partners by Country (as of March 31, 2017)



## Engaging Procurement Partners

We believe in the importance of two-way communication with our procurement partners. Every year we host a meeting that involves around 300 representatives from our main procurement partners. During this meeting, we inform procurement partners about our business environment, while the president also delivers a message. We also host briefings on our stance regarding CSR procurement and conflict minerals compliance as venues for sharing Nikon's approach to CSR with procurement partners inside and outside Japan.

## Nikon's Supply Chain Management System

We have established the Supply Chain Subcommittee to report activities related to responsible procurement and carry out deliberations on plans for subsequent years involving the entire Nikon Group. This subcommittee is chaired by the executive officer of Nikon in charge of procurement and comprises members including the heads of quality assurance and procurement from each business division and the presidents of Group manufacturing companies inside and outside Japan. Under this subcommittee, we have established the Green Procurement Promotion Conference as well as the CSR Procurement Promotion Conference for promoting general CSR procurement, including compliance with conflict minerals regulations. The CSR Promotion Conference is comprised of managers from each procurement related department who meet to discuss specific activities and measures as well as monitor progress of efforts.

[▶ Promoting Green Procurement \(P47\)](#)

### Outline of Supply Chain Management System

