



NIKON SUSTAINABILITY REPORT

2021



2021

[Contents /
Editorial Policy](#)[Message from
the President](#)[Nikon Group
Profile](#)[Nikon's
Sustainability](#)[Business
Activity](#)[Environment](#)[Society /
Labor](#)[Governance](#)[Corporate
Citizenship
Activities](#)[>Contents](#)[>About Sustainability Report 2021](#)

Contents

Nikon Sustainability Report 2021

About Sustainability Report 2021	➔P2
Message from the President	➔P3
Message from the Officer in Charge of Sustainability	➔P5
Nikon Group Profile	➔P6

Nikon's Sustainability

Our Approach to Sustainability	➔P7
Sustainability Promotion System	➔P9
Stakeholder Engagement	➔P11
Sustainability Priority Issues	➔P14

Business Activity

Priority Issue 1: Creating Social Value through Core Technologies	➔P22
Priority Issue 2: Ensuring Trustworthiness by Maintaining and Increasing Quality	➔P25

Environment

Environmental Strategy	➔P38
Environmental Management Promotion System	➔P44
Priority Issue 3: Promoting a Decarbonized Society	➔P50
Priority Issue 4: Promoting Resource Circulation	➔P59
Priority Issue 5: Preventing Pollution and Conserving Ecosystems	➔P66

Society / Labor

Priority Issue 6: Strengthening Supply Chain Management ..	➔P73
Priority Issue 7: Respecting Human Rights	➔P83
Priority Issue 8: Diversity and Inclusion	➔P87
Priority Issue 9: Employees' Health and Safety	➔P94

Governance

Priority Issue 10: Thorough Compliance	➔P98
Priority Issue 11: Strengthening Corporate Governance	➔P102
Priority Issue 12: Strengthening Risk Management	➔P105

Corporate Citizenship Activities	➔P111
--	-----------------------

About Sustainability Report 2021

Editorial Policy

The Nikon Group aspires to be a company that can grow its business while contributing to the sustainable development of society. We hope to build strong relationships with stakeholders by sharing information about our basic approaches and initiatives proactively. The PDF version of Sustainability Report 2021 references the GRI Standards and other international standards and recommendations, to ensure that information is as comprehensive as possible. The report is organized according to Nikon's CSR Priority Issues which were revised in January 2021 to make the materiality of the Nikon Group's activities and progress clearer to readers.

Detailed data and the GRI content index are presented in the Sustainability Report 2021 Data Index (in PDF format). Some of the data presented in the Data Index has also received third-party assurance in order to enhance its credibility (relevant data are marked with a ★ symbol in the Data Index).

* For information regarding the various policies on sustainability and other matters, please visit our company website.

■ Reporting Period and Boundary

Reporting Period

April 1, 2020 to March 31, 2021

(Information includes some activities in April 2021 and afterwards)

Publication Dates (issued once a year)

Previous report: November 2020

Current report: October 2021

Boundary

Nikon: Refers to Nikon brand or Nikon Corporation only
Group companies: Nikon's 79 consolidated subsidiaries
Nikon Group: Nikon Corporation and its consolidated subsidiaries

■ References

- GRI Standards (Global Reporting Initiative)
- Final report: Recommendations of the Task Force on Climate-related Financial Disclosures

■ Department Responsible for the Report and Contact Information

Corporate Sustainability Department, Nikon Corporation
Shinagawa Intercity Tower C, 2-15-3, Konan, Minato-ku,
Tokyo 108-6290, Japan
Tel.: +81-3-6433-3722
Fax: +81-3-6433-3751
E-mail: Csr.Info@nikon.com

* The boundary for environmental data is defined on P46 in the "Data Categories and ISO 14001 Acquisition Status" section of this Report. In other cases where a specific boundary is defined, details are clearly specified in each respective section.

* Unless otherwise stated, the term "employees" includes the Nikon Group executive officers, permanent and non-regular staff, contract workers, contract workers from staffing agencies, part-time employees, and temporary personnel.

* The figures related to the financial content of this report are truncated to the nearest 100 million yen when stated in hundred millions of yen and rounded to the nearest 1 million yen when stated in millions of yen. Other figures are also rounded after presentation, and breakdowns and totals may not match.

Sustainability Report Positioning



2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities[>Message from the President](#)[>Message from the Officer in Charge of Sustainability](#)

Message from the President

Aiming to Contribute to the Building of a Bright Future



Toshikazu Umatate

Representative Director
President



Contributing to society through business activities

The fiscal year ended March 31, 2021, was the second year of implementation of Nikon's Medium-Term Management Plan, the aim of which is to build a foundation for growth, so that we can achieve sustainable improvements in enterprise value. Despite the significant constraints placed on business activities by the COVID-19 pandemic, we have continued to carry on our business operations while prioritizing the health of our employees, their family members, our customers, our suppliers and local residents, and responding flexibly to frequently-changing circumstances. In spite of the circumstances, we have made steady progress towards building a foundation for growth. In our Material Processing Business targeting the digital manufacturing sector, an area with long-term growth potential, we are proceeding towards the commercialization of technologies that are expected

to enhance energy efficiency in various fields and reduce CO₂ emissions. In the Vision Systems / Robotics segment, we are developing solutions to respond to the new needs resulting from the accelerating trend towards digital transformation and automation that has emerged in the "new normal" brought about by the COVID-19 epidemic.

I personally believe that the key focus in Nikon's management needs to be placed on three areas: Innovation, Profitability and Sustainability. As I see it, sustainability has two main aspects. The first of these aspects is sustainability's role as an "evaluation criterion" in relation to business growth.

For a company to be able to realize sustained growth, it needs to formulate a vision of where it wants to be in the future, and then work back from that to think about what steps it should take to make this vision a reality. It is vitally important for Nikon to challenge itself by identifying solutions that will help to make a happier, more hopeful society, and then commercialize them.

Sustainability, including the UN Sustainable Development Goals (SDGs), provides a starting point for thinking about the strategic direction that we should follow, and can also serve as a criterion for evaluation.

Taking this approach as a foundation, we will be working steadily, in both our new and existing businesses, to undertake technology development and project commercialization that contributes to solving or ameliorating the problems affecting society, for example by reducing CO₂ emissions and helping to maintain and improve people's health.

Nikon's CSR priority issues

Another important aspect of sustainability is the "basic preconditions" for business operation. An enterprise is a member of society, and if an incident were to occur that negatively impacts the sustainability of society or of the

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

>Message from the President

>Message from the Officer in Charge of Sustainability

environment, then it may become difficult for that enterprise to continue its operations.

In order for the Nikon Group to be able to carry out its business activities while fulfilling its corporate responsibility, in line with the two aspects of sustainability noted above, in January 2021 we revised our CSR priority issues in accordance with the changes taking place in the social and business environment. We have identified 12 priority issues in four areas, and we are implementing various measures in relation to these priority issues.

In regard to the environment, in line with the Paris Agreement on Climate Change target of keeping the rise in average global temperature within 1.5°C, we have substantially increased the target for reduction of greenhouse gas emissions from our facilities, and have secured Science Based Targets (SBT) certification of these targets. In February 2021, Nikon joined RE100, an international initiative that aims to have companies use only electricity that has been generated from renewable energy sources.

Human rights constitute an important management issue for an enterprise such as ours that operates on a global scale. I believe that, in order for us to conduct our business activities in a way that embodies concern for human rights, the first priority

is to strengthen employee awareness of human rights, and to this end I have been disseminating messages through channels such as our Group's internal newsletter. Besides implementing ongoing awareness-raising and education, we are also working to identify human rights risks within the Nikon Group, and continuing to take steps to solve or improve the issues that are discovered, in line with the Nikon Human Rights Policy. With regard to strengthening supply chain management, we recognize the importance of effective supply chain management in terms of both responsible procurement and business continuity. Besides securing the collaboration of our procurement partners and implementing centralized registration and management of supplier data, we have also expanded the scope of CSR surveys to include some tier 2 suppliers as well. As regards strengthening governance, we are making steady progress with reforms in this area, including the establishment of the Nominating Committee, strengthening the effectiveness of succession planning, and enhancing the diversity of the Board of Directors. We will also be strengthening management, controls and risk management throughout the Group as a whole.

Building a Nikon Group capable of responding to the challenges of the future

With the emergence of new lifestyles in the "new normal" resulting from the COVID-19 epidemic and the accompanying changes in values, etc., the world is undergoing a dramatic transformation, and this represents a major turning point for the Nikon Group. Faced with this situation, in April 2021 we implemented an organizational restructuring with the aim of strengthening both management strategy functions and Group governance. As part of this restructuring process, the Corporate Sustainability Department was placed under the direct supervision of the President and CEO. Besides clearly demonstrating our managerial commitment to supporting the sustainable growth of society, this change will also facilitate the rollout of related policies and strategies throughout the Group as a whole.

To take sustainability to an even higher level under this new system, we will be encouraging every individual employee to approach things from a more wide-ranging perspective. For example, today's semiconductor lithography systems consume considerably more electric power than the early models. However, they have made it possible to manufacture high-performance, energy-saving semiconductors efficiently and in large volumes. As a result, efficient semiconductors have come into widespread use in a wide range of applications in both industry and daily life, which has helped to create a more prosperous society while also bringing about a substantial reduction in energy costs for society as a whole. So, if one looks at the broader picture, these semiconductor lithography systems can be said to have made a substantial positive contribution to society.

By outlining a vision for a better future, and then constantly thinking, from multiple perspective, about what each of us individually needs to do in order to create that future, and what impact this will have on society, we can build a "virtuous cycle" in which we contribute towards the sustainability of society and this in turn helps to boost earnings for the company. I am confident that laying the foundations in this way will help to promote sustainability.

Our corporate vision, "Unlock the future with the power of light," embodies the concept of paving the way towards the future. Today, the COVID-19 epidemic is still raging, and various problems have emerged that are affecting society. It is precisely at a time like this when there is a need to play a major role in creating a brighter future. I want the Nikon Group to be an enterprise that takes up the challenge of taking on this role, and which makes a positive contribution.

The Nikon Group has a long history, and possesses brands that benefit from trust built up over that long history. However, we are committed to not just preserving what we have already achieved, but also to building brands that can face up to the challenges of the future. The Nikon Group is changing. I hope that our stakeholders will provide us with an even higher level of support and join with us in looking forward to the future.



> Message from the President

> [Message from the Officer in Charge of Sustainability](#)

Message from the Officer in Charge of Sustainability

Contributing to the Building of a Sustainable Society through Technology



Muneaki Tokunari

Director, Executive Vice President,
and Officer in charge of the Corporate Sustainability Department



How non-financial corporate value is linked to financial corporate value

Having previously served as Nikon's Chief Financial Officer (CFO), starting from April 2021, I have also been serving as the officer in charge of sustainability.

As CFO, with responsibility for the share price, and for return on equity (ROE), which has a major impact on the share price, my mission is to try to increase the company's financial corporate value. Investors, who provide the capital which funds the company's corporate activities, naturally hope to see sustained growth in financial corporate value. To realize this, the company needs to have a sustainable business model.

If Nikon can contribute to the resolution of environmental (the "E" in ESG) and social (S) issues through our business activities, then this will help to make our business sustainable, and we will have more opportunities to secure revenue, which can be thought of as "consideration" for our contribution. Furthermore, if our corporate governance (G) is solid, then we will be able to minimize risk in our business operations, which will further enhance our sustainability as a business enterprise.

In this way, over a period of time, an increase in our social value and non-financial corporate value can be expected to lead to a rise in the company's financial value, in terms of ROE, the share price, market capitalization, etc.

Viewed in these terms, it is quite reasonable for the CFO, who has responsibility for financial affairs, to also oversee the company's sustainability activities, which can help to increase non-financial value.

Integration of corporate strategy and business strategy

In addition to continuing to make efforts to reduce the environmental impact of our business activities, we are also committed to addressing environmental and societal issues by developing businesses unique to Nikon that make effective use of the opto-electronics and precision technologies that constitute the company's strengths.

As an example of the kind of contribution that we can make towards addressing environmental issues, we have begun to undertake contracted materials processing business that

involves using fine riblets, which were modeled on shark skin, on the blades of aircraft propellers and wind turbines, etc. to reduce flow resistance, thereby contributing to enhanced efficiency, improved fuel consumption and reduced CO₂ emissions.

As regard societal issues, with the trend towards digital transformation, there is growing worldwide demand for high-speed, high-capacity communications. Besides acquiring a U.S. company that manufactures components for small-sized satellites, large numbers of which are expected to be launched into space in the future, we are also undertaking technology development in the area of tracking optical wireless communication technology for the era of 6G mobile communications.

In line with our corporate philosophy of "Trustworthiness and Creativity," Nikon will be formulating and implementing a corporate strategy and business strategy that are more closely integrated with our sustainability strategy, in order to make effective use of our technological capabilities to continue creating new value of the kind that only Nikon can generate.

Nikon Group Profile

Corporate Information

Name	NIKON CORPORATION
Head Office	Shinagawa Intercity Tower C, 2-15-3, Konan, Minato-ku, Tokyo 108-6290, Japan Tel.: +81-3-6433-3600
Representative	Toshikazu Umatate Representative Director and President
Established	July 25, 1917
Capital	¥65,476 million (as of March 31, 2021)
Revenue	Consolidated: ¥451,223 million (for the fiscal year ended March 31, 2021, International Financial Reporting Standards (IFRS))
Employees	Consolidated: 19,448 (as of March 31, 2021) * Permanent and non-regular employees of the Nikon Group, director of Group companies Non-consolidated: 4,183 (as of March 31, 2021) * Permanent and non-regular employees, not including Nikon's employees temporarily assigned to other companies, etc.

Number of Group Companies by Region (Consolidated) (as of March 31, 2021)

Japan (excluding Nikon): 20 companies
Europe: 22 companies Asia/Oceania: 24 companies
Americas: 13 companies

Business Domains

The Nikon Group provides a wide range of technologies,
products and services globally by harnessing our advanced
technologies, the core of which encompasses opto-
electronics and precision technologies.

[Main products by Industry Segment]

■ Imaging Products Business

Digital SLR cameras, mirrorless cameras, compact digital cameras, interchangeable
lenses, speedlights, accessories, software, sport optics

■ Precision Equipment Business

FPD lithography systems, semiconductor lithography systems

■ Healthcare Business

Biological microscopes, cell culture observation system, ultra-wide field retinal
imaging device

■ Components Business

Digital Solutions Business: Optical components, optical components & materials,
encoders, Intelligent actuator units, optical processing
machine

Customized Products Business: Customized equipment

Glass Business: Photomask substrates for FPD

■ Industrial Metrology and Others

Industrial Metrology Business: CNC video measuring systems, X-ray inspection
systems, non-contact large-volume inspection system
Ophthalmic Lenses Business

Our Philosophy

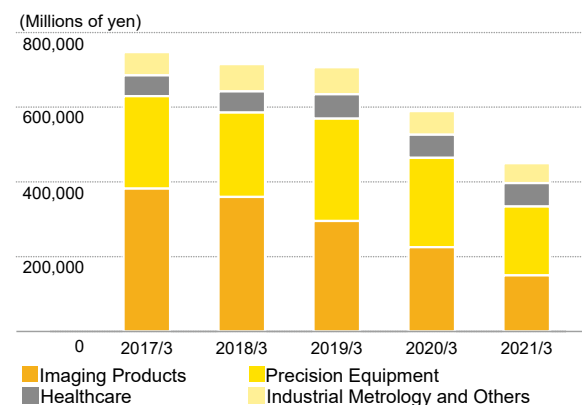
Trustworthiness and Creativity

Our Vision

Unlock the future with the power of light

Main Financial Data

Revenue by Industry Segment (Consolidated)

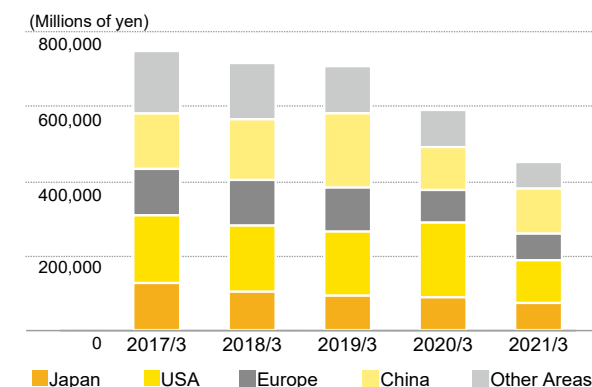


* Revenue by industry segment comprise revenue for outside customers.

* Figures are prepared in accordance with IFRS.

* Revenue by industry segment is based on segment classifications up until the fiscal year ended March 31, 2021. In these segment classifications, the Components Business was included in Industrial Metrology and Others.

Revenue in Japan and Export Revenue by Region (Consolidated)



* Figures are prepared in accordance with IFRS.

Nikon's Sustainability

Our Approach to Sustainability

The Nikon Group stands committed to realizing a sustainable society under its corporate philosophy of "Trustworthiness and Creativity."

Nikon's Sustainability

Approach and
Policy

The Nikon Group's corporate social responsibility (CSR) is making Nikon's corporate philosophy of "Trustworthiness and Creativity" a reality through its business activities and contributing to the sustainable development of society.

In order to practice this approach in management, we create unique products and services with our proven technologies and brand, taking the Medium-Term Management Plan and CSR priority issues as the foundation. Our aim is to contribute to the sustainability of society, including the resolution of social issues and the achievement of the SDGs, through the social value provided by these products and services.

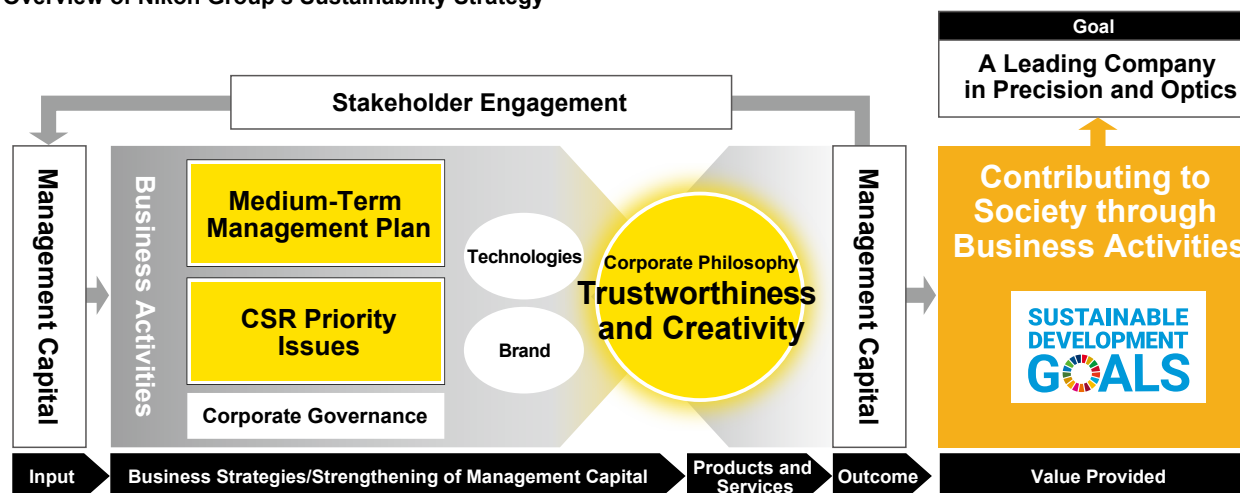
Moreover, dialog with stakeholders is essential now that diverse issues such as climate change and forced labor are coming to the fore. The Nikon Group aims to be a company that continues to create value and develop by accurately identifying social changes through dialog and incorporating these changes into the cycle of our value creation process.

[Creating Social Value through Core Technologies \(➡P22\)](#)

[Nikon's CSR Priority Issues and the SDGs \(➡P15\)](#)

[Stakeholder Engagement \(➡P11\)](#)

Overview of Nikon Group's Sustainability Strategy



[>Our Approach to Sustainability](#)

[>Sustainability Promotion System](#)

[>Stakeholder Engagement](#)

[>Sustainability Priority Issues](#)

Nikon Code of Conduct

Approach and
Policy

The Nikon Group has established the Nikon Code of Conduct, which embodies Nikon's basic approach to CSR and lays down standards for employees to follow in their actions based on this approach.

We will strengthen our global governance by requiring all employees to comply with the Nikon Code of Conduct, and continue to implement CSR as a Group.

[Nikon Code of Conduct](#)

<https://www.nikon.com/about/sustainability/nikon-sustainability/codeofconduct/>

[Thorough Compliance \(➡P98\)](#)

Nikon Code of Conduct (Summary)

Introduction

Scope

1. Responsibility
 2. Respect for Human Rights
 3. Sound Working Environment
 4. Protection of the Natural Environment
 5. Operation Practices
 - (1) Anti-bribery and Corruption
 - (2) Relationship with Suppliers and Business Partners
 - (3) Social Responsibility in the Supply Chain
 - (4) Entertainment and Gifts
 - (5) Lobbying and Political Donations
 - (6) Fair Competition and Business Transactions
 - (7) Import and Export Control
 - (8) Taxation
 - (9) Insider Trading Prevention
 - (10) Proper Use and Management of Nikon Property
 - (11) Protection of Intellectual Property Rights
 - (12) Sound Communication
 - (13) Appropriate Information Management
 6. Factual Information and Disclosure
 7. Provision of Valuable Products and Services
 8. Community Relations
- Reporting/Consulting System, Consequences of Violation
- Code of Conduct Administration

* The Nikon Code of Conduct has been drawn up in English, and published in 16 languages.

Sustainability Promotion System

Using a system centered on the CSR Committee, the Nikon Group is carrying out initiatives to achieve a sustainable society by striving to foster collaboration throughout the organization as a whole, including committees and subcommittees affiliated with the CSR Committee.

Nikon Group's Sustainability Promotion System

Framework and System
Activities and Results

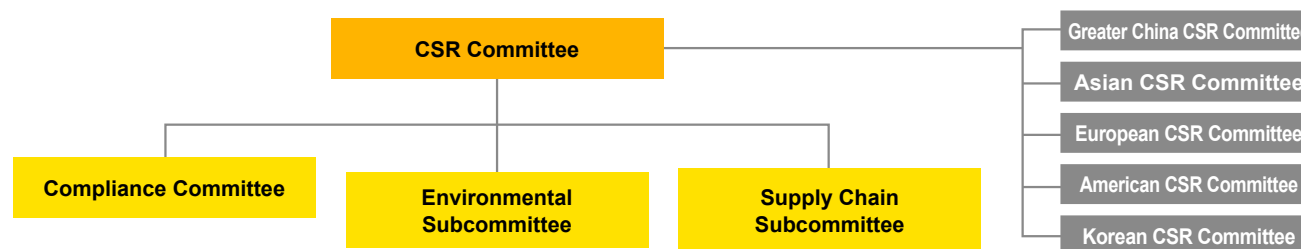
Besides playing a significant role as a member of society, the Nikon Group has also established the CSR Committee and appointed the Representative Director and President as the chair and the Director and Officer in charge of the Corporate Sustainability Department as the vice-chair, in an effort to pursue management with a high degree of integrity and transparency that is able to earn the trust of stakeholders. In addition, the committee members include heads of various specialized departments including HR, procurement, and environment-related departments, so as to harness collective wisdom in carefully deliberating on and promptly addressing multifaceted CSR issues.

In principle, the CSR Committee convenes twice a year to set goals relating to CSR priority issues, receive progress reports on various types of measures, issue directions for improvement as required, and implement overall management of sustainability activities, as well as undertaking review of and performing decision-making in relation to sustainability activities. Lectures by experts and discussion sessions are held on the same dates as meetings of the CSR Committee, with the aim of enhancing the expertise of Committee members in relation to sustainability.

The Compliance Committee, the Environmental Subcommittee, and the Supply Chain Subcommittee have also been established as subcommittees under the CSR Committee.

The CSR Committee reports to the Board of Directors, and the Board of Directors manages and monitors the effectiveness and risks of sustainability related measures from a managerial standpoint.

Sustainability Promotion System (As of April 1, 2021)



● Sustainability Promotion System at Group Companies outside Japan

The Nikon Group has assigned responsibility for the supervision and promotion of CSR to each regional holding company outside of Japan, so as to advance uniform and consistent sustainability initiatives across the Group companies while taking into account the characteristics of each region where they are located, including culture, customs, language, etc.

We divide the geographic areas where we operate into five regions (excluding Japan), and the CSR department of Nikon Corporation and of each regional holding company puts in place systems for the promotion of sustainability within their jurisdiction. Furthermore, CSR Committees are established in each region with members that include the CEOs of Group companies, and we strive for effective coordination by appointing a CSR coordinator at each company.

In addition, a CSR Global Communication Meeting is held once a year, with participants representing the CSR department of each regional holding company. This Meeting brings together representatives of the CSR departments in each regional

holding company to share information about and discuss social trends in each region, the progress made in CSR activities, issues that need to be addressed, etc.

● Activities Aimed at Raising Employees' CSR Awareness

The Nikon Group publishes a quarterly newsletter to raise the level of employees' sustainability awareness. The newsletter is published in 15 languages. Each issue features information about activities relating to the SDGs, and CSR-related news from both within and outside the Nikon Group. In the fiscal year ended March 31, 2021, the newsletter introduced the corporate citizenship activities, etc. that we have continued to implement while also taking steps to respond to the COVID-19 pandemic. In addition, a sustainability page has been established in our Japanese-language portal site, with new content posted every two weeks regarding CSR awareness-raising and the current status of related Group activities. In the fiscal year ended March 31, 2021, a particular effort was made to provide explanations about the SDGs, biodiversity, the problem of plastic waste in

> Our Approach to Sustainability

> **Sustainability Promotion System**

> Stakeholder Engagement

> Sustainability Priority Issues

the oceans, climate change and human rights, and to provide information about our activities and important social trends, etc.



The sustainability page on the Nikon Group's portal site (in Japanese), and our sustainability newsletter

Participation in International Initiatives

Activities and
Results

The Nikon Group aims to enhance and maximize the efficiency and efficacy of its activities by working together with various groups through involvement in international initiatives.

[Participation in Environmental Initiatives \(→P42\)](#)

Joining the UN Global Compact

Nikon became a signatory to the UN Global Compact (UNGC) in 2007. We respect the ten principles covering the four areas of human rights, labor, environment and anti-corruption. Through UNGC, the Nikon Group acquires a global perspective on social challenges as well as gaining opportunities to share information with other companies and build a network with experts.



Main Achievements for the Fiscal Year Ended March 31, 2021 in Relation to the Ten Principles of the UN Global Compact

	Principle	Policy	Jurisdiction	Achievements
Human rights/ Labor	1 and 2 / 3, 4, 5 and 6	Nikon Human Rights Policy	CSR Committee	Implemented human rights education e-learning throughout the Nikon Group within Japan. In addition, analyzed the results of RBA self-assessment conducted at the Group manufacturing companies outside Japan, and examined necessary measures based on identification of the risk level.
		Nikon CSR Procurement Standards	Supply Chain Subcommittee	Conducted a CSR survey of 211 procurement partners, and asked 13 companies with a particularly high risk level that did not meet the required management standards to take corrective action. Also conducted a CSR survey of 60 contract manufacturers associated with trading companies that are classed as important tier 1 suppliers.
		Responsible Minerals Sourcing Policy		Conducted surveys on conflict minerals covering procurement partners, and disclosed our Responsible Minerals Sourcing Report along with the List of RMAP Conformant Smelters.
Environment	7, 8 and 9	Nikon Long-Term Environmental Vision	Environmental Committee*	Revised the Medium-Term Environmental Goals. Joined the RE100 initiative, with the aim of contributing towards decarbonization by having 100% of electricity used by the company generated using renewable energy. Based on the environmental management system, the entire Nikon Group implemented activities in accordance with the Environmental Action Plan.
		Nikon Green Procurement Standards	Supply Chain Subcommittee	Conducted audits of procurement partners to evaluate their environmental management system and designated environmental partners based on the results.
Anticorruption	10	Nikon Anti-Bribery Policy	Business Conduct Committee*	Confirmed implementation of the Nikon Anti-Bribery Policy established in each region using self-inspection check sheets. Revised the Korean version of this policy. Conducted related education and training in Europe, the Americas, and the Greater China region.

* These names were correct as of the fiscal year ended March 31, 2021. On April 1, 2021, the Business Conduct Committee was renamed the Compliance Committee, and the Environmental Committee was renamed the Environmental Subcommittee.

Initiatives as an RBA Member

With the aim of enhancing the overall level of CSR both within the Nikon Group and in the supply chain, Nikon joined the Responsible Business Alliance (RBA)* in May 2018. The RBA has established a code of conduct that states a firm commitment toward improving the working environment and supporting the rights and wellbeing of employees, while also formulating codes of conduct to serve as standards for fulfilling environmental and ethical responsibilities within the supply chains of all member companies.

In the fiscal year ended March 31, 2021, we shared the issues identified in RBA self-assessment in the previous year at eight Group manufacturing companies outside Japan with Group manufacturing companies outside Japan and with CSR departments, and we evaluated and implemented improvement

strategies. In the future, we intend to implement measures in collaboration with the relevant departments and with the Group manufacturing companies outside Japan, so as to be able to strive for a self-directed, ongoing process of issue identification, improvement and resolution.

In addition, Nikon is implementing measures to foster compliance with the RBA Code of Conduct throughout the supply chain, for example by asking procurement partners to implement RBA self-assessment and make effective use of relevant educational materials.

* The Responsible Business Alliance (RBA) is an international industry coalition dedicated to corporate social responsibility (labor, health and safety, environment and ethics). Initially, the RBA was founded primarily by three leading U.S. electronics companies; its membership has since expanded to include firms in the automotive, retail and toy manufacturing sectors, among others.

[Promoting CSR Procurement \(→P77\)](#)

Stakeholder Engagement

The Nikon Group is endeavoring to foster reciprocal communication with its stakeholders through various methods and opportunities.

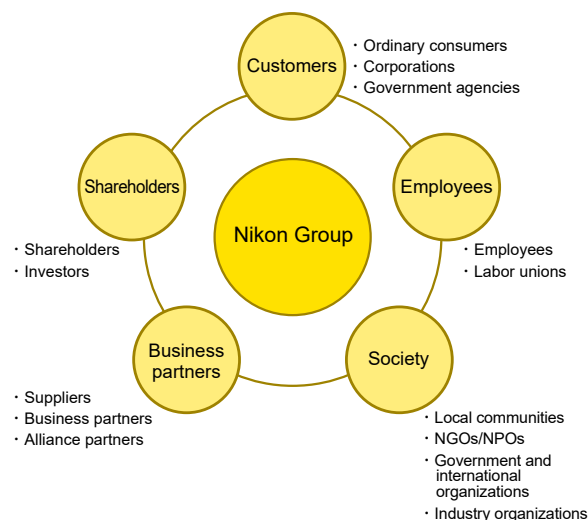
Approach to Communication

Approach and
Policy

For a company to fulfill its social responsibility, it must disclose its own policies and performance to stakeholders in addition to taking feedback and expectations seriously and constantly improving its own activities. Stakeholder engagement is essential for achieving this.

The Nikon Group strives to realize reciprocal communication with stakeholders including customers, shareholders, employees, business partners, and society as a whole, and we work to maintain and develop healthy relationships with them, through a variety of opportunities and methods.

Nikon Group's Main Stakeholders



Main Forms of Engagement with Stakeholders

Main Stakeholder	Methods of Engagement	Objectives
Customers	<ul style="list-style-type: none"> • Call centers and service counters (as required) • Responses to customers by departments in charge of sales/services (as required) • Sharing of information via the website and other methods (as required) • Exhibitions / events (several times a year) • News releases via the mass media and other methods (as required) , etc. 	Provision of high quality, high value-added products and services, responding to feedback and requests, providing appropriate information on products and services
Shareholders	<ul style="list-style-type: none"> • General meetings of shareholders (once a year) • Announcements (as required) • Publishing of various types of printed materials including NIKON REPORT and interim reports (once a year), etc. • Sharing of information via the website and other methods (as required) • Financial Results Conference (four times a year) • Responding to ESG investment (as required) , etc. 	Timely disclosure of information, gaining appropriate evaluation and support from capital markets, fair and highly transparent corporate management, appropriate return of profits
Employees	<ul style="list-style-type: none"> • Sharing of information via company newsletters, the intranet, and other methods (as required) • Labor and management conferences, and conferences with employee-elected representatives (as required) • Reporting and Consulting System (as required) • Conducting human rights and labor standards surveys at the Group companies (once a year) • Conducting employee awareness surveys and questionnaires (once every one to two years) • President's Town-hall Meetings (as required) , etc. 	Active utilization of diverse human resources, provision of a positive work and workplace environment, proper treatment of workers, enhancement of occupational safety and mental health, positive labor-management relationships
Business partners	<ul style="list-style-type: none"> • Dialog through everyday business activities (as required) • Meetings with procurement partners (once a year) • Briefing sessions for, and surveys and audits of, procurement partners in relation to CSR procurement (once a year) • Confirming the establishment of environmental management systems (surveys/audits) (once every three years) , etc. 	Mutual development through provision of products and services that are useful to society, fair business transactions, smooth sharing of information, joint research and development, CSR procurement
Society	<ul style="list-style-type: none"> • Participation in local events (as required) • Collaboration with NGOs / NPOs in corporate citizenship (as required) • Participation in economic and industry organizations (as required) • Consultations with governmental agencies, academic societies/research organizations (as required) • Issuing of the Nikon Sustainability Report (once a year) , etc. 	Compliance with laws, regulations and rules, participation in industry-government-academia collaboration projects, participation in the community as a corporate citizen, contribution to technology development through support for academic societies/research organizations, and strengthening our activities through partnerships

* In principle, the communication methods used and the frequency of use are as given above. However, in the fiscal year ended March 31, 2021, due to the need to combat the spread of the COVID-19 pandemic, Nikon switched over to holding some exhibitions, events, meetings etc. online, and also temporarily cancelled the holding of and participation in certain activities.

List of Main Affiliated Organizations Related to CSR (As of March 31, 2021)

Organization Name
Business Ethics Research Center (BERC)
Council for Better Corporate Citizenship (CBCC)
Global Compact Network Japan (GCNJ)
Japan Business Council in Europe (JBCE) CSR Committee
Japan Electronics and Information Technology Industries Association (JEITA) CSR Committee, Environment Committee, and Responsible Minerals Trade Working Group
Japan Machinery Center for Trade and Investment (JMC)
The four Japanese electric and electronic (E&E) industrial associations, JEITA, CIAJ, JBMIA and JEMA The Expert Committee on Chemical Substances in Products, Expert Committee on Waste and Recycling Measures Relating to Business Facilities, Expert Committee on Chemical Substance Measures Relating to Business Facilities, and Biodiversity Working Group
Joint Article Management Promotion-consortium (JAMP)
Keidanren (Japan Business Federation) Committee on Responsible Business Conduct and SDGs Promotion
Responsible Business Alliance (RBA)
Responsible Minerals Initiative (RMI)
SEMI Japan SDGs/Sustainability Committee

Engagement with Employees

Activities and
Results

The Nikon Group believes that it is very important for every employee to share the company's vision, to be committed to the company's policies and plans, and to work proactively to put them into effect.

To this end, in recent years we have held President's Town-hall Meetings, the aim of which is to facilitate dialog with as many employees as possible, and President's Lunch Meetings, where the goal is to engage in intensive communication with a smaller group of employees. However, due to the impact of the COVID-19 pandemic, these activities were temporarily put on

hold in the fiscal year ended March 31, 2021.

As a substitute measure, the Nikon Group has worked actively to disseminate messages from the President and provide information using the Group portal site, internal newsletters, e-mail, etc. In addition, in regard to the results obtained in employee awareness surveys, the President has demonstrated a commitment to responding individually to employees regarding his response to these results and what action will be taken on the basis of the results, and feedback has also been provided via e-mail. By having unit-specific issue improvement strategies that are based on the survey results incorporated into each unit's annual plan, we have striven to enhance employee motivation. Furthermore, in July 2020 we established a Brand Strategy Team with the aim of enhancing brand value and strengthening employee engagement. The Team members engage in frank exchanges of views with the President and other company officers regarding the current state of the Group and the issues facing it, our strengths and areas where we need to make improvements, and our vision for the future and expectations of employees, etc. The content of these discussions is shared with employees via e-mail, and is also posted on the Group portal site. Nikon has also conducted questionnaire surveys etc. regarding workstyles during the COVID-19 pandemic, and is making effective use of the views expressed by employees in discussions aimed at realizing more efficient, more employee-friendly workplaces.

Engagement with Shareholders and Investors

Activities and
Results

Nikon set a goal of "capital market-oriented management" and has been focusing on investor relations activities that emphasize dialog with shareholders and investors. We firmly believe that for Nikon, which aims to achieve sustainable growth in its enterprise value, engagement (i.e., objective-focused dialog) with shareholders and investors is a valuable opportunity to hear views from diverse perspectives.

We hold interviews with a total of approximately 500

shareholders, institutional investors and analysts both within and outside Japan in a year.

Due to the impact of the COVID-19 pandemic, in the fiscal year ended March 31, 2021, Nikon's quarterly financial results announcements were made online. In addition, the interviews, which provide a great opportunity for the President and CFO to listen directly to the views of shareholders, investors and analysts, were conducted by telephone conference or online. In this way, despite the impact of COVID-19, we have redoubled our efforts to disseminate information regarding the current state of the company's operations in a timely, appropriate manner, through constructive dialog with large numbers of institutional investors and analysts.

The feedback and advice that we have received from shareholders and investors has provided us with many useful suggestions that we can utilize when implementing our growth strategy, business management and structural reform, etc. In particular, we have engaged in frank, wide-ranging exchanges of opinion with investors who focus on a long-term viewpoint, covering matters such as contributions towards addressing social issues through business activities, financial strategies regarding allocation of capital, and ESG-related issues (particularly governance). Some of the opinions expressed can be quite harsh, but we can make effective use of these opinions when reflecting on our business management and considering our strategies, by sharing them with the Board of Directors and the Executive Committee on a regular basis.





Also, we have been working to enhance the diversity of our directors, so as to strengthen the objectivity and transparency of management. At the company's 156th Annual General Shareholders' Meeting, held in June 2020, several new directors were appointed, including a female director, increasing the share of directors who are external directors to almost half. Going forward, Nikon aims to enhance engagement with shareholders and investors in terms of both quality and quantity. In addition, we will listen carefully to stakeholders' hopes and expectations, and will make effective use of what we have learned to improve our business management.


External Evaluation

Activities and
Results

As a business enterprise that adopts a proactive stance towards sustainability activities, the Nikon Group has received positive evaluations from a variety of external organizations.

Inclusion in ESG Investment Indexes (As of June 30, 2021)




ESG Investment Index	Selected/Overview
FTSE4 Good Index Series  FTSE4Good	Selected: Since 2004 The FTSE4 Good Index Series is designed by FTSE Russell, wholly owned by London Stock Exchange Group, to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.
ECPI Indices 	Selected: Since 2011 ECPI is a company based in Italy and Luxembourg, and produces research, ratings and indices on companies' ESG performance.
SOMPO Sustainability Index 	Selected: Since 2013 The SOMPO Sustainability Index is a socially responsible investment product that enables pension funds and other institutional investors to invest broadly in companies with high evaluations for ESG.
FTSE Blossom Japan Index*1 	Selected: Since 2017 FTSE Blossom Japan Index is designed to reflect the performance of Japanese companies with excellent track records in terms of ESG.
MSCI Japan ESG Select Leaders Index*1*2 2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	Selected: Since 2017 MSCI Japan ESG Select Leaders Index selects companies from various sectors with excellent ESG practices from among the top 500 Japanese stocks in terms of market capitalization.
Dow Jones Sustainability Indices "DJSI World" and "DJSI Asia Pacific" Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Selected: Since 2018 The Dow Jones Sustainability Indices are indices developed in collaboration between S&P Dow Jones Indices LLC of the U.S. and Swiss firm Robeco SAM AG. Every year, the sustainability of around 2,500 major global companies is quantified from the three angles of "economy," "environment," and "society" and based on the results of evaluation by industry, around the top 10% are selected for "DJSI World" and around the top 20% in the Asia-Pacific region are selected for "DJSI Asia Pacific."

ESG Investment Index	Selected/Overview
S&P/JPX Carbon Efficient Index*1 	Selected: Since 2018 The S&P/JPX Carbon Efficient Index is an index that uses TOPIX, the representative stock index for the Japanese market, as the universe and determines the composite stocks with a focus on disclosure of environmental information and level of carbon efficiency.
S&P Japan 500 ESG index	Selected: Since 2019 The S&P Japan 500 ESG Index is one of the S&P 500 ESG Index series, which was newly announced by S&P Dow Jones Indices LLC, with the main indices in Japan as its universe.
MSCI Japan Empowering Women Index*1*2 2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	Selected: Since 2019 The MSCI Japan Empowering Women Index selects companies in various industries that have demonstrated superior gender diversity performance, from among the 500 listed Japanese companies with the highest market capitalization.

*1 Selected as an ESG index by the Government Pension Investment Fund, or GPIF.

*2 The inclusion of Nikon Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Nikon Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

ESG Rating (As of February 10, 2021)

Rating	Evaluation/Overview
CDP Climate Change A List and CDP Supplier Engagement Leader  	CDP is an NPO whose main activities include requesting that business enterprises and local government authorities disclose information relating to the measures they have taken to address environmental issues, including climate change strategies, waste resource conservation, forest conservation, etc., in line with requests from global institutional investors etc. who are concerned about the environment, and also promoting increased adoption of measures of this type. Organizations that secure an A rating (the highest possible rank) in relation to climate change are included in the CDP Climate Change A List. The CDP awards the title of Supplier Engagement Leader to global leaders that collaborate effectively with suppliers in relation to climate change.
2021 S&P Global Sustainability Yearbook Member Sustainability Yearbook Member 2021 	The S&P Global Sustainability Yearbook identifies 631 companies as sustainability leaders based on ESG scores calculated by S&P Global in relation to more than 7,000 companies evaluated in the 2020 Corporate Sustainability Assessment (CSA).

Sustainability Priority Issues

In January 2021, the Nikon Group revised its CSR priority issues, identifying 12 priority issues.

We have established targets for each priority issue, and we are promoting and managing sustainability activities throughout the entire Group.

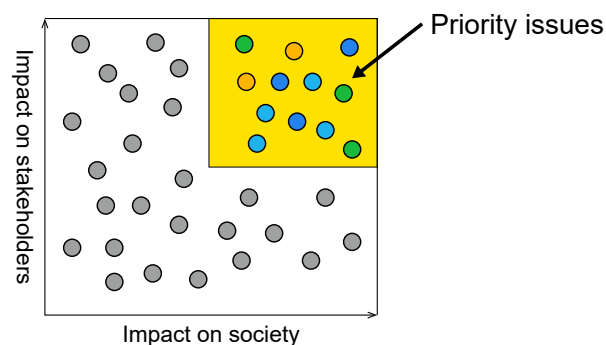
Selection of CSR Priority Issues

Approach and
Policy

The Nikon Group identifies CSR priority issues to focus on, in order to ensure the efficient, steady implementation of sustainability measures. We set targets for each priority issue, and individual departments and employees work to achieve the targets.

In the fiscal year ended March 31, 2021, we revised our CSR priority issues, based on changes in the approaches to and initiatives for realizing sustainability for our stakeholders and for society as a whole, and based on changes in the business environment.

Schematic Diagram Showing the Approach Used in the Selection of CSR Priority Issues



Process for Identifying CSR Priority Issues

Step 1: Identification of social issues

Significant social issues were identified from the GRI Standards, ISO 26000, the United Nations Global Compact, the Sustainable Development Goals (SDGs), and other standards. A total of 34 issues of particular relevance to the Nikon Group were then extracted, on the basis of analyses of the Group's value chain and management vision.

Step 2: Assessment of importance

To identify priority issue candidates, the Nikon Group assessed the relative importance of the identified social issues based on the degree of impact on society (economic, social, and environmental impact) and the degree of impact on stakeholders (impact on stakeholder evaluations and decision-making). These assessments were performed through examinations of the issues that ESG ratings institutions prioritize, through communication with NGOs and other internal and external stakeholders, and through benchmarking with respect to other enterprises that have already brought CSR to a particularly high level.

Step 3: Identification and determination of priority issues

Through a process of discussion among management, 12 priority issue candidates were identified and goals for the fiscal year ending March 31, 2031 (What Nikon Intends to Achieve) were determined in relation to these issues, which were finalized by decision of the Executive Committee.

Step 4: Setting of targets for each priority issue

The new priority issues were explained to each department head. They were notified to incorporate the priority issues relevant to their department into the setting of department targets for the fiscal year ending March 31, 2022, and each department then set and are now working toward those targets.

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

**Nikon's
Sustainability**

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Our Approach to Sustainability

> Sustainability Promotion System

> Stakeholder Engagement

> **Sustainability Priority Issues**

Nikon's CSR Priority Issues and the SDGs

Approach and
Policy

In January 2021, the Nikon Group established 12 new CSR priority issues in four areas.

For each of these priority issues, we have announced what Nikon needs to do and goals for the fiscal year ending March 31, 2031. In line with these, we will be promoting sustainability activities that will contribute toward the realization of the SDGs by 2030.

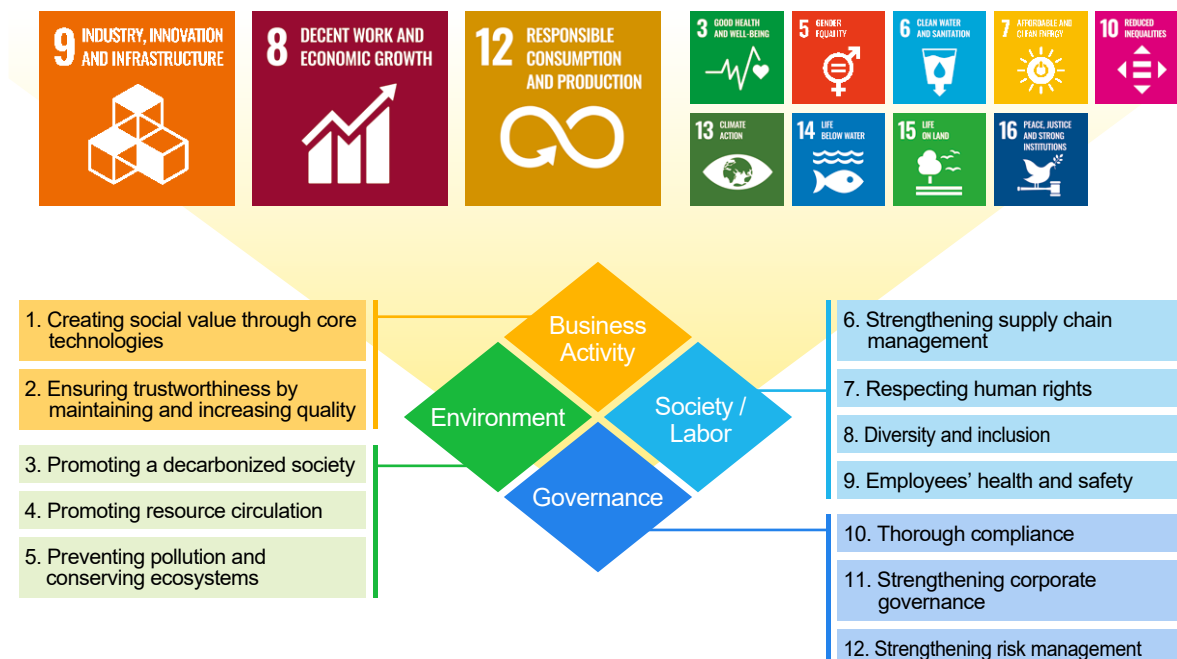
PDCA Cycle Implementation Framework

Framework
and System

Nikon's target management system for the CSR priority issue targets has these targets reflected in relevant units' departmental targets and evaluation. In the fiscal year ending March 31, 2022, we have expanded the scope of target setting, in line with the SDGs that these targets will contribute towards achievement of, to include units that were not previously required to set targets in relation to the CSR priority issues. By incorporating the CSR priority issues into the target

management system in this way, we aim to ensure effective implementation, and also to further enhance CSR awareness at the level of individual departments and individual employees. Moreover, progress in initiatives for addressing CSR priority issues will be confirmed once every six months by the CSR Committee, which is chaired by Nikon's Representative Director and President, as part of a PDCA (plan-do-check-act) cycle for ensuring the accomplishment of targets. Performance with regard to these targets will be reflected in certain elements of the compensation of officers in charge of sustainability and relevant divisions.

CSR Priority Issues and Related SDGs



2021

[Contents /
Editorial Policy](#)
[Message from
the President](#)
[Nikon Group
Profile](#)
[Nikon's
Sustainability](#)
[Business
Activity](#)
[Environment](#)
[Society /
Labor](#)
[Governance](#)
[Corporate
Citizenship
Activities](#)
[> Our Approach to Sustainability](#)
[> Sustainability Promotion System](#)
[> Stakeholder Engagement](#)
[> Sustainability Priority Issues](#)

CSR Priority Issues - Targets and Results

Targets
Activities and Results

The Nikon Group has set concrete targets in relation to the CSR priority issues, and manages the implementation of the measures adopted to realize these targets.

Results for the Fiscal Year Ended March 31, 2021 [Summary]

Self-evaluation ○: Achieved △: Measures started but not yet achieved

Priority Issue			What We Intend to Achieve	Targets for the Fiscal Year Ended March 31, 2021		Annual Results	Self-evaluation	Corresponding Page
				Achievement Indicator	Scope			
Contributing to society through business activities	Issue 1	Solving social issues by using opto-electronics technologies	Contribution to realizing the SDGs	Contribute to the promotion of digital manufacturing by expanding the launching of optical processing machines in the market, and help customers to realize cleaner, more efficient production in their factories	Nikon Group	While sales of optical processing machines are not yet in full swing, Nikon continued to steadily introduce new products into the market.	○	➡ P23
	Issue 2	Taking up the challenge of innovation	Effective R&D	Complete development of optimization functionality system infrastructure for lens adjustment processes that are applicable to multiple different products, with the aim of realizing autonomous process establishment	Nikon Group	In regard to lens adjustment processes, built models for cyber-systems that are applicable to multiple different products, identified issues through testing, and completed the compilation of specifications for common system infrastructure.	○	➡ P24
			Creation of new businesses with faster launch speed through open innovation	· Implement a framework to create new value by effectively integrating company-wide development technologies · Conduct technological surveys on leading start-up businesses, identify ones that have a high compatibility with Nikon, and promote collaboration	Nikon Group	· Established a system for discussion of corporate venture capital investment projects by the Technology Strategy Committee, and built a framework for consideration of investment that follows Nikon's development roadmap. · Continued to promote consideration of collaboration with, and investment in, leading start-up businesses.	○	➡ P24
			Creating new businesses	· Work together as a company to develop customers for new businesses and narrow down the scope of business domains to focus on · Expand the scope of the optical processing machine field, and accelerate business development to make this field an important new growth driver	Nikon Group	· Made progress with customer development in relation to Riblet Processing, a cross-organizational Materials Processing Business, and Vision Systems/Robotics, an area with long-term growth potential, with the Next Generation Project Division and Digital Solutions Business Unit, etc., playing a central role. · Acquired a majority stake in Morf3D Inc., a U.S.-based specialist additive manufacturing firm. In making this company, which has many European and American aerospace manufacturers among its customers, a subsidiary, Nikon has secured the business foundations needed to expand its Material Processing Business.	○	➡ P24
	Issue 3	Improving product and service quality	Ensuring product and service quality for customers through effective utilization of IoT/AI technology	Formulate standards that conform to the latest wireless communications regulations and technologies	Nikon Group in Japan	Compiled and issued the Wireless Communications Standards, based on the latest regulations and technologies.	○	➡ P30
			Realization of high-level quality optimization determination	Identify information that can effectively facilitate advance prevention of quality issues that could damage corporate value	Nikon Group	Based on analysis of the key factors relating to quality loss costs, we implemented a trial on utilization that matches customer information and market data systematically after collecting information on effective prevention of quality issues.	○	➡ P29

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Our Approach to Sustainability

> Sustainability Promotion System

> Stakeholder Engagement

> Sustainability Priority Issues

Results for the Fiscal Year Ended March 31, 2021 [Summary]

Self-evaluation ○: Achieved △: Measures started but not yet achieved

Priority Issue			What We Intend to Achieve	Targets for the Fiscal Year Ended March 31, 2021		Annual Results	Self-evaluation	Corresponding Page
				Achievement Indicator	Scope			
Responding to environmental issues (Issues 4-6)			See Environmental Action Plan					➡ P40
Strengthening CSR foundations	Issue 7	Strengthening supply chain management	Integrated management of the supply chain	<ul style="list-style-type: none">Realize stable database operation and begin rollout in EuropeBegin supply chain information management which utilizes database BCP functionality, both under ordinary circumstances and in emergencies	Nikon Group / Procurement partners	<ul style="list-style-type: none">Began stable database operation with the aim of enhancing data quality in the integrated procurement data management system.Began registration of European procurement partners in the integrated procurement data management system.Registered the data of tier 1 suppliers for which the BCP emergency survey function applies in the integrated procurement data management system, and began operation.	○	➡ P74
			Responding to important issues affecting the supply chain	Make CSR assessments more efficient using RBA data, and increase the number of assessments implemented from the current figure of 200 to at least 230 companies	Nikon Group / Procurement partners	Performed CSR assessments of 271 companies (including 211 procurement partners and 60 tier 2 suppliers), of which RBA data was used for 15 companies.	○	➡ P77
				Identify high-priority tier 2 suppliers, establish the survey framework and begin implementing CSR assessments		Implemented CSR assessments at 60 outsourced manufacturing companies which have contracted with trading companies that are important tier 1 suppliers.	○	➡ P78
			Implementation of surveys and due diligence in relation to conflict minerals	Implement surveys of conformity with EU regulations by using the new Conflict Minerals Reporting Template that was distributed by RMI in May 2020	Nikon Group / Procurement partners	Implemented surveys of conformity with EU regulations by using the new Conflict Minerals Reporting Template that was distributed by RMI in May 2020.	○	➡ P80
				Ensure that procurement partners are familiar with how to use the system, and improve operational efficiency by 20% compared to the previous year		Revised the system manual and spread awareness of its availability, thereby reducing the number of queries received from procurement partners, and improved operational efficiency by 20% compared to the previous year.	○	➡ P80
			Maintaining and managing the Environmental Management System in the supply chain	Increase the environmental partner certification rate for all procurement partners that are subject to auditing to at least 97%	Nikon Group / Procurement partners	Increased the environmental partner certification rate for all procurement partners that are subject to auditing to 97%.	○	➡ P81
	Issue 8	Respecting human rights	Minimization of human rights risk through steady implementation of human rights policy	Analyze the results of monitoring based on employee awareness surveys, RBA Self-Assessment Questionnaire (SAQ), etc., and implement and review related measures, so as to foster employees' human rights awareness	Nikon Group	Checked employees' level of understanding of human rights by using an employee awareness survey. Implemented human rights e-learning in Japan based on the results obtained in the surveys. Analyzed the results of the RBA Self-Assessment Questionnaire, confirmed that there were no issues with a high level of risk, and requested corrective action on the identified risks.	○	➡ P85

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Our Approach to Sustainability

> Sustainability Promotion System

> Stakeholder Engagement

> Sustainability Priority Issues

Results for the Fiscal Year Ended March 31, 2021 [Summary]

Self-evaluation ○: Achieved △: Measures started but not yet achieved

Priority Issue			What We Intend to Achieve	Targets for the Fiscal Year Ended March 31, 2021		Annual Results	Self-evaluation	Corresponding Page
				Achievement Indicator	Scope			
Strengthening CSR foundations	Issue 9	Promoting the success of diverse employees	Cultivation of engineers with a broad outlook	Begin training using the new engineer basic training system (with the implementation of at least 110 courses)	Nikon	Began providing instruction through this new initiative under the name Technical College program. Implemented 122 courses, while also implementing measures in response to the COVID-19 pandemic.	○	→ P27
			Promotion of female empowerment on an ongoing basis, with the setting of minimum quotas for recruitment of female employees and an increase in the number of female managers	Increase the ratio of all managers who are female to at least 6.9%	Nikon	Continued implementing measures to increase the ratio of managers who are female. As of March 31, 2021, the ratio was 6.4%, which was below the target of 6.9%. However, as of April 1, 2021, the ratio was 7.0%.	△	→ P88
				Increase the ratio of females recruited through the regular annual recruitment process to at least 25%		The ratio of females recruited through the regular annual recruitment process was 22.6%; failure to raise the ratio beyond this level was mainly due to an increase in recruitment for job types that generally receive few female applicants. Going forward, Nikon will be working actively to recruit more female employees through the regular annual recruitment process, for example by holding seminars for job-seekers at which female engineers will give talks.	△	→ P88
			Promotion of the employment of people with disabilities, and provision of support to help employees with disabilities maximize their potential	Ensure that all Nikon Group companies in Japan that do not currently employ any people with disabilities employ at least one person with disabilities	Nikon Group in Japan	Proceeded with the recruitment of people with disabilities despite the impact of the COVID-19 pandemic, and reduced the number of Nikon Group companies in Japan that do not currently employ any people with disabilities from three to two.	△	→ P89
			Realization of a working environment in which employees can work safely and healthily	Reduce the annual incidence of occupational accidents that are attributable to work or related to the performance of work to 40 or less	Nikon Group in Japan	Achieved the target, with the annual total of such occupational accidents being 19.	○	→ P95
				Share information about accidents at the Nikon Group in Japan and about the measures taken in response, so as to prevent the occurrence of similar accidents in the future	Group manufacturing companies outside Japan	Shared information about accidents and about the results achieved in measures taken in response on the Nikon portal site, and strove to prevent the occurrence of similar accidents in the future.	○	→ P96
	Issue 10	Strengthening compliance	Sustained compliance with the Nikon Code of Conduct	Ensure that dissemination of the Nikon Code of Conduct, as reflected in the employee awareness survey, improves relative to the previous year's survey	Nikon Group	Dissemination of the Nikon Code of Conduct, as reflected in the employee awareness survey, rose from 84.4% in the global survey implemented in the fiscal year ended March 31, 2019 to 90.6% in the global survey implemented in the fiscal year ended March 31, 2021.	○	→ P100
	Issue 11	Ensuring effective governance	Strengthening of the effectiveness of the Board of Directors	· Address the issues identified in the evaluation of the effectiveness of the Board of Directors · Implement review and monitoring of the assignment of directors and officers by the Nominating Committee	Nikon	· Evaluated the effectiveness of the Board of Directors using third-party evaluation, and implemented various measures including strengthening training for directors and strengthening coordination between the Board of Directors and its affiliate committees, as well as making improvements to the Board's secretariat. · Initiated succession planning, and the Nominating Committee implemented related discussion that took into account personnel matters relating to the company's executive officers dated April 1.	○	→ P102
			Reduction of the incidence and impact of risk	Prevent the occurrence of serious incidents through the visualization of major risk incidents and through the establishment and strengthening of a PDCA system with respect to the most serious risks	Nikon Group	Strove to prevent the occurrence of serious incidents by establishing relevant subcommittees under the Risk Management Committee, identifying serious risks and priority order in each risk category, and examining response strategies.	○	→ P106
			Realization of the appropriate management of personal data through an advanced information security management system	Maintain compliance with China's Cyber Security Law and with Singapore's Personal Data Protection Act (PDPA), putting in place a system for preventing, in advance, regulatory violations that are accompanied by fines. Continue to review the system relating to the GDPR.	Nikon Group	Had no regulatory violations that were accompanied by fines. As planned, put in place a system for ensuring compliance with China's Cyber Security Law and with Singapore's Personal Data Protection Act (PDPA). Continued to review the system relating to the GDPR.	○	→ P109

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Our Approach to Sustainability

> Sustainability Promotion System

> Stakeholder Engagement

> Sustainability Priority Issues

Targets for the Fiscal Year Ending March 31, 2022

Priority Issue			Goals for the Fiscal Year Ending March 31, 2031 (What Nikon Intends to Achieve)	What Nikon Needs to Do	Related SDGs	Targets for the Fiscal Year Ending March 31, 2022	Scope	
Business Activity	Issue 1	Creating social value through core technologies	Creation of social value through core technologies and contribution to the sustainable development of society, as a leading company in precision and optics	Aim to help build a prosperous, safe society by creating social value through the strengthening and effective utilization of opto-electronics technology and precision technology, which are Nikon's core technologies	9.4 9.5	Begin research that integrates Nikon's microscope solutions with Oxford Nanopore Technologies Limited's DNA and RNA decoding technology	Nikon	
				Contribute towards the resolving of social issues (including seven of the SDGs) through Nikon's products and services		Use the riblet processing technology of Nikon's Material Processing Business to enhance the generating efficiency of electricity generating equipment (including both wind power and thermal power generation), and complete initial trial calculations regarding the anticipated CO ₂ reduction impact	Nikon	
	Issue 2	Ensuring trustworthiness by maintaining and increasing quality	Provision of high-quality products and services that are trusted by the customer through creative monozukuri manufacturing that emphasizes customer safety and the environment	Continue to provide high-quality products and services that win customers' trust and meet their needs	12.4 12.5 12.6	Implement intensive training (a total of 19 sessions) for the design and development and quality assurance departments in each business unit, to ensure familiarity with and thorough implementation of the completed revised Safety Design Principles	Nikon Group in Japan	
						Aim to strengthen management and enhance efficiency through company-wide management and listing of conforming products (including coatings, oils, adhesives, resins, etc.) in relation to regulatory requirements in key countries and regions, so as to strengthen the management of chemical substances contained in products	Nikon Group in Japan	
				Reduce the incidence of quality incidents to zero		Complete re-inspection of the quality management system based on Nikon's comprehensively revised Quality Management Directive (QMD)	Nikon	
						Establish unified company-wide standards for quality audits (QA) of business partners, and implement QA for at least 30 companies	Business partners	
						Enhance customer engagement, identify customer needs, and generated market development ideas	Undertake revision of the Nikon website to guide website visitors smoothly towards the production information pages, so as to promote digital marketing with the aim of strengthening customer engagement	Nikon Group
	Environment	Issue 3	Promoting a decarbonized society	See Environmental Action Plan ➡P41				
		Issue 4	Promoting resource circulation					
Issue 5		Preventing pollution and conserving ecosystems						

See Environmental Action Plan [→P41](#)

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Our Approach to Sustainability

> Sustainability Promotion System

> Stakeholder Engagement

> Sustainability Priority Issues

Targets for the Fiscal Year Ending March 31, 2022

Priority Issue			Goals for the Fiscal Year Ending March 31, 2031 (What Nikon Intends to Achieve)	What Nikon Needs to Do	Related SDGs	Targets for the Fiscal Year Ending March 31, 2022	Scope
Society / Labor	Issue 6	Strengthening supply chain management	Realization of effective procurement in which the supply chain as a whole contributes towards the resolution of societal issue and which safeguards quality, cost, and prompt delivery (QCD), by sharing Nikon's approach to procurement policy with suppliers and by implementing rigorous risk management	Further strengthen suppliers' CSR management systems	8.7 8.8 12.4	Promote visualization of tier 2 suppliers in CSR-aware procurement	Procurement partners / tier 2 suppliers
						Provide support to realize improvements at those suppliers that failed to achieve a conformity score of at least 65% in the previous fiscal year's CSR survey (totaling 28 companies)	
						In the area of minerals procurement, build a system capable of dealing with the increase in the number of types of minerals that are subject to surveys, and the expansion in the conflict-affected and high-risk areas	Procurement partners
						Revise the policy for dealing with procurement partners that fail to comply with the Nikon Green Procurement Standards	Nikon Group
						Implement auditing of procurement partners that are deemed to be subject to audits based on the adjustment of environmental management system surveys and auditing (audit at least 40 companies)	Procurement partners
				Aim to enhance the quality of information used for procurement partner assessment		Nikon Group	
				Increase the amount of data collected in relation to tier 2 and below suppliers for BCP-related supply chain management purposes		Nikon Group / Procurement partners	
	Issue 7	Respecting human rights	Ensuring that the principles embodied by the Nikon Human Rights Policy are instilled throughout the value chain, and that the measures outlined by the Policy are properly implemented Ensuring that the RBA Code of Conduct is instilled in every company in the Nikon Group, and is faithfully followed	Spread awareness of human rights and of the Nikon Human Rights Policy	8.7 8.8 10.2 16.2	Continue to implement human rights awareness raising activities targeting all employees. In addition, for personnel in the departments related to PR and marketing, implement training that is more closely linked to their daily work.	Nikon Group
				Implement PR and marketing activities that take human rights into account			
				Enhance conformity with the RBA Code of Conduct			Put in place a Group-wide management system to foster conformity with the RBA Code of Conduct
	Issue 8	Diversity and inclusion	Putting in place the systems and environments that will enable diverse employees to fulfill their potential and participate fully Ensuring that all employees understand the need for diversity and inclusion, and realizing an organizational framework for effective collaboration	Promote the Group-wide implementation of operational and personnel processes that do not discriminate on the basis of gender, nationality, ethnicity, etc.	5.1 5.5 8.5 10.2	· Increase the ratio of females recruited through the regular annual recruitment process to at least 25% · Increase the ratio of all managers who are female to at least 7.2%	Nikon
				Raise the percentage of employees who are female (for both ordinary employees and managers)			
				Continue to implement measures to raise awareness of diversity and inclusion among all employees			

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Our Approach to Sustainability

> Sustainability Promotion System

> Stakeholder Engagement

> Sustainability Priority Issues

Targets for the Fiscal Year Ending March 31, 2022

Priority Issue			Goals for the Fiscal Year Ending March 31, 2031 (What Nikon Intends to Achieve)	What Nikon Needs to Do	Related SDGs	Targets for the Fiscal Year Ending March 31, 2022	Scope
Society / Labor	Issue 9	Employees' health and safety	Ensuring widespread familiarity with relevant policies and targets, and using these as the basis for global operation of the PDCA cycle	Build a system for the global management of occupational health and safety, and use this as the basis for implementing the PDCA cycle	3.1 3.9 8.8	Reduce the annual incidence of occupational accidents that are attributable to work or related to the performance of work to 40 or less	Nikon Group in Japan
			Having both the company and employees aiming to enhance health and safety, and striving to eliminate occupational accidents and illnesses	Review the measures adopted during the COVID-19 pandemic and in the post-COVID era, and ensure compliance		Strengthen the sharing of information relating to occupational accidents and related measures, etc. within the Group, so as to rebuild the health and safety management system	Nikon Group
						Aim to reduce the incidence of departmental work stoppages resulting from COVID-19 infection to zero	Nikon Group in Japan
Governance	Issue 10	Thorough compliance	Becoming a company that is trusted by society, by ensuring conformity with the Nikon Code of Conduct and by acting with integrity, including compliance with laws and regulations	Implement awareness-raising and education in regard to laws, regulations and ethics	16.5	Revise the content of the documents used to disseminate the Nikon Code of Conduct, and implement related education	Nikon Group
						Collect information on the revision, etc. of laws and guidelines relating to bribery prevention in major countries, and implement review of the Anti-Bribery Guidelines for Nikon Group Companies	Nikon Group
						Aim to achieve effective implementation of the Code of Conduct Hotline (Reporting and Consulting System)	Nikon Group
	Issue 11	Strengthening corporate governance	Building a governance system that promotes the sustainable creation of value for the company and for society	Enhance the effectiveness of the Board of Directors	—	Effectively implement a cycle that involves implementing third-party evaluation of the effectiveness of the Board of Directors, identifying issues, and formulating and implementing response strategies	Nikon
				Review the effectiveness of the separation between the management function and the supervisory function		Aim to further strengthen the supervisory function by reviewing the composition of the Board of Directors from the next term onwards	Nikon
				Enhance the flexibility of the management function			
	Issue 12	Strengthening risk management	Identification of current and future risks and impacts, and utilization of the PDCA cycle to enhance and improve systems Avoidance of financial loss or damage to the company's reputation through the sound operation and management of IT infrastructure and the implementation of cyber-security and data protection measures	Perform risk assessment and give instructions to implement improvement in relation to high-risk items	—	Implement risk improvement through strengthening of coordination between the major related departments and through a new, company-wide risk management system	Nikon Group
				Strengthen the information security system (including cyber-security and personal data protection)		Review the framework for monitoring emerging risks	Nikon Group
						· Put in place a system for preventing violations that are accompanied by fines, by responding to the 2020 amendments to Japan's Personal Information Protection Act · Continue to implement adjustments in relation to the GDPR	Nikon Group

Business Activity

Priority Issue

1 Creating Social Value through Core Technologies

[→P22](#)

2 Ensuring Trustworthiness by Maintaining and Increasing Quality

[→P25](#)


Priority Issue 1

Creating Social Value through Core Technologies



Reason for Priority

Companies are considered public institutions and have a responsibility to develop in partnership with society through transparent and fair activities.

Moreover, in recent years, amidst the emergence of global level social issues, companies are required to innovate in ways that will transform social systems and lifestyles, and to contribute to solving these issues through business.

Nikon Approach

At Nikon, our vision expresses the determination to “Unlock the future with the power of light.” There is a growing sense of urgency about global sustainability, and a pressing need for companies to innovate in order to solve social issues, including meeting SDGs. We will provide new value to solve social issues, and continue to develop in partnership with society. To this end, Nikon will strengthen our technical capabilities centered on our core opto-electronics and precision technologies that we have developed in the production of cameras and lithography systems, and make wide use of these outside their existing fields. At Nikon, we aim to bring about an even more prosperous, safe society.

Nikon's Social Value Creation

Nikon will provide new value and contribute to solving social issues through our technical capabilities which are based on opto-electronics and precision technologies.

Contributing to Society through Business Activities

Approach and
Policy

Based on our corporate philosophy of "Trustworthiness and Creativity," the Nikon Group has brought new values for society by providing products and services long trusted by customers through our high technical skills built up over the years.

For example, Nikon has technical capabilities centered around opto-electronics and precision technologies providing equipment essential for the manufacture of semiconductors and liquid crystal panels, which underpin our information society. We have also realized high precision and high resolution, contributing to the development of new technologies and industries. In addition, Nikon has been contributing to both the development of an imaging culture through cameras with a high level of trustworthiness, and the development of bioscience and medical care for nearly a century with microscopes that support high resolution and live cell imaging.

In the modern world, in which many social issues have become apparent, businesses need to embrace these as new markets and business opportunities, to create value more directly connected to the resolution of social issues.

Nikon has examined those areas in which its core technologies can be utilized in addressing a range of social issues such as global warming and the aging of society, and in the Medium-Term Management Plan announced in May 2019, set out "Digital Manufacturing," "Vision Systems/Robotics," and "Healthcare" as areas of long-term growth. As well as using our existing business, we will also use these areas of long-term growth to construct efficient production systems with fewer resources and less energy, and achieve sophisticated and safe production

facilities in which humans and robots coexist, etc., and thus provide society with new value. Based on these initiatives, we will strive to achieve SDGs, and to respond to the actions of the international community such as the Paris Agreement.

In order to continue to be a company that is of real value to society, the Nikon Group will bring about innovation in diverse industries based on products and services that utilize opto-electronics and precision technologies, providing solutions towards resolving social issues. Through these, we are aiming to become "A Leading Company in Precision and Optics" that realizes a materially and spiritually rich world.

Our Framework for Driving Innovation

Framework
and System

Fusing our core technologies with other technologies to create innovation is an important themes for providing society with new value that enables us to contribute towards the resolution of social issues, and for improving our corporate value. To this end, individual business units and individual Group companies are coordinating their efforts to use a technology strategy as the foundation for R&D, and to further promote open innovation.

Value Provided in Business and the SDGs



R&D

At Nikon, after analyzing social issues as macro trends, the Technology Strategy Committee carries out analysis of business environments together with studies and evaluations of markets, and develops new areas that Nikon should focus on. At present, the Next Generation Project Division and the Digital Solutions Business Unit have been working together to expand our business in the Material Processing Business which has been put forth as a central theme of the Medium-Term Management Plan, and the Vision Systems/Robotics-related businesses, one of Nikon's long-term growth areas. The Technology Strategy Committee is also formulating technology strategies and R&D plans for existing businesses. Based upon this, the Research & Development Division is responsible for R&D of technologies shared by business units, and for future technologies.

Open Innovation

Nikon has adopted open innovation, which actively utilizes external resources, as a means of accelerating the development of new products and services and the launch of businesses that will lead to solutions for expanding and ever-more-pressing social issues. Specifically, this includes not only corporate venture capital (CVC) investment, but also direct investment in start-up firms through the establishment of a private fund, as well as arrangements for providing support and incubation for start-ups and employees that have developed technologies or ideas with good potential. As of the fiscal year ended March 31, 2021 we are providing investment support to 22 start-up firms and venture capital.

Column

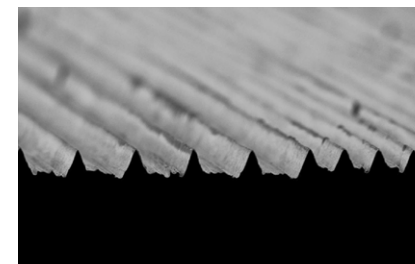
Becoming a Carbon Neutral Society

Climate change is considered a possible cause of frequent occurrences of abnormal weather, and an increasingly serious problem every year—a major social issue is to restrict increases in CO₂ concentrations, and achieving carbon neutrality. In order to confront such issues, the Nikon Group put forth “Creating Social Value through Core Technologies” as key in the “CSR Priority Issues” revised in January 2021, and aims to provide new value that can lead to resolving these issues. As one technology that can contribute to a carbon neutrality society, Nikon is promoting the commercialization of the Next Generation Project Division's riblet manufacturing technologies. Riblets are structures incorporating the concept of biomimetics, and their optimal shapes have proven effective at reducing drag in fluids. Using riblet manufacturing technology in wind power generation, turbines, and aircraft can increase fuel efficiency and reduce CO₂ emissions.

As one specific initiative, we are promoting joint development and research into the practical application of riblet processing with bionic surface technologies GmbH of Austria, which possesses computational fluid dynamics* simulation technology. Looking forward, the Nikon Group will continue to use its advanced technological capabilities to contribute to limiting climate change and to create innovations that lead to a virtuous cycle between the economy and the environment.

* Computational Fluid Dynamics

An academic field concerning calculations of the motion and movement of fluids and heat.



Riblet manufacturing
(several μm to several tens of μm)



2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Creating Social Value through Core Technologies

> [Ensuring Trustworthiness by Maintaining and Increasing Quality](#)

Priority Issue 2

Ensuring Trustworthiness by Maintaining and Increasing Quality

Reason for Priority

Ensuring that products and services that are widely utilized in the market are safe to use is an important precondition for development of a sustainable society. In regard to today's rapid evolution of new technologies such as the Internet of Things (IoT) and artificial intelligence (AI), quality assurance—including measures to ensure safety and environmental responsiveness—is just as vital as ever. Besides safety, we recognize meeting changing customer needs (in terms of lifestyles, values, etc.) as being an important aspect of quality enhancement.

Commitment

The Nikon Group sees itself as having a mission to contribute to the healthy development of society by realizing innovative, efficient *monodzukuri* (manufacturing). Besides optimizing our production systems from an enterprise-wide perspective, we think carefully about every stage in the manufacturing process, from product planning, development, and design onwards. The single most important issue here is quality assurance, which includes product safety and also making sure that products are environmentally friendly. With the Quality Committee playing a central role, we are working to strengthen our company-wide quality management system and prevent quality issues from developing. In addition, so that we can respond effectively to increasingly diversified and more demanding customer needs, it is vitally important to ensure that customers' views, and the views of society as a whole are strategically reflected in our business operations. While proactively utilizing open innovation and business alliances, we are also striving to rapidly reflect customer opinions in products and services, and thus provide the products and services that the world needs.

Nobuyuki Ishizuka
Senior Vice President and Director
General Manager of Production Technology Division

[Activity Policies]

- Basic Quality Policy
- Quality Management Directive (QMD)

[System]

- Quality Committee



Nikon Monodzukuri (Manufacturing)

The Nikon Group provides products and services based upon the concepts of Customer Focus and Quality First.

Monodzukuri Reform

Approach and Policy

Framework and System

The Nikon Group aims to contribute to the affluence and convenience of customers' daily lives with manufacturing based upon the ideas of Customer Focus and Quality First. With a constant awareness of this foundation, we are rebuilding the entire production system of the Nikon Group in order that it can respond to large production fluctuations. While taking a comprehensive overview of the fields of design, technology, production, and procurement, we will create a standard framework common to the entire Nikon Group, and build a production line with high quality and short delivery times that is unaffected by fluctuations in production volumes.

Monodzukuri is the source of corporate activity for the Nikon Group, which is a manufacturer. Through *Monodzukuri* reforms, we aim to further increase the value we provide to customers.

Initiatives Aimed at Monodzukuri Reform

Activities and
Results

Nikon has established the Production Technology Division, the Optical Engineering Division, and the Research & Development Division as cross-business unit organizations. Measures specifically aimed at the enhancement of our *Monodzukuri* foundation by setting up systems, framework, and technologies to establish engineering chain management (ECM) and practicing supply chain management (SCM) to pursue

Companywide optimization of manufacturing in a manner that blurs the lines between business units. We are using systems and framework to promote not only existing businesses, but the smooth establishment of new businesses.

Production System Reform

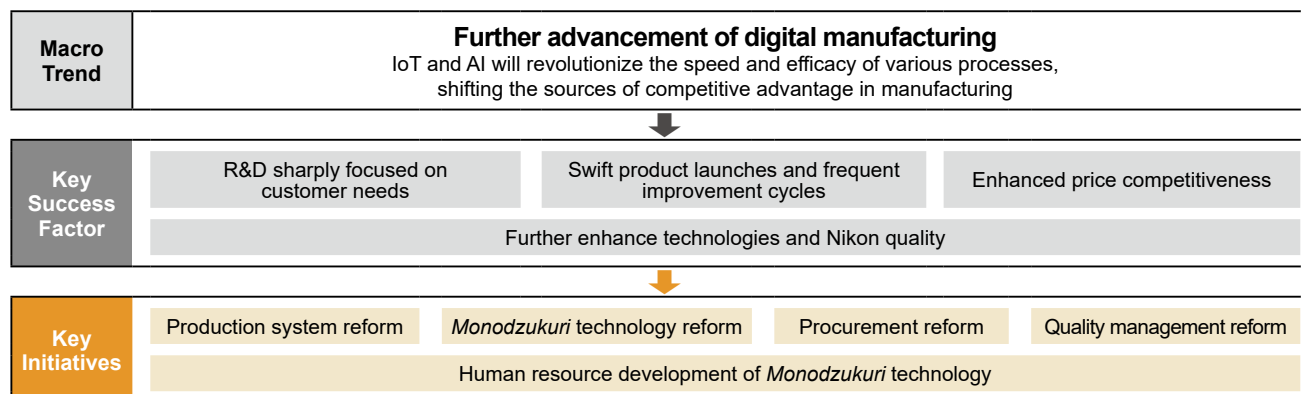
The Nikon Group is making reforms to improve productivity throughout the Group as a whole. Following the transfer of Tochigi Nikon in 2017, in April 2021 we transferred both Sendai Nikon from the Imaging Business Unit, and Tochigi Nikon Precision from the Semiconductor Lithography Business Unit to the Production Technology Division. Under this new structure, by integrating technologies and know-how we have cultivated in our experience manufacturing digital cameras and semiconductor lithography systems, we are creating new value, while promoting the effective usage of production-related resources spanning business units thus improving the productivity of the Nikon Group as a whole.

Monodzukuri Technology Reform

We will continue to strengthen the core technologies that underpin Nikon *monodzukuri* (manufacturing) as well as to develop technological differentiators that will result in future products and services. In addition to the core material, manufacturing, and assembly/adjustment technologies that are essential for optical manufacturers, we are promoting industrial engineering (IE) activities which are central to *monodzukuri* manufacturing together with manufacturing sites. We are also using Digital Manufacturing to increase productivity.

Enhancing Monodzukuri (Manufacturing) Foundation under the Medium-Term Management Plan (Conceptual Image)

Corporate Goals: Establish "Monodzukuri structure" through digital manufacturing



> Creating Social Value through Core Technologies

> [Ensuring Trustworthiness by Maintaining and Increasing Quality](#)

Procurement Reform

Nikon is reinforcing its financial base in its pursuit of cost reductions that will help fuel future growth investments. Nikon's Medium-Term Management Plan targets an aggregate total of ¥18.0 billion for three-year cost reductions. The reform of cost structures including procurement reforms will have an important role to play in accomplishing this goal. Reforms started with procurement are being expanded to logistics to further improve cost management, and measures such as the development of human resources and of information infrastructure are proving increasingly effective as well.

[Nikon's Supply Chain Management \(➡P74\)](#)

Quality Management Reform

The Nikon Group views quality, encompassing the safety and environmental friendliness of products and services, as the utmost priority in its operations and imperative to the trustworthiness of Nikon. To prevent quality issues, we are advancing quality management reforms in the Groupwide quality management frameworks and the quality assurance activities of business units. Additionally, in September 2020 we revised our Quality Management Directive which shows the business activity process systems, and we are promoting ongoing improvements including reductions in quality loss costs.

[Ensuring Quality and Safety \(➡P28\)](#)

processes to downstream processes. Moreover, mid-level designers receive practical training on processing to acquire general manufacturing knowledge, with the aim of promoting advancement in skills.

Furthermore, Nikon has also been offering optical designer cultivation training in relation to maintaining and advancing opto-electronics technologies, one of Nikon's core technologies. The training entails both fundamental theoretical knowledge of theories and sharing of the company's specific technology and skills.

In the fiscal year ended March 31, 2021, we established the Technical College program in order to strengthen the technological foundations that are essential for Nikon's *monodzukuri*, with the aim to hold more than 110 courses. Based on this newly formulated educational system, we held 122 courses centered around training for new employees, with 1,000 participants.

In an effort to train creative engineers with broader perspectives, in the fiscal year ending March 31, 2022 we will expand the number of courses that our Technical College offers to provide young engineers with opportunities to systematically study not only in their own specialized technical areas, but also a wide range of technical fields.

[Nikon's Human Resource Development \(➡P92\)](#)

Development of High Level *Monodzukuri* Capabilities

Activities and
Results

The Nikon Group provides various types of training for promoting high-level *monodzukuri* (manufacturing) capabilities, including specialized technical training by field for new hires, as well as employee training based on job duties and experience. Nikon has been providing training on a long-term basis, including technical training for new hires to acquire basic *monodzukuri* (manufacturing) skills as well as basic training to cultivate design developers who will acquire knowhow encompassing all *monodzukuri* processes, from upstream

Ensuring Quality and Safety

The Nikon Group believes that human resources cultivation is a vital foundation for supporting both quality and safety, and we have been focusing heavily on expanding our training programs. By establishing effective governance in this area—including policy formulation and system establishment—we aim to ensure the quality and safety of our products and services.

Our Policy on Quality Control

Approach and Policy

The Nikon Group has established a Basic Quality Policy with the idea to contribute to the healthy development of through our goods (products and services) that increase the value that we provide to society. Additionally, in order to carry through on this policy we have drawn up a Quality Management Directive (QMD) (fully reviewed in September 2020 with the addition of new items, and renamed from the Quality Control Directive (QCD)). For each business unit (including the Group companies), we have created a Quality Manual (QM) based on the QMD. This QMD encompasses the requirements of ISO 9001* accreditation, and we are implementing swift and appropriate revisions in response to changes such as with trends and situations happening around the world. The Nikon Group has obtained ISO 9001 accreditation,

primarily at production companies, and the rate of accreditation acquisition at Nikon and the Group manufacturing companies is approximately 58% (percentage of companies).

* ISO 9001

An international standard of quality management system established by the International Organization for Standardization (ISO). The ISO 9000 series is a quality management system for organizations to maintain and manage quality. ISO 9001 certification can be obtained from an officially recognized body.

Quality Management System

System and Framework

The Nikon Group has established a Quality Committee as an organization that deliberates and decides important matters related to quality control throughout the entire group. The committee is chaired by the General Manager of the Production Technology Division and general managers from each business unit serving as standing committee members. This has under it

Products Subcommittee, and Standardization Subcommittee, and Education Subcommittee—the purpose of these is to strengthen the functions of the Quality Committee in preventing quality and environmental problems, meeting legal and regulatory standards and ensuring security, and maintaining and improving manufacturing technologies.

Decisions made at the Quality Committee are shared at the QMS Promotion Conference which is held twice a year as a forum for exchanging information among all the business units. Based on this, each business unit reflects decisions made at the Quality Committee in its business processes, revising each QM where necessary, thereby strengthening the Quality Management System.

For the fiscal year ending March 31, 2022, we will reexamine the quality systems of each business unit based upon our comprehensive review of our Quality Management Directive in September 2020.

Basic Quality Policy

Based on its corporate philosophy of "Trustworthiness and Creativity," Nikon has established the following Basic Quality Policy. It aims to increase the value that we provide to customers through our products and services, and contribute to the healthy development of society.

- (1) Through creative and efficient *Monodzukuri* (manufacturing), enhance brand value and provide high-quality distinctive products to the market in a timely manner.
- (2) Provide safe and environmentally-friendly products to earn the trust of customers and society.

Quality Management System (As of April 1, 2021)



>Creating Social Value through Core Technologies

>Ensuring Trustworthiness by Maintaining and Increasing Quality

Frameworks to Comprehensively Manage Quality

System and
Framework

The Nikon Group works to improve quality by establishing frameworks to comprehensively manage Nikon Group internal information such as production-related information along with external information, obtained from customers and the marketplace.

In the fiscal year ended March 31, 2021, we used a factor analysis of quality loss costs to systemize and consolidate information flow. We have identified and systematically collected most information that is effective in preventing quality issues, and are conducting a trial using quality data analysis with matching the both of customer information and market data. In the fiscal year ending March 2022, we are making specific efforts towards visualizing information and building structures for comprehensive management.

Initiatives for Quality Control

Activities and
Results

●Small Group Activities

The Nikon Group believes it is essential that each and every employee holds a sense of awareness and that they look for ways to make improvements in their daily work in order to ensure a high level of quality. Because of this, the Nikon Group has been promoting small group activities since 1979. In the fiscal year ended March 31, 2021, 721 groups and 5,868 people engaged in such activities at the Nikon Group in and outside of Japan.

Furthermore, every year in July the Nikon Group holds Selective Small Group Activity Presentation Meetings presided over by the company president, where the best activity groups from each region get together to talk and educate each other. Unfortunately, the spread of COVID-19 meant that presentation

meetings during the fiscal year ended March 31, 2021 had to be canceled. However, in light of the current situation of the pandemic, we are planning to hold these remotely in the fiscal year ending March 31, 2022.

●Quality Training and Raising Awareness

The Nikon Group believes it is imperative that each and every employee acquires the relevant knowledge and skills in quality control, tailored to the specific requirements of individual employees' positions, levels and specialties. Based on this idea the Nikon Group is actively conducting in-house training and awareness programs with regards to quality, starting with the Nikon Group in Japan. In this way, we are aiming to enhance the overall level of all employees, and also to cultivate the capabilities of those employees who are identified as displaying particularly outstanding ability in this area.

With the opening of the Technical College, which aims to provide training and education for young engineers in the fiscal year ended March 31, 2021, we expanded the content of mandatory training on quality control, which was undertaken by 1,021 participants. Additionally, as reskilling (retraining) for all Nikon Group employees in Japan, we conducted a "Quality Control Mindset Training" e-learning course equivalent to Quality Management and Quality Control Examination (QC Test) level 4,

In the fiscal year ending March 31, 2022, we will continue to provide all Nikon Group employees in Japan with e-learning equivalent to QC Test level 3, and plan to provide e-learning equivalent to QC Test level 4 to some Nikon Group companies in Asia.

Furthermore, every year in Quality Month in November, Nikon hosts the Quality Month Lectures. In the fiscal year ended March 31, 2021, we invited Mari Yamazaki, a manga artist and writer, to speak on "Promoting the Spanning of Borders." She said that "varying viewpoints stemming from differences in the individual themselves, nationality, or other factors are natural, and we need to view things from a wider perspective." She also

provided a wealth of suggestions as to how to adapt to changes in society caused by the spread of COVID-19. This lecture was held remotely in consideration of preventing the spread of infection, with 110 Nikon Group executives and employees and 33 business partners participating.

Quality Education Programs for Employees (Applicable to: Nikon Group in Japan)

- Training programs that are compulsory for all employees
 - "Quality Control Mindset Training" e-learning for all employees
 - "Basic Quality Control Training" for new employees
 - "TQM and SQC Training" for managers
 - "Quality Management Training" for senior managers
- Specialist training for engineers
 - For mid-career engineering staff, "Introduction to Statistical Methods Training" "Quality Function Deployment (QFD) Training"
- Specialist training for engineers
 - Expert package training (comprehensive training that combines experiment planning methods and multivariate analysis, etc.)
 - Robust design × CAE training
 - Leadership training for small group activities

> Creating Social Value through Core Technologies

> [Ensuring Trustworthiness by Maintaining and Increasing Quality](#)

Implementation of Quality Control Audits

The Nikon Group conducts a QMD audit, which is a company-wide quality control audit based on the QMD, and investigates, confirms, and evaluates the operational status of quality management throughout the entire Group.

These audits are overseen by the Quality Committee's Products Subcommittee Chairperson (the director in charge of quality) who promptly acts to implement measures to rectify and improve upon any improper situations should they arise, thereby maintaining and improving activities related to quality control.

Additionally, important findings are reported to the Executive Committee and reflected in internal controls.

In the fiscal year ended March 31, 2021, the Nikon Group conducted an audit of one Nikon department and one major Group company using separate audit check sheets according to the circumstances of the audited organization. The Nikon Group also makes continuous reviews in order to further enhance the effectiveness and efficiency of these audits.

Working with Our Business Partners

Cooperation from business partners is essential in order to promote efforts towards the idea of quality first. For that reason, based on their understanding of the Nikon Group's philosophy of "Quality First," the Nikon Group has concluded a quality assurance agreement with its partners working together on supply and product development.

In order to quantitatively ascertain and manage the maintenance status of the quality management system in particular for business partners, we conduct both self-assessments using quality assurance (QA) assessment forms, and audits by Nikon Group investigators.

In the fiscal year ended March 31, 2021, we reviewed QA surveys and QA audits in order to make these company-wide standards. Additionally, as a trial, we conducted a QA assessment using new standards on eight business partners for each division and department. As a result of this, we found

cases in which some of our business partners did not meet the standards required by Nikon, therefore we discussed countermeasures with the corresponding business partner and made improvements as suitable. In the fiscal year ending March 31, 2022, we plan to conduct QA audits for 30 companies and more.

Ensuring Safety of Products and Services

System and Framework
Activities and Results

The Nikon Group gives due consideration to the safety of products and services from the planning stage, right through the entire lifecycle of the product to disposal. Furthermore, the number of serious product accidents relating to safety* for the fiscal year ended March 31, 2021 was 0.

* Serious product accidents related to safety: Based on the definition of serious product accidents used in the Consumer Product Safety Act.

Frameworks to Ensure Safety in Products and Services

When it comes to quality, the Nikon Group understands that safety is an essential component for products and services, and believes that the most important task is to provide customers with safe products. Based on this idea, "Ensuring Safety" is clearly stated as a key feature of the Basic Quality Policy. This is also incorporated into the QMD and regulations of every business unit and fully adhered to.

Additionally, we conduct periodic quality management audits in order to confirm that each department is demonstrably implementing the safety-related items incorporated in the QMD and regulations.

In addition, the Nikon Group is obliged to conduct safety assessments for all of its products and services. In line with the established "Safety Design Principles" (Safety Design Principles [General Standards], Common Standards and Product area-specific Safety Design Standards) which are

based on international standards, etc., we are putting in place safety designs to pin-point and eliminate any potential risks and hazards.

In the fiscal year ended March 31, 2021, we conducted a comprehensive review of the Safety Design Principles' system and contents. In the fiscal year ending March 31, 2022, we plan to hold training for the Design and Development departments and Quality Assurance departments in every business unit to ensure that they are fully aware of and understand these details. Furthermore, the Nikon Group ensures safety through design reviews and checks in the manufacturing process and also obtains safety accreditation from third party certification bodies where necessary.

Initiatives for Product Security

Even during the rapid growth in technologies such as IoT and AI, the Nikon Group is strengthening and improving quality management systems in order to provide safe products and services to customers.

In the fiscal year ended March 31, 2021, the Product Security Countermeasure Standards which were newly formulated in the previous fiscal year were reflected in the regulations of each business unit given that the necessary measures differ depending on the product category. Additionally, we have formulated Wireless Communications Standards based upon the latest regulations and technical requirements as regulations to apply to products and services that include wireless communication functionality.

Safety Training on Products and Services

To ensure the safety of products and services the Nikon Group conducts safety training programs (general and specialized) for its employees through the Quality & Environmental Administration Department at the Production Technology Division.

We carry out periodic specialized training covering the safety of

>Creating Social Value through Core Technologies

>Ensuring Trustworthiness by Maintaining and Increasing Quality

the Nikon Group products and services—this includes Safety Design Principles that define basic safety design standards, as well as the Product Liability Law and the Electrical Appliance and Material Safety Law.

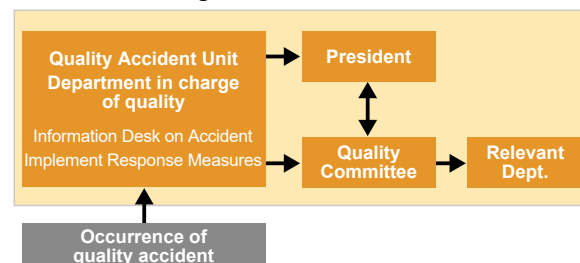
A total of 1,456 employees from the Nikon Group in Japan participated in the specialized training programs in the fiscal year ended March 31, 2021. Multiple trainings were conducted for newly formulated Product area-specific Safety Design Standards (Industrial Equipment, IT/AV Equipment, Measurement Equipment) in particular, and we ensured all eligible employees took part. In addition, each business unit also conducts training on safety rules and regulations, and encourages participation in external training courses on safety design technology.

● Procedure in Case of an Accident

The Nikon Group carries out planning, design, manufacturing, quality assurance, sales, logistics, and services with sufficient consideration to product safety. In the event of a problem in the market, including those concerning not only safety but also quality, or even if there are concerns regarding such an occurrence, then we will immediately cooperate with the relevant departments to ascertain the facts and will take any necessary measures in accordance with response procedures. Following these procedures, in the fiscal year ended March 31, 2021, in 16 incidents we took measures to prevent damage from spreading and recurrence, and disclosed any necessary information.

These measures are also reviewed annually, and suitably revised if needed.

Flowchart Outlining Communication after Accidents Occur



Quality Issues Occurring in the Fiscal Year Ended March 31, 2021

At the Nikon Group, we control the use of specified hazardous substances in order to comply with the EU RoHS directive on restriction of use of these in products, and we require that our business partners provide us with information on any specified hazardous substances contained in their products.

It has come to our attention through an internal audit that a part containing levels of dibutyl phthalate (DBP), which potentially exceeds the standard value specified in the RoHS Directive, has been used in some F6 film SLR cameras produced and or placed on the market after July 22, 2019, and thus we immediately stopped shipping these. In response, we are working to prevent any recurrences.

[Restricting the Use of Prohibited Substances under the EU RoHS Directive \(→P67\)](#)

* RoHS directive (Restriction of Hazardous Substances)
An acronym for a directive on restriction of use of specified hazardous substances in electrical and electronic equipment.

● Information Provision for Using Our Products Safely

The Nikon Group provides information appropriate for all products to ensure that customers can use its products and services safely. For example, information on correct usage and information to help safeguard against accidents due to misuse or carelessness is provided directly on the products themselves and in instruction manuals.

Information which needs to be disclosed is stipulated in the Nikon's proprietary "Safety Design Principles" that have been formulated based upon relevant international standards (ISO, IEC) etc., and its suitability is confirmed through product risk assessments and safety evaluations.

Additionally, certification marks are indicated properly in accordance with the laws and regulations of each country or region where the product is on sale. For example, products with built-in wireless LAN show symbols which are specified by the radio laws of each country; and batteries, chargers, AC adapters, etc. show that they all comply with national safety regulations.

Furthermore, in the fiscal year ended March 31, 2021, there were no violations of laws or self-regulations with regards to indicating safety information.

Customer Satisfaction

The Nikon Group is actively incorporating customer feedback into the creation of its products and services in an effort to improve customer satisfaction. Additionally, we are promoting efforts focused on “experiences” rather than “things” (i.e., products and services) in order to further enhance the provision of value to customers.

Our View on Customer Satisfaction

Approach and
Policy

The Nikon Group strives to improve customer satisfaction and trust by providing products and services that are of the highest quality and safety, and which are beneficial to society. The Nikon Group has previously built a system to incorporate customer feedback into its products and services, such as by increasing opportunities to contact customers directly. We will continue to further strengthen this system going forward.

Initiatives for Customer Satisfaction

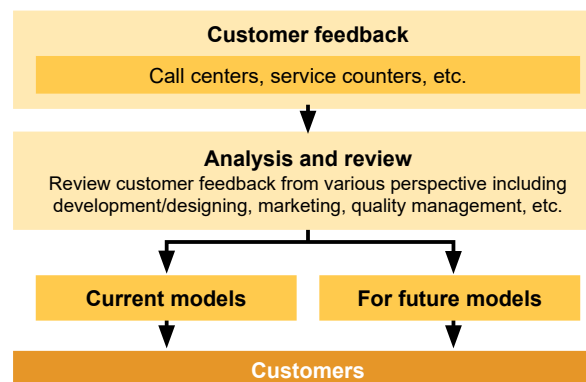
Framework
and System
Activities and
Results

Initiatives to Improve Services in the Imaging Products Business

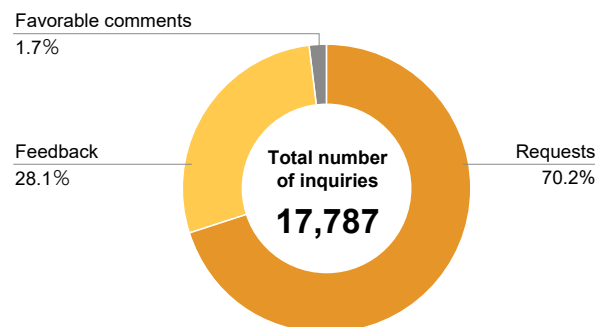
In the Nikon Imaging Products Business, feedback is received from general and professional users as well as users who use photographic equipment in business worldwide through call centers, service counters and NPS* staff. After careful analysis, customer feedback is examined from a range of different perspectives including from the product development/designing departments, the marketing department, and the quality assurance department. The results are reflected in our products and services leading to improved customer satisfaction.

* Nikon Professional Services (NPS) is a membership-based support system for professional photographers who use Nikon products.

Customer Feedback Flowchart (Imaging Products Business)



Analysis and Review Breakdown of Call Center Inquiries (Japan / Fiscal year ended March 31, 2021)



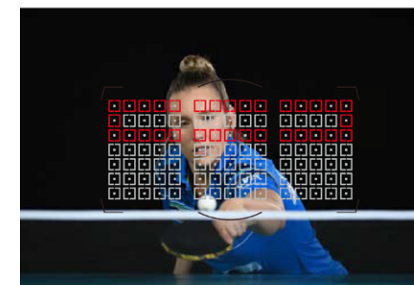
* This breakdown is the number of inquiries received, out of a total number of about 70,000 inquiries to the call center, excluding questions regarding outlets or usage methods.

Responding to Requests for Additional Functions

Nikon is receptive to requests from customers worldwide after the launch of our products. We strive to satisfy customers by reflecting the latest functions requested by customers in our products. For example, in our flagship D6 camera launched in May 2020, we expanded upon features from the popular D5, and added the following functions.

- (1) Setting the Auto-Area AF Starting Point
- (2) Setting the Custom Focus Groups
- (3) Priority send when sending images
- (4) Internal GPS/internal Wi-Fi

All of the functions have received good reviews from many customers.



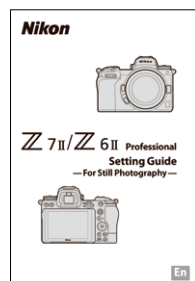
Setting custom settings [15×3] for the Group-area AF

>Creating Social Value through Core Technologies

>Ensuring Trustworthiness by Maintaining and Increasing Quality

Responding to Requests for Features Description

Continuing on from the favorably received Z 7 and Z 6 first-generation mirrorless cameras, we released the Z 6II in November 2020 and the Z 7II in December 2020. As frequently requested by users, as well as double memory card slots, the "MB-N11" battery power pack with vertical grip was also released at the same time to high acclaim. This model targets a wide range of users and so we have created a "Z 7II / Z 6II Professional, Settings Guide—for Still Photography—" that provides recommended settings for different scenes. These can be downloaded from the Download Center. They can also be checked on the NPS Global Site and have been very well received.



"Z 7II / Z 6II Professional, Settings Guide
—for Still Photography—"

Initiatives to Improve Services in the Imaging Products Business

In the imaging business, Nikon is always conscious of a "Customer First" attitude and aims to provide after service that will have customers saying "I'm glad I purchased a Nikon product!" In order to make this a reality Nikon has created a Service Division function at the Nikon Head Office. As of the end of March, 2021, we have an organization that can provide consistent service quality to more than 250 repair service facilities and direct touchpoints (customer service counters) in 70 countries and regions around the world, and we are striving to improve services through diverse initiatives.

Maintaining and Improving Repair Quality

Once a year, Nikon audits all the service sites to confirm that the precision of equipment and tools is within the standard. Additionally, in order to monitor repair quality at each site, repair data is collated by the Service Division headquarters at Nikon Head Office on a monthly basis to verify that no problems have arisen. At the same time, so as to be able to provide high-quality service in all countries and regions, we have introduced a cloud service that enables sharing of information on Nikon products and quality management and offer regular guidance for all service facilities, including local distributors and authorized repair service providers, in those countries and regions where Nikon does not have its own service facilities, with the aim of maintaining and improving service quality in these countries and regions.

We are also working to improve quality control and quality in individual countries and regions. For example, the employees of Nikon Imaging (China) Sales Co., Ltd. conduct twice-yearly audits of each authorized repair service provider based on their own unique audit list as well as visiting service providers individually to hold technical seminars.

Enhancing Customer Satisfaction

Twice a year, we provide training on product knowledge that makes effective use of e-learning for employees involved in service provision, and online technical training sessions using web conferencing systems in order to enhance customer satisfaction.

In addition, the Imaging Business Unit is working to collect actual customer feedback, collate this data at the Service Division headquarters, and share the information worldwide in order that the individual staff involved in service understand the product concepts, and that they can provide customers with advice regarding the optimal camera settings for the images they want to capture. We also offer a maintenance package that includes cleaning and an accuracy inspection for customers who wish to maintain their equipment prior to shooting. We are also readying a web-based troubleshooting system with which

customers can themselves diagnose issues with their equipment before requesting repairs. Through measures such as these, we are working to not only sell products, but also provide added value.

As countermeasures against COVID-19 infection, we have directed staff at our service locations to wear protective uniform, masks, and rubber gloves. Receptionists in particular come face to face with customers, and so they wear protective goggles and maintain an appropriate physical distance while serving them. In addition, equipment left with us by customers is cleaned and inspected in a well-ventilated room only after staff have put on rubber gloves, in order to prevent direct contact with the product and to thus prevent inspection.



Online technical training session held in March 2021
(28 participating staff from five service locations worldwide)

Customer Satisfaction Survey Results

(%)

	2017/3	2018/3	2019/3	2020/3	2021/3
Customer satisfaction	83.2	85.8	87.9	86.6	87.0

* The above figures represent the level of satisfaction taken from call center inquiries in the Americas, Europe and China. (Figures for four countries in Asia/Oceania region also include up to the fiscal year ended March 31, 2018.)

> Creating Social Value through Core Technologies

> Ensuring Trustworthiness by Maintaining and Increasing Quality

Column

Responding to Customer Needs That Have Diversified Due to the Impact of COVID-19

The spread of COVID-19 had a major impact on the camera market. In the fiscal year ended March 31, 2021, the Imaging Business Unit put in place a variety of measures to respond to customer needs that have further diversified due to the impact of COVID-19. Main initiatives are as follows.

In order to respond to the growing demand for webcams attributable to the spread of online conferencing, Nikon released Webcam Utility, computer software that enables Nikon mirrorless cameras and digital SLR cameras to be used as high-quality webcams at no cost to users. This software can be downloaded by anyone from the Nikon website (download center), and had been downloaded 329,565 times as of March 31, 2021.

Additionally, to make time spent at home more interesting, we have made educational content (such as the Nikon School and Nikon College online courses) available free of charge. This content was very popular, with the convenience of being able to view the courses from any location without restrictions on number of participants being highly evaluated.

In each region, we used interactive communication with customers over social media, furthering our online dialog with customers.

In February 2021, Nikon exhibited at the first "CP+2021ONLINE" world premiere show for cameras and photographic imaging, to be held completely online. Aiming to make the Nikon booth appealing to a wider range of customers, presentations were made by a number of imaging creators, including not only photographers, but also Youtubers, professional travelers who take travel photos, video creators, and film directors. The chat and comment sections were opened to allow real-time, interactive communication with viewers, bringing viewers and presenters closer together. As of March 31, 2021, the Nikon booth was viewed a total of 313,300 times on YouTube and Facebook (186,000 during CP+2021 ONLINE).

[Nikon Download Center \[Webcam Utility\]](#)

https://downloadcenter.nikonimglib.com/en/products/548/Webcam_Utility.html



Many speakers presented at the CP+2021 ONLINE, the first CP+ to be held completely online.

Consistent,
Customer-focused DesignFramework
and SystemActivities and
Results

● Role of the Design Center

In order to strengthen "design" as an important management resource while ensuring that all output is consistently "customer-focused," the Nikon Group reorganized the internal structure of the Imaging Business Unit, and established the Design Center in July 2019.

The Design Center led by the Experience Design Group fully incorporates the concept of a customer-focused user experience (UX), and is further expanding this concept company-wide. As an organization under the direct control of the President, the Design Center is involved in the long-term growth areas and new businesses as elucidated in the Mid-Term Management Plan, and uses design thinking to visualize the customer experience and products to be provided, and contribute to the promotion of projects.

In the fiscal year ended March 31, 2021, a reorganization moved the Brand Department to within the Design Center, making it possible to promote design in a way that is more unified with the overall Group-wide brand strategy.

● Design Center Initiatives

So that we can provide customers with products and services of value at the Design Center, we collect feedback from users, and observe their usage methods and environments. This lets us identify how customers are feeling and what they are thinking at all points of contact with our products and services. Based upon this, we carry out external design and UI design and create prototype products and services. We carry out usability testing and conduct interviews with users regarding these prototypes, further refining the products and services.

Through collaboration between the Design Center and organizations within each business unit, we carry out customer-

> Creating Social Value through Core Technologies

> [Ensuring Trustworthiness by Maintaining and Increasing Quality](#)

focused design of not only final products and services but also catalogs, websites, and exhibition booths that will be seen by customers.

Column

Educational Microscopes Arousing Students' Curiosity

The impetus behind scientific and technical development is curiosity about the unknown. Education as well requires a way by which to arouse and sustain students' curiosity. Given the spread of COVID-19, there is also an increasing need for new communication tools that can be used with online remote classes. To meet these needs, in September 2020 Nikon released the "ECLIPSE Ei" educational microscope for easier teaching, learning, and handling.



"ECLIPSE Ei"
educational microscope

Development of the ECLIPSE Ei was propelled through collaboration between the Design Center and marketing, development, and other departments in business units. The first step of identifying issues was to utilize the large amount of minor feedback from the field that members in charge of sales and marketing had accumulated in large quantities. Many issues that had not really been considered in the development of the microscope were brought to light. So that we could reflect these issues in design and planning while still meeting cost and delivery requirements, the development of the ECLIPSE Ei required that design and planning be carried out simultaneously—two processes that are normally carried out separately. Based upon close communication between designers and planners, a series of

models was created and revised, refining the final form. In this work, together with members of the Engineering Department who studied actual production, we worked on numbers of parts, actual structures, and coatings to achieve the microscope that we desired.

Having been developed in this way, the ECLIPSE Ei will provide the following new value in educational environments.

Assist teachers' instruction and students' learning, thus improving the educational workflow

Students using the ECLIPSE Ei can easily access the Online Guide website with a QR code, and learn independently how to operate the microscope using video and images.

The microscope unit itself also features illustrations and colors on the unit for easy display of operational points. This not only makes it easy for teachers to instruct, but also enables intuitive operation of the microscope by students thus speeding up their learning.



To ensure an aperture opening suitable for the objective lens, the condenser opening aperture position is displayed in the international standard for objective magnification colors that matches that magnification.

> Creating Social Value through Core Technologies

> [Ensuring Trustworthiness by Maintaining and Increasing Quality](#)

Providing a new learning style—teaching remotely, learning from each other

Combining the ECLIPSE Ei with a digital microscope camera available separately allows sharing of microscope images on tablet computers, and projectors, allowing the whole class to experience the sense of wonder and discovery of the microscopic world.

Images can be shared in real time regardless of location, supporting remote classes that have become the new normal.



Enables setup and tidying away with no burden on students

Students who will in the future study medicine or science will be able to “see what they want to see.” The Design Center considered how they could design this to meet this purpose, and rigorously worked to solve problems. It is our hope that students who have been awakened to the enjoyment of “seeing” with the ECLIPSE Ei will further foster their talent and challenge themselves in a range of fields.



Remote classes

Compact housing for easier portability and storage

This has a handle that allows it to be stably carried in any orientation as well as a lightweight and compact housing—these significantly reduce stress in transportation and storage, and the time required for equipment setup and tidying away. The rear of the unit has been designed for tidy storage of the power cord.

This reduces the physical burden on students in educational environments in which equipment is frequently set up and tidied away.

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities
[>Environmental Strategy](#) >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Preventing Pollution and Conserving Ecosystems

Environment

Priority Issues

- 3 Promoting a Decarbonized Society** [➔P50](#)
- 4 Promoting Resource Circulation** [➔P59](#)
- 5 Preventing Pollution and Conserving Ecosystems** [➔P66](#)

Reason for Priority

With the impact of climate change becoming more severe, there have been calls to reduce CO₂ emissions to virtually zero by 2050 in order to achieve the goal of keeping the rise in average global temperature to within 1.5°C which was advocated in a special report by the Intergovernmental Panel on Climate Change (IPCC). In order to realize long-term environmental goals, companies need to establish an environmental strategy, and then build a framework for environmental management based on this strategy. In addition, increased demand for food and other resources, as well as the increase in the amount of waste generated, have emerged as global issues, and there is a need for a shift away from the traditional linear economy characterized by high-volume production, high-volume consumption and high-volume waste generation towards a circular economy in which resources are recycled and reused. At the same time, with regard to chemical substances contained in products, there has been a steady expansion in the scope of substances that are subject to regulation, as well as in the geographical areas in which such regulation applies, and companies need to take steps to reduce the burden on the environment throughout the product lifecycle. Companies need to respond appropriately and reliably in their business activities.

Commitment

Recognizing that the situation in regard to climate change has recently become very serious, and that a global shift is underway towards a decarbonized society, in the fiscal year ended March 31, 2021 Nikon revised its greenhouse gas reduction targets. Following the 1.5°C scenario, one of the Nikon Medium-Term Environmental Goals is to reduce greenhouse gas emissions deriving from energy use, etc. at Nikon facilities by 71.4% by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2014). Nikon has also had its Science Based Targets (SBT) upgraded to this new target. In addition, Nikon is aiming to shift to renewable energy for 100% of the electricity used in the Nikon Group business activities by the fiscal year ending March 31, 2051. Nikon has joined RE100 to increase the likelihood of achieving this goal, and to accelerate the trend towards decarbonization in society as a whole.

The Nikon Medium-Term Environmental Goals have also been comprehensively overhauled in response to the revision of Nikon's CSR Priority Issues. By recognizing environmental issues in a timely manner, identifying risks and opportunities, and aiming to realize the Nikon Long-Term Environmental Vision, we are contributing towards the building of a sustainable society.

Muneaki Tokunari
Director and Executive Vice President
Corporate Environmental Officer

[Activity Policies]

- Nikon Long-Term Environmental Vision
- Nikon Environmental Activity Policy
- Nikon Basic Green Procurement Policy
- Nikon Green Procurement Standards
- Hazardous Chemical Substances Guideline
- Paper Procurement Policy

[System]

- CSR Committee
- Environmental Subcommittee
- Supply Chain Subcommittee

[Management System]

- ISO 14001



Environmental Strategy

The Nikon Group has formulated the Nikon Long-Term Environmental Vision, has established the Nikon Medium-Term Environmental Goals and the Environmental Action Plan in order to realize this vision, and systematically conducts environmental activities.

Besides measures undertaken within the Nikon Group, we are also contributing towards the building of a sustainable society by working together with external organizations and collaborating on various types of environmental initiatives.

Long-Term Environmental Vision and Medium-Term Environmental Goals

Approach and Policy
Targets

To proactively address environmental risks and regulations, we formulated the Nikon Long-Term Environmental Vision, which looks ahead to the fiscal year ending March 31, 2051. The Nikon Long-Term Environmental Vision comprises three pillars believed to be particularly important given the situation globally and considering the characteristics of Nikon's business, which uses limited resources to manufacture and sell products. These three pillars are linked with our CSR Priority Issues and with the Nikon Medium-Term Environmental Goals.

Particularly in regard to climate change, more and more countries (including Japan) have announced plans to become carbon neutral, and the environment surrounding companies is changing constantly. Companies have an increasingly important role to play in this regard. To reflect these societal trends and changes in the business environment, in the fiscal year ended March 31, 2021 the Nikon Group revised its CSR Priority Issues, and also updated the Nikon Medium-Term Environmental Goals in line with this revision.

Nikon Long-Term Environmental Vision (Target period: fiscal year ending March 31, 2051)

The Nikon Group contributes to building a sustainable society by positioning the realization of a decarbonized society, a resource circulating society, and a healthy and environmentally safe society as the Nikon Long-Term Environmental Vision.

The Nikon Group is committed to developing new businesses and tackling innovation that will contribute to reducing environmental impacts.



Environmental Action Plan

Targets
Activities and Results

In order to achieve the Nikon Medium-Term Environmental Goals, the Nikon Group has formulated the Nikon Environmental Activity Policy. Based on this policy, we have mapped out each year's goals in our Environmental Action Plan, and are implementing this plan across the entire Nikon Group. We clarify the relationship between the environment and our business activities and then make an accurate assessment of the impacts and risks posed to the environment, thereby developing prioritized environmental goals and plans.

The Environmental Subcommittee deliberates on and approves the self-evaluation of performance. We review our action plans for the next year and after based on the issues that are identified by the Subcommittee.

[Nikon Environmental Activity Policy](#)

https://www.nikon.com/about/sustainability/environment/environment_policy.pdf

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

[>Environmental Strategy](#) >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Preventing Pollution and Conserving Ecosystems

Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals

Nikon Long-Term Environmental Vision Target period: fiscal year ending March 31, 2051	Realizing a Decarbonized Society	Realizing a Resource Circulating Society	Realizing a Healthy and Environmentally Safe Society
CSR priority issues	Issue 3 Promoting a Decarbonized Society	Issue 4 Promoting Resource Circulation	Issue 5 Preventing Pollution and Conserving Ecosystems
Nikon Medium-Term Environmental Goals Target period: fiscal year ending March 31, 2031	<ul style="list-style-type: none"> Reduce GHG emissions (scope 1*¹ and 2*²) by 71.4% compared to the fiscal year ended March 31, 2014 Achieve a renewable energy adoption rate of 30% by the fiscal year ending March 31, 2031 Reduce GHG emissions (in three of 15 scope 3*³ categories—purchased goods and services, upstream transportation & distribution, and use of sold products) by 31% compared to the fiscal year ended March 31, 2014 	<ul style="list-style-type: none"> Achieve zero emissions level 1 or better*⁴ at all manufacturing companies Reduce total amount of waste by 10% or more compared to the fiscal year ended March 31, 2019 Keep the annual new water input at a level lower than the previous fiscal year 70% or above rate of reusing abrasive agents Expand 3R products 	<ul style="list-style-type: none"> Zero usage of hazardous chemical substances*⁶ in manufacturing processes Zero hazardous chemical substances contained in products*⁷ Continue to preserve the environment in the vicinity of company facilities through local community contribution activities that take marine plastic pollution issues into account Use FSC-certified paper for all paper items bearing Nikon logo
What Nikon Needs to Do	<p>By the fiscal year ending March 31, 2031, formulate company targets in line with the goal of keeping the rise in average global temperature within 1.5°C, and aim to realize these targets</p> <ul style="list-style-type: none"> Improve manufacturing facilities and production processes and promote decarbonization Promote eco-office and diverse work styles to achieve a decarbonized workstyle Visualize the environmental impact in each process of products' lifecycle and implement new environmental initiatives harnessing expertise Downsize cargo, promote modal shift and establish a transportation system requiring only minimal energy Require procurement partners to establish CO₂ reduction targets and achieve them Adopt renewable energy, with the aim of becoming a net-zero carbon emissions company by 2050 	<p>By the fiscal year ending March 31, 2031, formulate company targets in response to the issue of resource depletion, and aim to realize these targets</p> <ul style="list-style-type: none"> Reduce waste through streamlining process from development to manufacturing Promote the 3Rs of water (reduce water consumption, and recycle and reuse water) Take into account the impacts that products have on the environment from the initial planning phase on wards and promote the 3Rs*⁵ throughout the product lifecycle 	<p>By the fiscal year ending March 31, 2031, strengthen the system for appropriate management and reduction of hazardous chemical substances used in production processes or contained in products</p> <ul style="list-style-type: none"> Comply with the laws, ordinances and regulations of the countries and regions where we operate and also manage the use of chemical substances appropriately based on more rigorous voluntary targets Aim to maintain the natural environment of communities and provide a comfortable living environment
Social Background	The increasingly obvious impact of climate change, and the trend towards decarbonization in society	The increasingly serious burden on the environment caused by high-volume production, high-volume consumption, and high-volume waste generation, and society's shift towards a circular economy	The increasingly serious issue of environmental pollution caused by hazardous chemical substances and by marine plastic waste, and the tightening up of regulations in individual countries and regions

*1 Scope 1: Direct greenhouse gas emissions from the use of fuel on site.

*2 Scope 2: Indirect greenhouse gas emissions from the consumption of purchased electricity or heat.

*3 Scope 3: Indirect greenhouse gas emissions related to business activities in the supply chain (excluding emissions already included in Scope 1 and 2).

*4 Achieving zero emissions level 1 or better: The concept of zero emissions was first advocated by the United Nations University (UNU) in 1994. It is an approach that seeks to reduce the waste to net zero for society as a whole, by using the waste generated in industrial activity as resources for other industries. The Nikon Group has introduced level-specific targets into its zero emissions initiatives. Zero emissions level 1 refers to a final landfill disposal rate of less than 1%.

*5 3R: Here, "3R" means to Reduce the amount of resources used and the amount of waste generated, to Reuse products and components, and to Recycle.

*6 Hazardous chemical substances: Here, "hazardous chemical substances" refers to prohibited substances as defined in the Hazardous Chemical Substances Guidelines, a voluntary standard.

*7 Zero hazardous chemical substances contained in products: Here, "contained" is defined as an amount that exceeds the threshold level specified by law.

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

[>Environmental Strategy](#) >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Preventing Pollution and Conserving Ecosystems

Environmental Action Plan Results for the Fiscal Year Ended March 31, 2021 [Summary]

Self-evaluation ○: Achieved △: Measures started but not yet achieved

Priority Activity Themes		Targets for the Fiscal Year Ended March 31, 2021	Annual Results	Self-evaluation	Corresponding Page
Decarbonized society	Greenhouse gas reduction	• Reduce GHG emissions through business activities for the entire Nikon Group by 18.2% or more compared to the fiscal year ended March 31, 2014	• Reduced GHG emissions through business activities by 25.9% compared to the fiscal year ended March 31, 2014	○	P50
		• Create new plans for introducing renewable energy	• Revised the Nikon Medium-Term Environmental Goals, and set a target of achieving a renewable energy adoption rate of 30% by the fiscal year ending March 31, 2031	○	P53
	Reduction of the environmental impact from products	• Promote environmental impact assessment that uses the LCA methodology • Create Eco-friendly Products	• Expanded the range of product models subject to LCA calculation • Certified approximately 60% of new products as Eco-friendly Products	○	P48
	Reducing the environmental impact of transportation	• Reduce GHG emissions in distribution by 2.7% year-on-year through modal shifts and improving the efficiency of storage warehouses	• Reduced GHG emissions in distribution by 45% year-on-year through changes in the composition of products sold and model shift promotion	○	P55
	Engagement with procurement partners	• Request establishment of and account for results of CO ₂ emissions reduction targets as a part of the audit when implementing environmental management system audits among 20% of main procurement partners who make up 80% of procurement costs	• Requested establishment of CO ₂ emissions reduction targets, and monitoring of performance, as a part of the audit when implementing environmental management system audits targeting 36% of the main procurement partners who account for 80% of procurement costs	○	P51
Resource circulating society	Zero emissions	• Nikon and Group manufacturing companies in Japan: Maintain level S • Group manufacturing companies in China: Maintain level 1 • Group manufacturing companies outside Japan: Implement initiatives in line with conditions of country	• Nikon and Group manufacturing companies in Japan: Achieved level S (final landfill disposal rate of 0.05%) • Group manufacturing companies in China: Achieved level 1 (final landfill disposal rate of 0.7%) • Group manufacturing companies outside Japan: Conducted surveys of classification methods and completed integration of these methods with the classification used in Japan	○	P62
	Waste reduction	• Reduce total waste emissions from business processes by 1% or more from the previous fiscal year	• Reduced total waste emissions from business processes by 15.5% year-on-year	○	P62
	Promoting the appropriate use and effective utilization of water	• Confirm water risk measures based on survey result • Reduce water withdrawal year-on-year (compared to 3,985,000 m ³ in the previous fiscal year) • Improve the water recycling rate year-on-year (compared to 6.5% in the previous fiscal year)	• Confirmed risk measures at some facilities, reflecting survey results • Reduced water withdrawal by 8.7% • Improved the water recycling rate by 0.1%	○	P64
	Promotion of reduce, reuse and recycling	• Deliberate on measures for reducing airborne emission volume of solvent-type detergents • Determine abrasives to be reused	• Completed survey of facilities with high VOC emission levels. Follow-up deliberation on related measures was postponed, but is expected to be conducted in the first half of the fiscal year ending March 31, 2022 • Final decision not made due to a reduction in the number of types of abrasives used prior to adoption of reuse. • We are continuing to narrow down the types of abrasives used in the fiscal year ending March 31, 2022	△	P68
		• Promote the reuse and recycling of products, parts and materials	• Continued sales of used semiconductor lithography systems	○	P59
Healthy and environmentally safe society	Reduction of hazardous chemical substances, etc.	• Promote substitution for restricted halogenated substances based on the Hazardous Chemical Substances Guideline	• Completely eliminated use of HCFCs • Completed evaluation of substitutes for HFCs • With regard to dichloromethane, for the Imaging Products Business, evaluation of substitutes will be completed in the first half of the fiscal year ending March 31, 2022; for the Semiconductor Lithography Business Unit, there has been deliberation on combining the use of substitutes with continued use in a closed environment, with confirmation expected in the first half of the fiscal year ending March 31, 2022	○	P68
		• Comply with the hazardous chemical substances laws and regulations of each country (RoHS, REACH, etc.) • Promote operation of chemSHEPRA	• It was found that components of the F6 Film SLR camera contained a restricted substance that is subject to the EU RoHS Directive • Revised the management system for hazardous chemical substances in response • Continued the operation of chemSHERPA across all business units	△	P66
	Implementation of activities aimed at biodiversity conservation	• Implement environmental conservation activities with consideration for business activities and local needs	• Implemented 21 community contribution activities including biodiversity education and neighborhood clean ups	○	P72
		• Promote printing Nikon logo-bearing documents on FSC-certified paper	• Printed around 87% of newly ordered product catalogs for use in Japan, North America and Europe on FSC-certified paper, excluding special paper types	○	P71

Environmental Action Plan Targets for the Fiscal Year Ending March 31, 2022 [Summary]

	CSR Priority Issues	Priority Activity Themes	Targets for the Fiscal Year Ending March 31, 2022
Decarbonized society	Issue 3 Promoting a decarbonized society	Greenhouse gas reduction	<ul style="list-style-type: none"> Reduce CO₂ emissions through business activities for the entire Nikon Group by at least 4.5% year-on-year Achieve a 7% renewable energy rate in electricity used for business activities
		Reduction of the environmental impact from products	<ul style="list-style-type: none"> Reduce the burden on the environment by making effective use of the LCA methodology Create Eco-friendly Products
		Reducing the environmental impact of transportation	<ul style="list-style-type: none"> Reduce GHG emissions in distribution by at least 2.7% year-on-year
		Engagement with procurement partners	<ul style="list-style-type: none"> Continue to request establishment of CO₂ emissions reduction targets, and monitoring of performance, as a part of the audit when implementing environmental management systems audits targeting main procurement partners who account for 80% of procurement costs (complete the requesting process for at least 60% of such procurement partners)
Resource circulating society	Issue 4 Promoting resource circulation	Zero emissions	<ul style="list-style-type: none"> Nikon and Group manufacturing companies in Japan: Maintain level S Group manufacturing companies in China: Maintain level 1 Group manufacturing companies outside Japan: Implement initiatives in line with conditions in each country
		Waste reduction	<ul style="list-style-type: none"> Reduce the total amount of waste generated from operations by at least 1% year-on-year
		Promoting the appropriate use and effective utilization of water	<ul style="list-style-type: none"> Determine water risk measures based on survey result Reduce water withdrawal year-on-year (compared to 3,640,000 m³ in the previous fiscal year) Improve the water recycling rate year-on-year (compared to 6.6% in the previous fiscal year)
		Promotion of reduce, reuse and recycling	<ul style="list-style-type: none"> Complete deliberation on measures for reducing the airborne emission volume of solvent-type detergents Reduce the abrasives usage volume year-on-year Promote the reuse and recycling of products, parts and materials
Healthy and environmentally safe society	Issue 5 Preventing pollution and conserving ecosystems	Reduction of hazardous chemical substances, etc.	<ul style="list-style-type: none"> Promote substitution for restricted halogenated substances and HFCs based on the Hazardous Chemical Substances Guideline Comply with the laws and regulations of each country governing hazardous chemical substances Strengthen the management system for chemical substances contained in products
		Implementation of activities aimed at biodiversity conservation	<ul style="list-style-type: none"> Perform local community contribution activities that take marine plastic pollution issues into account at least once a year at every facility Promote printing Nikon logo-bearing documents on FSC-certified paper

Participation in Environmental Initiatives

Activities and
Results

By participating in international initiatives relating to the environment, Nikon is able both to accelerate its own initiatives undertaken within the Nikon Group, and also help to influence government and society.

●Upgrading Nikon's SBT, and Signing Up to the Business Ambition for 1.5°C

The Nikon Group has established greenhouse gas emission reduction targets as one of its Medium-Term Environmental Goals concerning "Realizing a Decarbonized Society," which is a part of the Nikon Environmental Long-Term Vision. In recent years, the impact of climate change has become more apparent, and the trend towards decarbonization in society has picked up speed. With this in mind, in February 2021 Nikon revised its Scope 1 and Scope 2 greenhouse gas emissions reduction target from 26% to 71.4% (compared to the fiscal year ended March 31, 2014). This new target was certified in April 2021 by the Science Based Targets (SBT) initiative*1 as conforming to the criteria for helping to keep the average global rise in temperature within 1.5°C.

In addition, in March 2021 Nikon expressed its support for Business Ambition for 1.5°C, an initiative launched by the UN Global Compact, the SBT initiative and We Mean Business*2 to encourage companies to set scientifically based greenhouse gas reduction targets, with the aim of reducing greenhouse gas emissions to net zero by 2050, so as to keep the average global temperature rise within 1.5°C compared to the situation prior to the Industrial Revolution. In the future, Nikon will be further accelerating its initiatives to support decarbonization.

*1 Science Based Targets (SBT) initiative

The SBT initiative is a collaboration between CDP, an international NGO working on environmental issues such as climate change, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature for achieving the Paris Agreement-mandated objective of holding the increase in the global average

temperature to below 2°C above pre-industrial levels. It certifies the CO₂ emission reduction targets of companies that are in line with emissions reduction scenarios based on scientific facts.

*2 We Mean Business

This is a platform whose component organizations include international organizations, think-tanks, NGOs, etc. that are engaged in encouraging companies and investors to adopt measures to combat global warming.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



The Nikon Group's Science Based Targets (SBT)

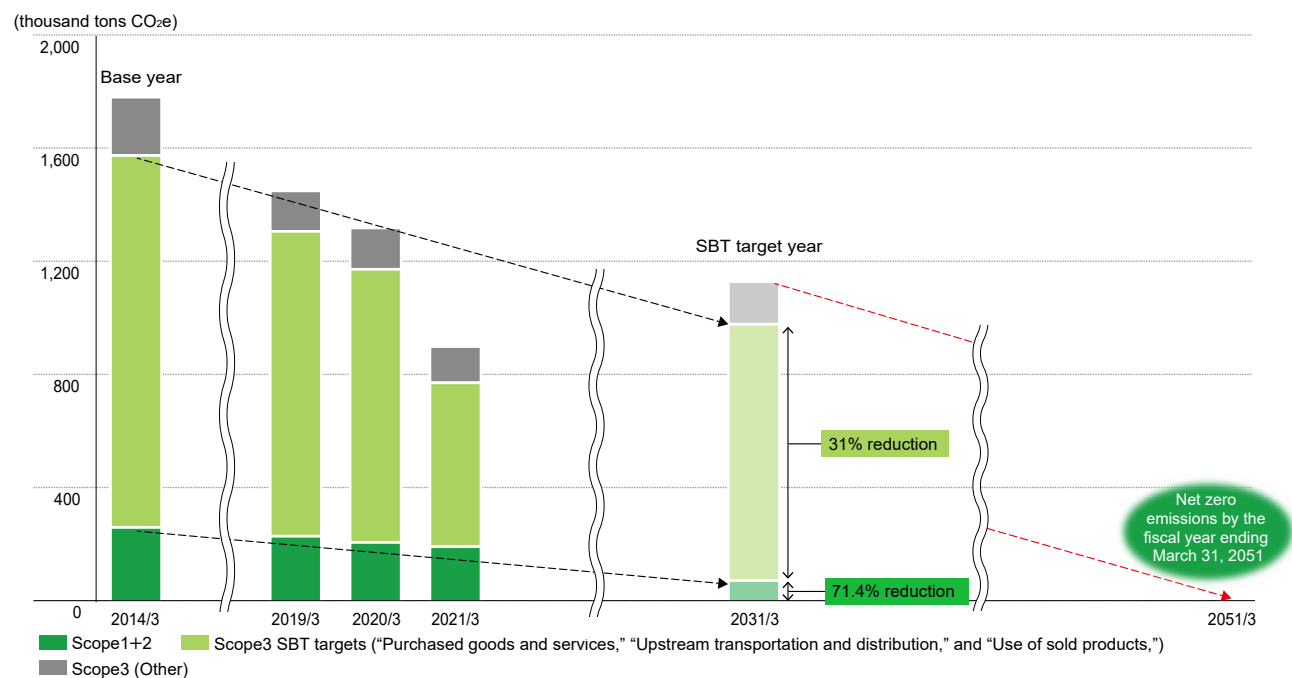
Target year: The fiscal year ending March 31, 2031

- Reduce greenhouse gas emissions in Scope 1 and Scope 2 by 71.4% compared to the fiscal year ended March 31, 2014
- Reduce greenhouse gas emissions in three categories of Scope 3, "Purchased goods and services," "Upstream transportation and distribution," and "Use of sold products," by 31% compared to the fiscal year ended March 31, 2014

[Greenhouse Gas Emissions in the Entire Supply Chain](#)

[\(P50\)](#)

Progress on Measures to Achieve Science Based Targets (SBT)



Joining RE100

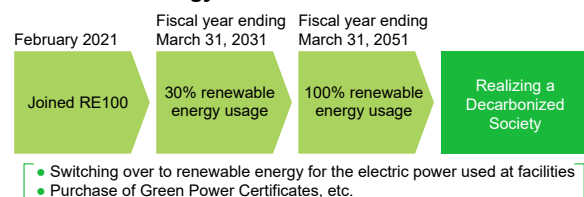
In February 2021, Nikon joined RE100*, an international initiative which has the target of having companies source 100% renewable energy for electricity used in business activities. Nikon will be aiming to switch to have 100% of the electricity used for the Nikon Group's business activities derived from renewable energy by the fiscal year ending March 31, 2051, and will also be working actively, alongside other RE100 member companies, to foster the development of the renewable energy market and to influence governments.

* RE100

Run as a partnership by the Carbon Disclosure Project (CDP) and The Climate Group (an NPO focused on activities in response to climate change), RE100 is an international initiative that companies all over the world participate in.



The Nikon Group's Roadmap for Adoption of Renewable Energy



climate change. In April 2021, the JCI issued a message calling on the Japanese government to set ambitious targets for 2030 to help realize the goals of the Paris Agreement on Climate Change. Nikon supports this stance.

Nikon has expressed its support for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) that were presented in the TCFD's Final Report to contribute to a smooth transition to a low-carbon economy (the TCFD was established by the Financial Stability Board (FSB)). Besides implementing appropriate disclosure in regard to climate change, Nikon is also participating in the TCFD Consortium, which was established with the goal of getting companies, financial institutions, etc. that support the TCFD's Recommendations to work together to implement effective disclosure and utilize the information disclosed.

Nikon has also joined with other RE100 member companies to lobby the Japanese government to raise its renewable energy targets.



Influencing Society

To solve environmental problems, which constitute major issues for society, collaboration with others is vital. Nikon has been participating in the Japan Climate Initiative (JCI) since the JCI was first launched. Besides participating in activities to exchange ideas and collect information, Nikon has also sought to influence the Japanese government regarding its response to

Environmental Management Promotion System

The Nikon Group has developed an environmental management promotion system that contributes to the realization of a sustainable society. We clarify the relationship between our businesses and the environment, as well as the effects on biodiversity, and carry out business activities that are environmentally friendly.

Environmental Governance

Framework
and System

On April 1, 2021, the Nikon Group implemented an organizational restructuring, and transformed its organizational system. As a result, the existing specialized subcommittees have been abolished, and it has been decided that each related section will deal with specialized environment-related matters. In addition, the existing Environmental Committee has been replaced with an Environmental Subcommittee.

Management Role

The Nikon Group has established a policy on sustainability promotion with the goal of earning stakeholders' trust through highly honest and transparent management practices from the standpoint of socially responsible management. Based on this policy, the CSR Committee has been put in place to ensure appropriate actions are taken, including fostering CSR awareness, conducting education and training, and monitoring CSR promotional activities. The committee is chaired by the Representative Director and President and has members drawn from the Executive Committee. The CSR Committee convenes twice a year to make overarching decisions about activities relevant to sustainability including the environment, such as setting goals relating to CSR priority issues, including climate change issues, receiving progress reports on activities, issuing directions for improvement as required. The Environmental Subcommittee, which is under the CSR Committee, formulates specific policies, targets and achievement criteria in relation to the Nikon's Group's environmental issues and environmental activities, verifies

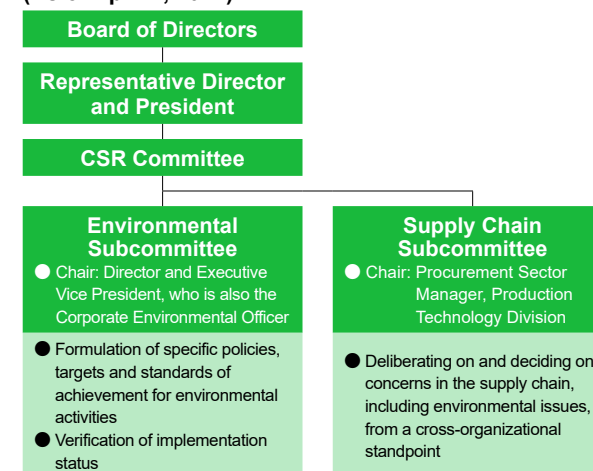
implementation status, and promotes relevant response measures, in line with the Nikon Long-Term Environmental Vision. The Environmental Subcommittee is chaired by the Director and Executive Vice President, who is the Corporate Environmental Officer, and is expected to meet twice a year. The membership of the Environmental Subcommittee comprises the heads of departments with responsibilities relating to the environment, procurement, logistics and sustainability. The Supply Chain Subcommittee, which is also supervised by the CSR Committee, promotes sustainable procurement, including addressing environmental issues, together with procurement partners. The Supply Chain Subcommittee is chaired by Nikon's Procurement Sector Manager, and meets twice a year. Details from the Environmental Subcommittee and the Supply Chain Subcommittee are reported to the CSR Committee twice a year.

[Nikon's Supply Chain Management System \(→P76\)](#)
[Sustainability Promotion System \(→P9\)](#)

Supervision System of the Board of Directors

Details from the CSR Committee are reported to the Board of Directors once a year. On these occasions, the Board verifies the Nikon Medium-Term Environmental Goals, including climate-related goals, and the progress made towards achieving them. In the fiscal year ended March 31, 2021, the Board confirmed the revision of the CSR priority issues and of the Nikon Medium-Term Environmental Goals. The Board oversees and manages the effectiveness of ESG-related initiatives from a management perspective and incorporates these initiatives into the Group's overall strategy.

Environmental Management Organization Chart (As of April 1, 2021)



Legal Violations

In the fiscal year ended March 31, 2021, there were no fines or sanctions for violation of environmental laws and regulations imposed on Nikon or any of its Group companies in and outside Japan. In addition, there were no complaints made in terms of Nikon's environmental impacts.

Environmental Management System

Framework
and System

The Nikon Group has rolled out its Environmental Management System (EMS) across every one of its companies.

Utilization of ISO 14001 Certification

The Nikon Group conducts environmental management in accordance with ISO 14001, aiming to have all manufacturing business sites certified. In October 2020, we completed expanding the scope of ISO 14001 certification to include the newly established Sendai Nikon's Miyagino Plant. The Nikon Group will continue to use the ISO 14001 system and promote environmental management by introducing mechanisms for mitigating environmental impacts while clarifying both the internal and external circumstances. (See next page on status of ISO 14001 certification.)

Performing Internal Audits

Within the Nikon Group, internal auditing is performed by the EMS Secretariat, along with internal audits at the regional level, at least once a year respectively, to verify conformity with ISO 14001 and improvements in performance, etc., and organizations receiving recommendations are required to implement improvement measures. The Nikon Group in Japan conducts an internal auditor training program four times per year with the purpose of cultivating to maintain and improve the quality of internal audits. In the fiscal year ended March 31, 2021, due to the impact of the COVID-19 pandemic, the training program was only implemented twice, with a total of 44 employees taking part. Internal audits of the company are carried out by employees who have completed the training program. At the Nikon Group companies outside Japan, internal auditors are cultivated through participation at training provided by auditing organizations, etc.

The Nikon Group in Japan also conducts training on laws and regulations related to the environment. This training is normally conducted twice a year, but in the fiscal year ended March 31, 2021 it was only conducted once, due to the impact of the COVID-19 pandemic, with 52 employees participating. Remote training was also introduced for the first time, making it possible for employees to receive training at home or at other remote locations. By providing an enhanced level of convenience in this way, we have been striving to maintain and increase the number of employees receiving training.

Internal auditing by the EMS Secretariat and training courses provided by the Nikon Group in Japan are conducted by qualified staff with EMS auditor certifications from IRCA*1 or JRCA*2.

*1 International Register of Certificated Auditors, an international certification organization for management system auditors.

*2 Certification and registration body for management auditors created within the Japanese Registration of Certificated Auditors and experts. The body registers certification of ISO management system auditors and internal auditors.

Nikon Eco Program

The Nikon Group has introduced the Nikon Eco Program, which is a simplified environmental management system for our non-manufacturing facilities in and outside Japan that have low environmental impacts. There are two levels (standard and basic) in the Nikon Eco Program, which makes it possible for the facilities to easily implement environmental activities. The Nikon Eco Program Standard (NEPS) is designed for relatively large non-manufacturing facilities. The standard level requires goals to be set for the reduction of environmental impacts, efforts to achieve those goals, and improvement and enhancement of activities while repeating the PDCA cycle. The Nikon Eco Program Basic (NEPB), which is designed for relatively small non-manufacturing facilities, involves visualization of environmental impacts and conducting activities related to the environment. NEPS has already been adopted at all five applicable business facilities. At all other business facilities, the basic level has been introduced to steadily visualize environmental performance data.

Nikon Environmental Management Tools

	Environmental Management Tools		
	ISO 14001	Nikon Eco Program Standard (NEPS)	Nikon Eco Program Basic (NEPB)
Business facilities where it is in use	Manufacturing facilities and certain non-manufacturing facilities, etc. that require ISO 14001 certification	Large-scale non-manufacturing facilities, etc.	Small-scale non-manufacturing facilities
<ul style="list-style-type: none"> Implementation of environmental impact assessment, compliance assessment and internal audits Implementation of corrective actions, preventive actions, etc. Management review, etc. 	✓	—	—
<ul style="list-style-type: none"> Setting of environmental targets Utilization of the PDCA cycle in relation to targets 	✓	✓	—
<ul style="list-style-type: none"> Implementation of environmental education activities Collection of environmental impact data 	✓	✓	✓

Data Categories and ISO 14001 Acquisition Status (as of the fiscal year ended March 31, 2021)

✓ : Acquired

Data Category	Company	ISO 14001 Acquisition Status
Nikon	Nikon Corporation	✓
Group manufacturing companies in Japan	Tochigi Nikon Corporation	✓
	Tochigi Nikon Precision Co., Ltd.	✓
	Jigtech Corporation	✓
	Sendai Nikon Corporation	✓
	Miyagi Nikon Precision Co., Ltd.	✓
	Hikari Glass Co., Ltd.	✓
	TNI Industry Corporation	✓
	Nikon Engineering Co., Ltd.	✓
	Nikon CeLL innovation Co., Ltd.	*1
Group non-manufacturing companies in Japan	Nikon Tec Corporation	✓
	Nikon Solutions Co., Ltd.	✓
	Nikon Systems Inc.	✓
	Nikon Business Service Co., Ltd.	✓
	Nikon Product Support Corporation	✓
	Nikon Vision Co., Ltd.	✓
	Nikon Imaging Japan Inc.	✓
Group manufacturing companies outside Japan	Hikari Glass (Changzhou) Optics Co., Ltd.	✓
	Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.	✓
	Nikon (Thailand) Co., Ltd.	✓
	Nikon Lao Co., Ltd.	✓
	Nikon X-Tek Systems Ltd.	✓
	Optos Plc	✓
	Optos, Inc.	✓
Group non-manufacturing companies outside Japan*2	Nikon Imaging (China) Sales Co., Ltd.	✓
	45 companies	*1

* The ISO 14001 certification rate for the Nikon Group as a percentage of the number of employees at manufacturing sites is roughly 100%.

* Formed through the merger of Nikon Healthcare Japan Inc. and Nikon Instech Co., Ltd., Nikon Solutions Co., Ltd. began operation in October 2020.

* Partial changes have been made to past environmental performance data due to the expansion of the boundary.

* In January 2020, the worker dispatch business of Nikon Staff Service Corporation was succeeded by the joint venture company, Nikon Nisso Prime Corporation, while the contract manufacturing business was succeeded by the newly established company, Nikon Product Support Corporation.

*1 Introduced the Nikon Eco Program

*2 Three Group non-manufacturing companies in Japan that have very minimal environmental impact and have not obtained ISO 14001 are included. 10 companies such as private funds and companies in the process of liquidation are excluded.

Environment-related Risk Management System

Framework and System

The Nikon Group works to identify and assess environment-related risks and opportunities from a product and service lifecycle perspective using both top-down and bottom-up approaches, with the aim of avoiding risks and problems that might emerge in the future.

Top-down risk assessment involves the Executive Committee identifying risks and opportunities related to the environment from the standpoint of management strategy. In addition, we confirm whether there are any matters that could give rise to risks, during audits conducted by Audit and Supervisory Committee members or by the Internal Audit Department. Bottom-up risk assessment involves assessments using ISO 14001 that cover manufacturing sites with a major environmental impact. Environment-related risks and opportunities are identified by each business site and the ISO 14001 Secretariat. In addition, the Risk Management Committee, which handles all forms of risks facing the Nikon Group, conducts the risk identification surveys, and compiles a risk map based on the results of these surveys.

The Environmental Subcommittee determines how to address the identified risks and opportunities within the structure of EMS, which are then addressed with concrete measures. Measures with high priority are reflected in the Group's environmental action plans. Nikon also regularly verifies and follows up on the progress.

We have identified two environmental risks—risk deriving from climate change and risk deriving from environmental regulation—as the main environmental risks that the Nikon Group should place particular emphasis on, and we are working to address these risks.

●Risk Deriving from Climate Change and Nikon's Response

If the increase in environmental disasters such as floods and droughts, and the significant problem of epidemics, which are all affected by climate change, were to cause serious damage to the R&D and manufacturing facilities of the Nikon Group or of our procurement partners, then this could lead to production stoppages and cause delays in production and shipment. Where this results in a fall in sales or necessitates the spending of large amounts of money to get facilities operating normally again, this may have a negative impact on the Group's profits and its financial position.

To reduce the level of risk associated with climate change, the Nikon Group is utilizing business continuity planning (BCP) to achieve greater dispersion in terms of the locations of its manufacturing facilities, and is building and making use of systems that allow centralized management of procurement partner data. In parallel with these measures, we are also working to reduce greenhouse gas emissions throughout the supply chain, with the aim of helping to mitigate the impact of climate change.

●Risk Deriving from Environmental Regulation and Nikon's Response

There is a risk that violations of laws and regulations relating to energy, greenhouse gases, the atmosphere, water quality, soil, chemical substances and waste may result in business suspension orders or the need to spend large sums of money on remediation work, which in turn could have a negative impact on company valuation and affect the operations of the Nikon Group as a whole. There is a possibility that regulation may become even more restrictive in the future; if ensuring compliance results in a high level of expenditure, this could negatively impact the Nikon Group's financial health.

In order to be prepared for these risks, the Nikon Group establishes voluntary, self-directed standards that are more rigorous than each region's statutory requirements. We also revise relevant internal rules, implement education and training

for relevant employees, work to strengthen the Group's management systems, and strive to monitor and respond to regulatory changes, etc. in a timely manner.

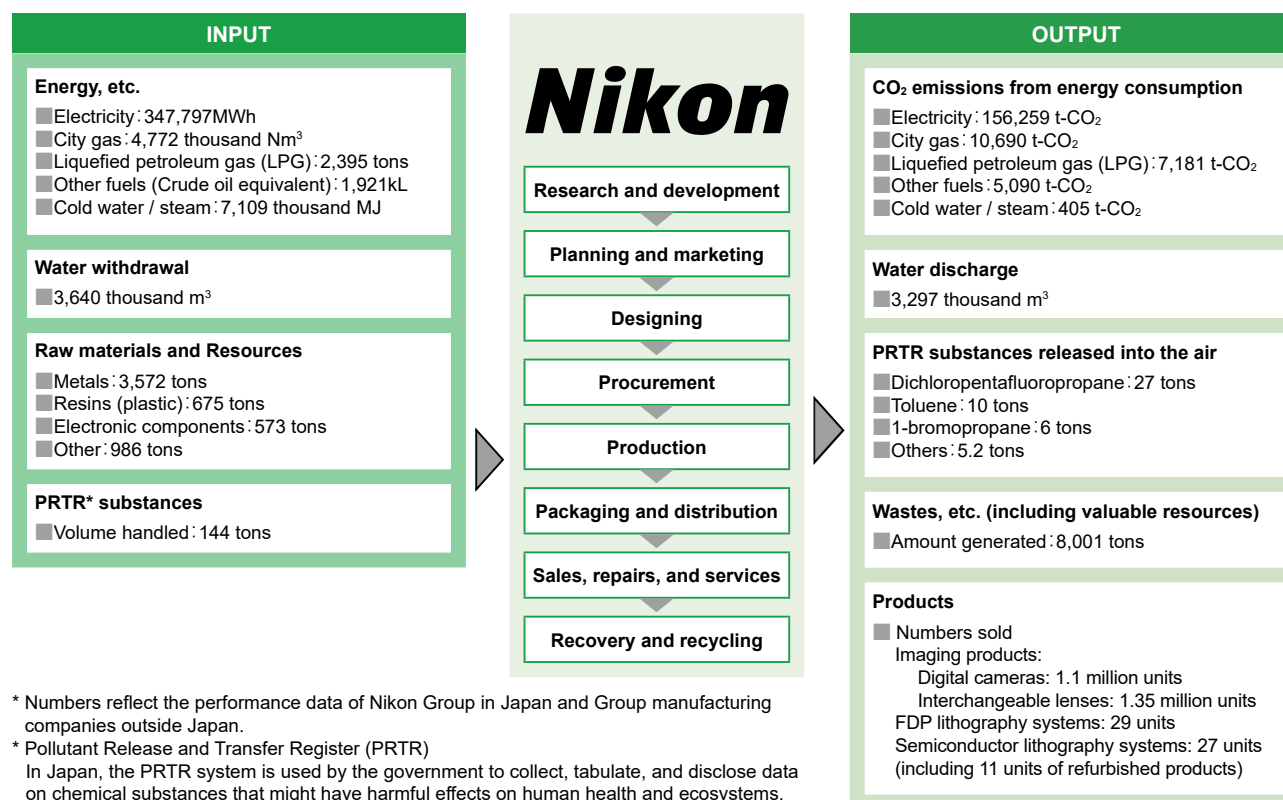
Business Activities and the Environment

Framework
and System

The Nikon Group aspires to be a company that contributes to the sustainable development of society. We clarify the

relationship between the environment and our business activities in order to make an accurate assessment of the impacts and risks posed to the environment. We attach great importance to the development of environmental activities based on goals set in accordance with the priority determined through this assessment of impacts and risks. Therefore, the Nikon Group is actively advancing the collection of environmental data covering electricity and other forms of energy, waste, and water, etc., both inside and outside of Japan.

Relationship between Nikon Group Businesses and the Environment



* Numbers reflect the performance data of Nikon Group in Japan and Group manufacturing companies outside Japan.

* Pollutant Release and Transfer Register (PRTR)

In Japan, the PRTR system is used by the government to collect, tabulate, and disclose data on chemical substances that might have harmful effects on human health and ecosystems. Companies identify and report emissions of these substances into the environment to the government on an annual basis.

Eco-friendly Products Development

Activities and
Results

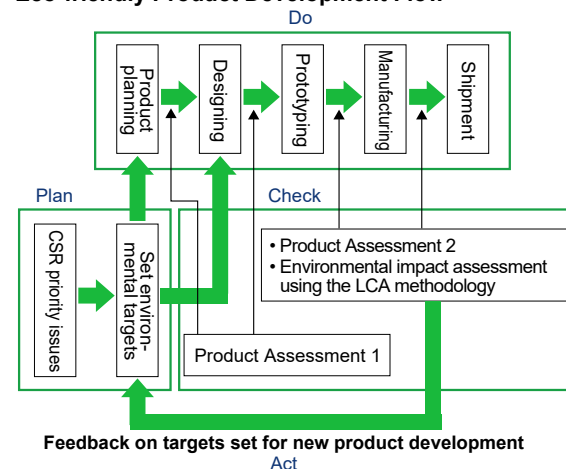
The Nikon Group works to develop Eco-friendly Products by taking into account environmental impacts starting from the planning and designing phase of products following the Eco-friendly Product Development Flow noted on the right.

●Nikon Product/Packaging Assessment

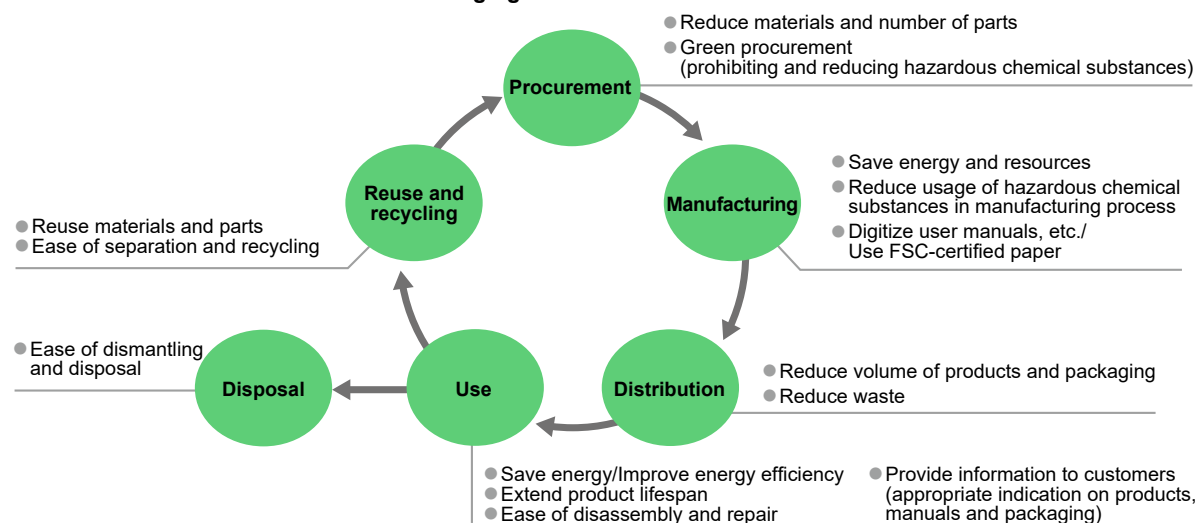
The Nikon Group formulated Nikon Product Assessment and Nikon Packaging Assessment for carrying out product development that thoroughly consider the characteristics of Nikon products and their environmental impact, which is applied to all newly-developed products and packaging materials. As illustrated below, these assessments evaluate the degree of reduction in weight and volume for products and packaging, reduction in hazardous materials, and material commonality and recyclability. According to circumstances, we are revising the

assessment items and criteria. "Assessment 1" is carried out in the planning and designing phase of products/package, followed by "Assessment 2" in the prototype or manufacturing phase. In this way, we strive to reduce the environmental impacts of our products through the entire lifecycle.

Eco-friendly Product Development Flow



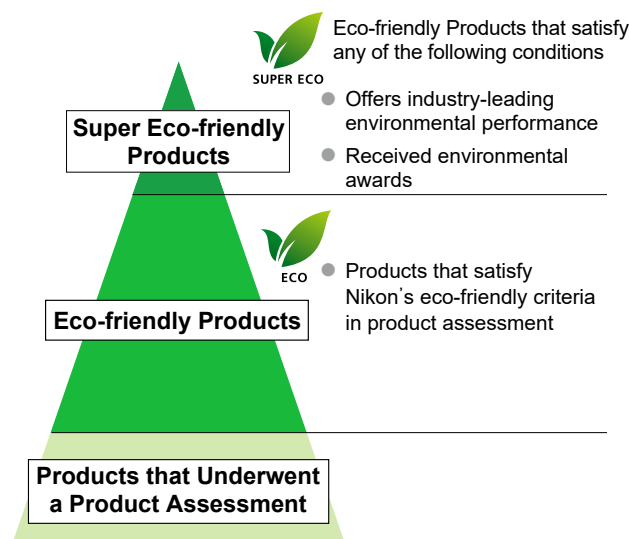
Assessment Items of Nikon Product/Packaging Assessment



Eco-friendly Products System Diagram

In the past, all products that had been developed by implementing product assessment were classed as Eco-friendly Products. However, we reviewed these definition and systems, and starting from the fiscal year ended March 31, 2018, we established a new system whereby those products that conform to more rigorous standards in product assessment are classed as either Eco-friendly Products or Super Eco-friendly Products. Along with this, Nikon has created its own unique symbol marks (Ecofriendly Products and Super Eco-friendly Products). In the fiscal year ended March 31, 2021, approximately 60% of new products were classified as Eco-friendly Products.

Eco-friendly Products classed as of the end of March 2021
https://www.nikon.com/about/sustainability/environment/eco-product_en2021.pdf



* The above environmental marks are used only for Nikon products recognized as Eco-friendly Products based on our own standards of environmental consideration. The above environmental marks are not affiliated with any other environmental organizations.

Environmental Education and Awareness Raising Activities for Employees

Activities and
Results

The Nikon Group believes that the awareness and understanding of employees who are the foundation of its activities are vital to furthering its environmental activities and increasing its standards.

Therefore, we have introduced various environmental education and awareness raising activities for our employees, to promote understanding and awareness of our environmental activities.

Environmental Training

The Nikon Group provides employees with training matched to their duties and position assigned, based on the training plan of EMS.

Environmental Training (Fiscal year ended March 31, 2021)

(persons)

Details	Participants	
	Nikon Corporation	Group companies in and outside Japan
Training on environmental objectives and environmental laws	412	979
Training on internal environmental audits	101	186
Training on EMS	105	1,701
Other environmental training	53	281

Environmental Awareness

The Nikon Group conducts various environmental awareness raising activities among employees in the month of June, which is designated as Nikon Environment Month. In addition, every year we implement environment-related e-learning for the Nikon Group in Japan, focusing in particular on matters that employees need to be familiarized with. The content of this e-learning is shared with the Nikon Group companies outside Japan, and is incorporated into individual companies' environmental education and awareness-raising activities. In the fiscal year ended March 31, 2021, the e-learning theme was chemical substances contained in products.

The Nikon Group has been participating in Earth Hour since 2010, and in the fiscal year ended March 31, 2021 many Group companies took part in this activity as usual.

Environmental Awareness Activities Result (Fiscal year ended March 31, 2021)

Main Environmental Awareness Raising Activities		Targets	Results
Nikon Environment Month (June)	Environmental photo contest	Nikon Group	Contest entries: 157
	Environmental Commendation Program	Nikon Group	Contest entries: 14
	Awareness-raising posters and newsletter distribution	Nikon Group	16 languages supported
Environmental e-Learning (November)		Nikon Group in Japan	Attendance rate: 85%
		Nikon Group outside Japan	Implemented for applicable personnel
Earth Hour* (March)		Nikon Group	Companies participating: 54

* Earth Hour

An environmental campaign organized by the World Wide Fund for Nature (WWF). People around the world show their desire to stop global warming and protect the global environment by switching off the lights at the same time on the same day.

Column

Initiatives at Mark Roberts Motion Control

Mark Roberts Motion Control (which is based in the UK) has undertaken various environmental activities as part of its business operations, including the adoption of renewable energy and waste recycling, procurement of environmentally-friendly components, etc. In the fiscal year ended March 31, 2021, recognizing the importance of environmental education for its employees, the company compiled "ECO-FRIENDLY GUIDE," which was distributed to all employees to encourage them to demonstrate concern for the environment both in the office and at home. As a result of this and the diverse range of other environmental initiatives launched by the company, in June 2021 Mark Roberts Motion Control received the Environmental Contribution Award in Nikon Environmental Commendation Program, which commends particularly excellent projects related to the environment once a year.



Mark Roberts Motion Control employees receiving the award

Priority Issue 3

Promoting a Decarbonized Society



Reduction of Greenhouse Gases in the Supply Chain

The Nikon Group endeavors to calculate greenhouse gas emissions in the whole supply chain and implement appropriate measures.

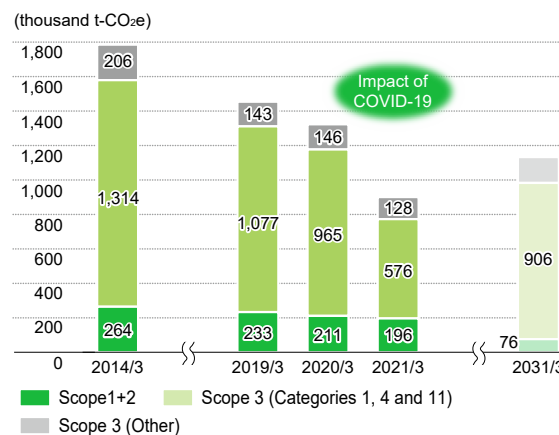
Greenhouse Gas Emissions in the Entire Supply Chain

Activities and
Results

The Nikon Group calculates greenhouse gas emissions in the entire supply chain in accordance with the Greenhouse Gas Protocol (GHGP). Emissions for the fiscal year ended March 31, 2021 were 33,891 t-CO₂e for Scope 1, and 161,824 t-CO₂e for Scope 2. The Nikon Group had set itself the target of reducing GHG emissions through business activities for the entire Nikon Group by 18.2% or more compared to the fiscal year ended March 31, 2014, and in the fiscal year ended March 31, 2021 a reduction of 25.9% was achieved, meeting the target. Scope 3 emissions totaled 703,873 t-CO₂e, which represented a significant year-on-year reduction. There was a particularly dramatic fall in Category 1 (Purchased goods and services), Category 4 (Upstream transportation and distribution) and Category 11 (Use of sold products) emissions, which our analysis indicates was due to reduced production volume as a result of the COVID-19 pandemic, and due to the fall in demand for cameras. Going forward, as sales begin to rise across all product segments as the world starts to recover from the

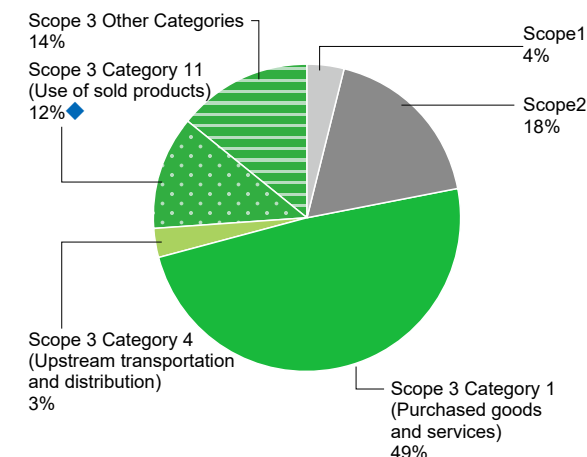
COVID-19 pandemic, it is anticipated that Scope 3 emissions will increase again. However, we will be working to achieve our targets in this area by continuing to implement emissions reduction measures.

Changes in GHG Emissions Across the Entire Supply Chain



[Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals \(→P39\)](#)

Percentage of Greenhouse Gas Emissions in the Entire Supply Chain (Fiscal year ended March 31, 2021)



Initiatives to Reduce Greenhouse Gas Emissions in Products

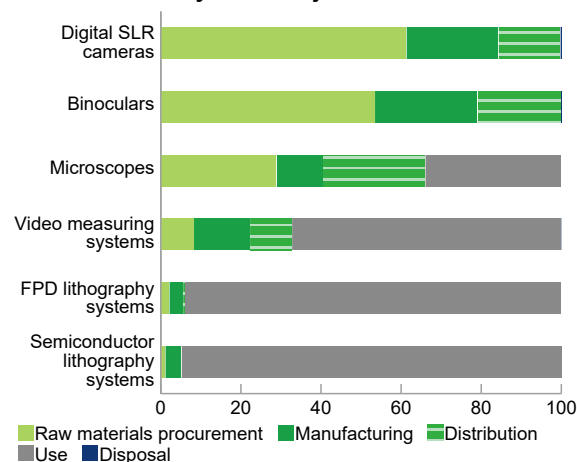
In the Nikon Group's entire supply chain, "Purchased goods and services" and "Use of sold products" account for a large proportion of greenhouse gas emissions. We are therefore actively working to reduce the greenhouse gas emissions of our products.

Environmental Impact Assessment Using the LCA Methodology

Activities and
Results

Nikon calculates CO₂ emissions in each phase of a product's lifecycle by conducting evaluations of its environmental impact using the Life Cycle Assessment (LCA) methodology. These evaluations are carried out for a range of products including some of our most popular models. Results show that there are large CO₂ emissions in the raw material procurement phase for imaging products and in the use phase for products in FPD and semiconductor lithography systems and industrial metrology. From this, we understand that it is important for us to make improvements at these stages in the products' lifecycle, hence we are incorporating this information back into new product development.

Percentage of CO₂ Emission throughout the Product Lifecycle for Major Nikon Products



CO₂ Reduction Measures for Products

Activities and
Results

For imaging products, Nikon has the highest amount of CO₂ emissions at the raw material procurement phase. We are therefore focusing on reducing the number of parts and making the products both smaller and lighter. For example when compared to the D850 digital SLR camera, which also features a full-size, high pixel count image sensor, Nikon's Z 7II mirrorless camera realizes a weight reduction of approximately 33% by making the camera body more compact, and as a result CO₂ emissions at the raw material procurement phase have been reduced by 45%.



The Z 7II mirrorless camera

Promoting CO₂ Reductions with Our Procurement Partners

Activities and
Results

When conducting audits of environmental management systems for major procurement partners, the Nikon Group checks whether or not the partners have set CO₂ reduction targets and whether they monitor performance in relation to these targets. This has had the effect of encouraging procurement partners to reduce their CO₂ emissions. In the fiscal year ended March 31, 2021, the Nikon Group encouraged 148 companies to reduce their CO₂ emissions and checked their results at the time of audit. For those procurement partners that have no obligation to report emissions to the national or local government, we gave advice on how to calculate CO₂ emissions and followed up with them on the amount of their emissions and target setting.

Initiatives to Reduce Greenhouse Gas Emissions at its Business Facilities

The Nikon Group has set greenhouse gas emission reduction targets for each of its business facilities and the Group companies based on its environmental action plan.

To achieve these targets, each department is promoting activities to reduce greenhouse gases.

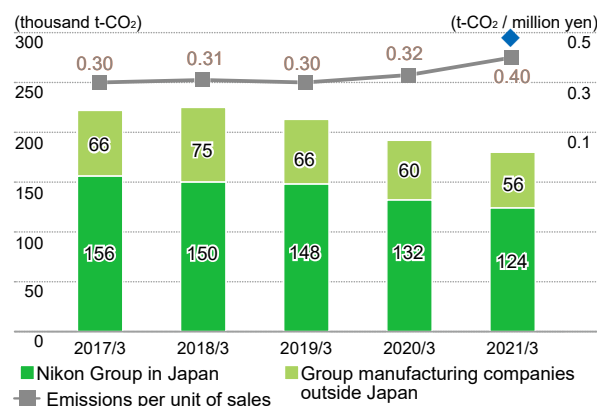
Changes in CO₂ Emissions from Energy Consumption and in Energy Consumption

Activities and
Results

By striving to improve product development and production processes and make production equipment more efficient, the Nikon Group is making a serious effort to reduce CO₂ emissions deriving from energy consumption. In the fiscal year ended March 31, 2021, emissions from energy consumption totaled 179,626 t-CO₂, which represented a substantial decline compared to this previous year. This fall in emissions was due partly to the implementation of energy-saving measures and adoption of renewable energy, and partly to reduced output as a result of falling market demand and the impact of the COVID-19 pandemic.

There was a significant deterioration in emissions per unit of sales, because of weak sales in the fiscal year ended March 31, 2021 due to the COVID-19 pandemic. Going forward, besides working to realize a recovery in our business performance, we will also be striving to improve emissions per unit of sales by promoting CO₂ emissions reduction measures.

Changes in CO₂ Emissions from Energy Consumption



* The following values were used for CO₂ conversion factors

Electric power:
In Japan: The CO₂ emission factors without adjustment for each electric power utility noted in the "List of Basic Emissions Factors by Electric Power Utility" specified in the Act on Promotion of Global Warming Countermeasures.
UK: Residual mix
US: NERC regional residual mix
Other countries outside Japan: Individual country factor in International Energy Agency (IEA) factors. However, no conversion factor for Laos, so Thailand factor used.

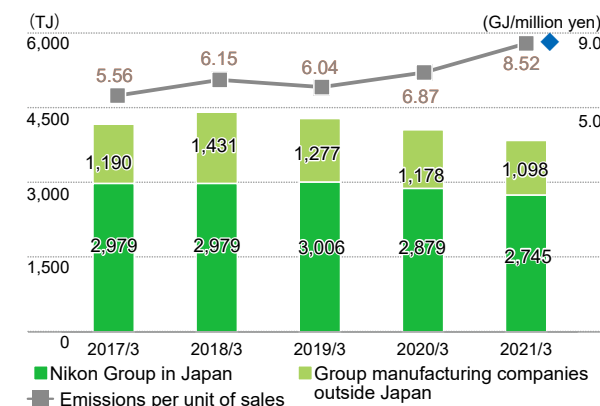
City gas:
Japan: The gas company eigenvalues noted in the guidance document for Periodic Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act) were multiplied by the values given in Appended Table 2 of the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures, and by 44/12.
UK: Factors from the Report on Greenhouse Gases
Other countries outside Japan: Same value as a typical Japanese gas company

Heat and other fuels:
The factors noted in the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures.

* The above factors were also used for the calculation of CO₂ emissions according to market-based criteria for Scope 1 and Scope 2 on P50.
* Emissions in Japan have been calculated using the Basic Emission Factor by subtracting renewable energy from total energy consumption.

◆: Values in Data Index assured by third party

Changes in Energy Consumption



* The following values were used for calorific-value conversion factors

Electric power:
The factors given in the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

City gas:
Japan: Gas company-specific factors under the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act)
UK: Value calculated from the factors for the Report on Greenhouse Gases
Other countries outside Japan: Same value as a typical Japanese gas company

Heat and other fuels:
Factors given in the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

◆: Values in Data Index assured by third party

Utilizing Renewable Energy

Activities and
Results

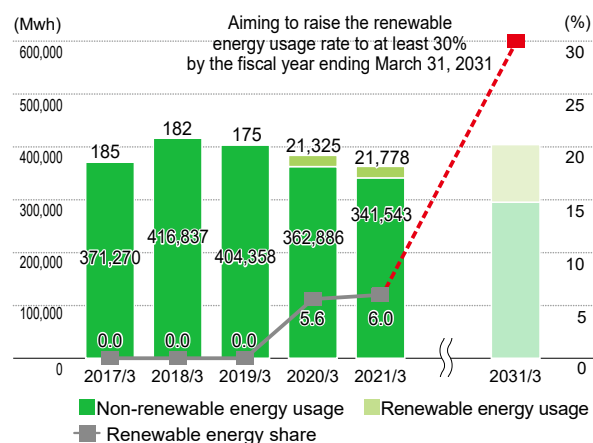
The Nikon Group is aiming to increase the renewable energy adoption rate in relation to electric power consumption to at least 30% by the fiscal year ending March 31, 2031, through such means as in-house power generation, power planning, and green energy certificates.

As of the fiscal year ended March 31, 2021, the share of electric power consumption deriving from renewable energy had been raised to 6.0%, equivalent to a reduction in CO₂ emissions of 9,465 tons.



Solar panels on the wall of a building of Nikon Yokohama Plant

Renewable Energy as a Share of Electric Power Consumption



CO₂ Emissions from Non-energy Consumption and Other Greenhouse Gas Emissions

Activities and
Results

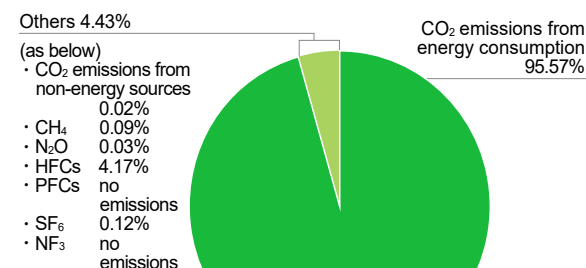
CO₂ emissions from non-energy sources*¹ and other greenhouse gases*² totaled 8,331 t-CO₂e, accounting for 4.4% of the greenhouse gases emitted by Nikon and the Group manufacturing companies, in the fiscal year ended March 31, 2021. Of these gases, HFCs contained in detergents used in the manufacturing process constituted the largest category at 4.2%. There were no PFC or NF₃ emissions. While PFCs were used in the past in the dry-etching process, they have now been completely replaced by substitute gases.

The Nikon Group is working to establish alternative technologies while implementing chemical substance management thoroughly in accordance with the Hazardous Chemical Substances Guideline in order to reduce CO₂ emissions from non-energy sources and other greenhouse gases.

*1 CO₂ generated by fire extinguishers, sprays, waste incineration, etc.

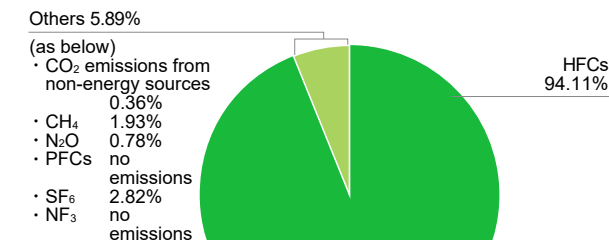
*2 CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

Breakdown of Greenhouse Gas Emissions from Nikon and Group Manufacturing Companies



◆: Values in Data Index assured by third party

Breakdown of CO₂ Emissions from Non-energy Consumption and Other Greenhouse Gas Emissions



◆: Values in Data Index assured by third party

Greenhouse Gas Reduction Measures at Business Facilities

Activities and
Results

Measures for Reducing Greenhouse Gas Emissions by Making Product Development More Efficient

By continuing to strive for further improvement and evolution in the core technologies that underpin our manufacturing operations, the Nikon Group is able not only to enhance the efficiency of development and production operations and raise quality standards, but also to reduce the environmental impact by achieving reductions in energy consumption and the generation of waste.

Optical technologies, one of the core technologies of the Nikon Group, is supported by optical glass with high performance and quality. The development and manufacturing process of optical glass uses the high temperatures of melting furnaces and requires repeated experiments, which leads to high energy consumption and a large amount of waste. The Nikon Group has therefore focused its attention on its approach to quality engineering. In order to make the development and

manufacturing process of optical glass significantly more efficient, Nikon has worked to improve evaluation methods, reduce the number of experiments through simulations, shorten lead times, and improve the accuracy of its stamping (metalworking).

As a result, the Nikon Group has achieved significant reductions in energy consumption, greenhouse gas emissions and waste emissions leading to a greatly reduced impact on the environment. The simulations and technical information that have been realized through these measures have been applied and extended to the development of other lens materials and to production processes, thereby helping to further reduce the burden on the environment.

●Conserving Energy at Plants

One important factor carried out at every business facility of the Nikon Group is energy saving checks when planning to install equipment, and whether or not to install the equipment based on these checks. After the equipment has been installed, it is also monitored and its performance constantly assessed.

Furthermore, a whole range of energy saving initiatives are being carried out at each business facility, including switching over to energy saving lights, using motion sensor-equipped lighting, and working to make air conditioning equipment and office machinery more efficient.

●Initiatives in Regard to Commuting and Company Vehicles

All Nikon Group business facilities are making efforts to adopt fuel-efficient vehicles such as hybrid cars, and other environmentally-friendly cars, as company cars. Many business sites are also working towards less impact on the environment for when employees commute, such as by actively using public transport, car sharing, and encouraging employees to cycle to work.

Main Energy-saving Initiatives at Business Sites

Initiative	Initiative Content
Adjusting design and development	Reducing experiments and prototyping through effective use of AI, CAE and external technical information
Energy-saving production equipment	Integrating and replacing production equipment, and making existing equipment more energy-efficient
Enhancing productivity	Improving the conforming rate through IE analysis, optimizing production lines and production spaces, and automating production
Upgrading transformer equipment	Switching over to highly efficient receiving and transformer equipment
Adjusting utilization of transformer equipment	Reducing electricity consumption from equipment on standby, and switching equipment off when not in use
Upgrading air conditioning equipment	Improving cooling efficiency through replacement of cooling and refrigeration equipment, and reducing power consumption by integrating and replacing equipment, and by replacing motors
Adjusting air conditioning usage	Optimizing temperature and humidity settings and scheduling of usage periods
Reducing heat dissipation and heat absorption loss	Insulating of piping and exterior walls, optimizing of heat exchangers, integrating of piping and bypassing
Adjusting building facilities	Upgrading to energy-saving elevators
Energy-saving lighting	Switching over to LED lights, adjusting the spacing of lights, and re-setting brightness
Energy-saving vacuum and compressed air equipment	Switching over to highly efficient pumps, adopting bypassing for piping, optimizing pressure, and optimizing pump operation controls
Adjusting water usage	Improving the efficiency of water pumps installed in receiving tanks, and optimizing piping
Upgrading company vehicles	Promoting adoption of hybrid vehicles
Improving the driving of company vehicles	Realizing energy-saving driving through training to optimize driving styles, making use of driving recorder analysis

Initiatives to Reduce Greenhouse Gas Emissions in Distribution

The Nikon Group, which is expanding its business globally, considers initiatives in distribution to be extremely important for reducing greenhouse gases. As such, we are developing various measures including modal shifts and improved efficiency at its storage warehouses.

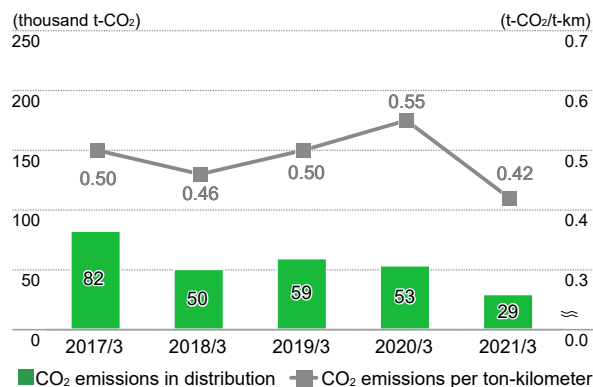
Understanding Greenhouse Gas Emissions in Distribution

Activities and
Results

The Nikon Group products are manufactured in facilities located mainly in Asia and sold worldwide. Based on this reality, we are understanding the distribution routes, transportation volumes and greenhouse gas emissions involved, working to reduce emissions during distribution.

In the fiscal year ended March 31, 2021, CO₂ emissions amounted to 187 t-CO₂ for distribution in Japan and 29,000 t-CO₂ for international shipments and distribution outside Japan. The Nikon Group thus beat its target of reducing emissions by 2.7% compared to the fiscal year ended March 31, 2020, ultimately reducing CO₂ emissions by 45%.

CO₂ Emissions from Distribution in Japan, International Shipment and Distribution outside Japan



Greenhouse Gas Reduction Measures in Distribution

Activities and
Results

●Promotion of Modal Shifts

The Nikon Group promotes modal shifts* in order to reduce environmental impact. We are shifting the main mode of delivery from airplane to ship.

One significant achievement in the fiscal year ended March 31, 2021 was that Nikon switched over to a system whereby some binocular models, which in the past would have been transported by air from the manufacturing sites to the destination market in Europe, North America or Japan, are now transported by ship from the manufacturing sites to Japan, and then shipped by sea to Europe or North America together with other Nikon products that are shipped from Tokyo. We have also launched an internal project to switch over from air transport to sea transport by the fiscal year ending March 31, 2022 for some imaging product models that are manufactured in Thailand.

Besides products, a similar shift is being promoted with respect to the supply of packaging materials to procurement partners, as well as the transportation of delivery cases, installation tools, etc.

* Modal shift

This term is normally used to refer to a shift to a different method of transport, in order to reduce the impact on the environment.

●Environmentally-friendly Transportation

As well as gradually shifting over to the use of environmentally-friendly vehicles with low fuel consumption for delivery trucks, etc., the Nikon Group is also working to promote eco-driving (fuel-efficient driving) by holding regular eco-driving seminars for drivers.

Additionally, when exporting auxiliary materials from Japan to Thailand and China, we would normally receive the auxiliary materials at our own warehouses where we pack them and send them to the airport warehouse for export. However, some suppliers are now sending these materials directly to the airport warehouse instead. This not only reduces the quantity of packaging materials used, but also reduces domestic transportation distances, leading to a reduction in greenhouse gas emissions of approximately 600kg per year.

The Nikon Group also recognizes the importance in taking measures in the upstream stage of the product lifecycle in order to achieve more efficient transportation. Planning departments in each business unit have joined forces to design the shape, size and materials of the packaging boxes, and the types of user manuals, taking into consideration everything from the product's initial design stage through to its transportation.

Disclosures in Line with TCFD's Recommendations

In 2017, the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), released a final report titled Recommendations of the Task Force on Climate-related Financial Disclosures.

Nikon announced its support for the TCFD Recommendations in November 2018 and is promoting information disclosure based on the TCFD Recommendations.

Governance

Framework
and System

The Nikon Group is working to strengthen its environmental governance by establishing the Environmental Management Promotion System to achieve the Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals. With regard to measures against climate change and response to risks and opportunities, we are promoting initiatives under this environmental governance system with the aim to realize a decarbonized society.

As responding to climate change is a CSR priority issue for the Nikon Group, the Representative Director and President, who is also Chair of the CSR Committee, is the person with overall responsibility for matters related to climate change, including target management and instructions for improvement. With regard to specific initiatives for greenhouse gas emissions reduction activities, etc., the Environmental Subcommittee formulates policies, targets and achievement criteria, and monitors progress, under the supervision of the Executive Vice President and Director, who is the Corporate Environmental Officer.

Climate change related targets are set as objectives for the Corporate Environmental Officer and for individual departments responsible for environment-related matters. The results achieved in working to meet these objectives are reflected in the compensation paid to the Corporate Environmental Officer and to the department heads and staff of individual departments responsible for environment-related matters.

[Environmental Governance \(→P44\)](#)

[Corporate Governance \(→P103\)](#)

Strategy

Framework
and System

The Nikon Group conducts analysis of climate-related risks and opportunities by comprehensively considering a number of factors, namely: the characteristics of business, the location conditions of its production sites and business facilities, the degree and frequency of natural disasters due to recent climate change, industry trends, trends in related laws, and representative concentration pathway (RCP) scenarios used in the IPCC climate change forecasts, as well as survey results and scenarios carried out by external research institutes. As such, we identify and evaluates risks under the 2°C and 4°C scenarios.

The Nikon Group recognizes that under the 2°C scenario there would be a tightening of, for example, greenhouse gas emission regulations and greater market demands accompanying these regulations. Under the 4°C scenario there would be an increase in natural disasters, such as floods, and a rise in temperatures. But under any scenario we recognize that there will be changes in energy technology and costs with a wider transition to renewable energies. The Nikon Group is therefore taking measures to adapt to climate change as a business strategy in consideration of the financial impact these scenarios will have. The Nikon Group will continue to carry out and improve its risk analysis.

The main risks, countermeasures, and business opportunities are recognized as follows (time ranges for which risks or opportunities appear are defined as: short-term—within 3 years; medium-term—until 2030; and long term—until 2050).

Transition Risks and Countermeasures

- Policies and regulations (short to long term): Policy actions and regulations, such as energy conservation and greenhouse

gas emission related regulations, in different countries and regions may be newly established or tightened up in the future. The Nikon Group recognizes that the increase in cost for compliance with these policies and regulations is a risk directly associated with operating costs. There is also a risk that the cost of doing business will increase due to rising petroleum prices and a rise in the price of electricity generated using fossil fuels, due to the introduction of carbon taxes. For example, in 2021 the Netherlands began levying a carbon tax equivalent to 30 Euros per ton of greenhouse gas emissions, targeting manufacturing firms and other firms in the industrial sector. This carbon tax is set to increase by 10 Euros every year, and by 2030 it is expected to have risen to 125 Euros per ton of emissions. A similar trend towards the introduction of carbon taxes can be seen in other countries in Europe. While the Nikon Group's business areas do not currently fall within the scope of such carbon taxes, there is a possibility that the scope of applicability may be extended in the future. For instance, the Nikon Group's manufacturing companies in Europe had total annual greenhouse gas emissions of around 1,300 tons in the fiscal year ended March 31, 2021. If these companies were to become subject to carbon tax, then if no measures were taken to reduce emissions, the Group could be facing an annual carbon tax bill of around 162,500 Euros. A further point is that governments around the world, including the Japanese government, are advocating policies that seek to make their countries carbon-neutral, and a shift towards renewable energy is being promoted in regard to electric power generation. During the period of transition, in some regions there may be technical constraints that negatively impact the generation and storage of electric power using renewable energy, and there is a possibility of temporary

instability in the electric power supply, which Nikon recognizes as an emerging risk.

- Countermeasures: The Nikon Group has set as one of the aims of its Long-Term Environmental Vision the goal of realizing a decarbonized society, and is therefore promoting effective utilization of product lifecycle assessments in the product development process, improvements in energy use efficiency in production, and greenhouse gas reductions throughout the whole supply chain. Besides implementing thorough energy-saving activities at the level of individual facilities, Nikon is also striving to expand the adoption of renewable energy, and evaluating the adoption of in-house electricity generating facilities that utilize renewable energy, such as solar power generating systems, etc. We are also lobbying governments in various countries to establish systems and measures to ensure a stable supply of renewable energy. In addition, as Nikon is an enterprise engaged in precision processing, we are also providing society with processing technology proposals that can help to make electricity generation more efficient.

Physical Risks and Countermeasures

- Acute risks (short to long term): In the event that R&D or production facilities of the Nikon Group, or of our suppliers, are seriously damaged due to natural disasters such as floods, droughts or abnormal weather caused by climate change, or if they are affected by a new epidemic, etc., then operations may be interrupted causing delays to production and shipments. Where this results in a fall in sales or necessitates the spending of large amounts of money to get facilities operating normally again, this may have a negative impact on the Group's earnings and financial position. To take an example, in October 2011, Nikon (Thailand) Co., Ltd., which is the main production facility for Nikon's Imaging Products Business, was seriously affected by flooding, forcing the company to suspend manufacturing operations. As of the end of March 2012 the company had successfully resumed mass production on schedule, but the extraordinary loss suffered as a result of the flooding—including impairment of

fixed assets, stock losses and compensation for absence from work—totaled 12.5 billion yen. If a disaster on a similar scale were to occur again in the future, it can be anticipated that a similar level of loss would be incurred.

- Chronic risks (medium to long term): Temperature control is essential for achieving precision in each stage of manufacturing, transportation, installation, and operation of precision equipment. In the future, there is the possibility that average temperatures could rise due to climate change, making it difficult to control the temperature of air conditioning, which could lead to difficulties in manufacturing and also impact the use of products. It is also possible the temperature control costs may increase.
- Countermeasures: The Nikon Group has incorporated these physical risks into its business continuity management (BCM) for the entire Nikon Group, and continues to diversify its production bases and increase the height of the locations at which important equipment is installed (to protect against flooding). We have also established, and starting using, a system that allows centralized management of procurement partner data throughout the Nikon Group. As a result, if a natural disaster occurs, we can determine the impact on the supply chain speedily and accurately, and can take appropriate action in response.

Opportunities

- Resource efficiency (short to long term): By implementing energy-saving activities and making production processes more efficient, it should be possible to reduce energy costs. Besides conducting energy-saving activities at the level of individual facilities, we are also promoting small group activities in which employees proactively work to improve operational processes. We have also established Nikon Environmental Commendation Program to recognize workplaces, group and individuals that have achieved particularly impressive results in the implementation of environmental activities, and this is helping to invigorate environmental activities and facilitate horizontal diffusion.
- Products and Services (short to long term): The Nikon

Group's advanced measurement technology and control technology can be used for the evolution of industrial robots, and in eco-factories and smart factories, etc., helping to build an efficient and eco-friendly society. In addition, demand is expected to increase further for products and services that produce less greenhouse gas emissions. The IC chip miniaturization technology that is employed in the Nikon Group's semiconductor lithography systems contributes to reduced power consumption per memory unit of IC chips produced. While working to realize both decarbonization and digitalization, making power conversion more efficient is also vitally important. Power semiconductors are already widely used in everything from electric power control in cars, home appliances, robots and railways to DC/AC conversion in photovoltaics systems and wind power systems, and their use can be expected to expand still further in the future. The i-line Stepper lithography system manufactured by the Nikon Group is used for power semiconductor lithography, and as demand for power semiconductors increases, it can be anticipated that demand for i-line Steppers will also rise.

- Markets (medium to long term): The Material Processing Business is an area that Nikon is focusing on in its Medium-Term Management Plan. One aspect of this area is riblet processing, a technology that involves forming a riblet structure (with fine, regular grooves similar to sharks' skin) on the surface being processed. As the use of this processing method can reduce air resistance and water resistance, it has applications for the surfaces of wind turbine blades, thermal power generator turbines, aircraft, railway rolling stock, ships, etc., and is expected to facilitate reductions in fuel consumption and in CO₂ emissions. It is anticipated that, in the transition to a decarbonized society, demand for this type of technology will rise steadily.

[Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals \(➡P39\)](#)

[Environmental Action Plan \(➡P38\)](#)

[Environment-related Risk Management System \(➡P46\)](#)

[Eco-friendly Products Development \(➡P48\)](#)

[Promoting a Decarbonized Society \(➡P50\)](#)

2021

[Contents /
Editorial Policy](#)[Message from
the President](#)[Nikon Group
Profile](#)[Nikon's
Sustainability](#)[Business
Activity](#)[Environment](#)[Society /
Labor](#)[Governance](#)[Corporate
Citizenship
Activities](#)[>Environmental Strategy](#) [>Environmental Management Promotion System](#) [>Promoting a Decarbonized Society](#) [>Promoting Resource Circulation](#) [>Preventing Pollution and Conserving Ecosystems](#)

Environment-related Risk Management

[Framework
and System](#)

The Nikon Group identifies and evaluates environmental risks, including those risks related to climate change. The identified risks are reflected in the Nikon Medium-Term Environmental Goals and Environmental Action Plan, and are shared across the entire Nikon Group, with relevant departments implementing specific initiatives. The progress made in these initiatives is regularly monitored and followed up on by the Environmental Subcommittee, which comes up with the next Environmental Goals after identifying key issues.

[Environment-related Risk Management System \(➡P46\)](#)[Risk Management \(➡P106\)](#)

Metrics and Targets

[Framework
and System](#)

The Nikon Group sets targets and monitors greenhouse gas emissions from the entire Nikon Group. Results are then disclosed leading to the formulation of its next measures and strategies. By calculating greenhouse gas emissions attributed to Scope 1, Scope 2, and Scope 3, the Nikon Group assesses its environmental impact in the supply chain and strives to implement appropriate measures.

[Environmental Strategy \(➡P38\)](#)[Promoting a Decarbonized Society \(➡P50\)](#)

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

>Environmental Strategy >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Preventing Pollution and Conserving Ecosystems

Priority Issue 4

Promoting Resource Circulation



3R Initiatives for Products and Packaging

As a supplier of products to countries all over the world, the Nikon Group is promoting the 3Rs of Reduce, Reuse and Recycle for its products and packaging in an effort to reduce its impact on the environment.

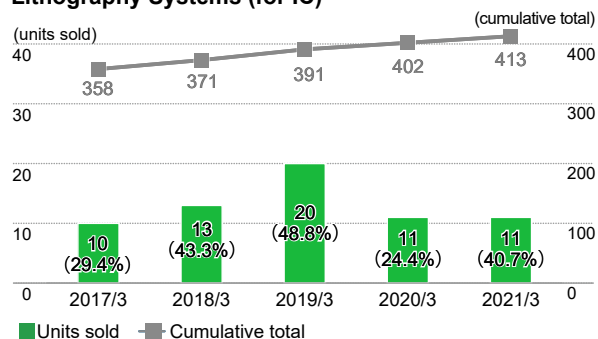
Sales of Refurbished Semiconductor Lithography Systems and Reuse of Projection Lenses

Activities and
Results

The Nikon Group has commercialized a service for collecting used Nikon semiconductor lithography systems from customers, reconditioning them, replacing parts, reconfiguring them, and installing them for new customers in and outside Japan. This business is an example of the Nikon Group's practice of reusing its own products within the Group. As of the fiscal year ended March 31, 2021, the Nikon Group had sold a cumulative total of 413 refurbished products.

The Nikon Group is also working on extending the life of lithography systems by using Nikon's latest technology to reuse and replace projection lenses which have deteriorated through long-term use by clients and which cannot retain their basic exposure performance.

Sales Trends of Refurbished Semiconductor Lithography Systems (for IC)



* Number shown in () denotes the percentage of total units sold.

Battery Recycling

Activities and
Results

In Japan, Nikon has been collecting and recycling end-of-life rechargeable batteries used in Nikon digital cameras from users via JBRC*.

* Japan Portable Rechargeable Battery Recycling Center (JBRC)
JBRC is an organization that promotes the recycling of small rechargeable batteries in accordance with the provisions of the Act on the Promotion of Effective Utilization of Resources.



Battery recycling mark

Recycling and Reuse of Used Nikon Products

Activities and
Results

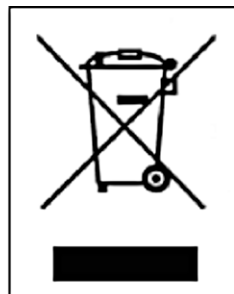
Under the WEEE Directive*¹, European countries have been developing national laws in relation to the collection and recycling of used electrical and electronic equipment. In response to these laws, the Nikon Group has been working to fulfill its responsibility for the collection and recycling of Nikon digital cameras and other products.

The Nikon Group has registered with local collection organizations in more than 30 countries, and has established collection and recycling networks in each country.

We are also implementing assessments at the design stage of products and promoting easy-to-disassemble design, a reduction in the number of types of raw materials used, and extensive utilization of recycled resources, to comply with the provisions of the Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment*² in Japan.

As to reuse, we have a service whereby digital cameras

returned by customers are repaired and then sold as refurbished cameras in and outside Japan.



EU recycling symbol

*1 WEEE Directive (Waste Electrical and Electronic Equipment)
Under legislation enacted in the EU in 2003 (and revised in 2012), Member States are required to collect and recycle waste electrical and electronic equipment.

*2 Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment
Enacted on April 1, 2013, this legislation stipulates the responsibilities of various entities, including the national and local public bodies, business operators and manufacturers, with respect to the promotion of recycling of small waste electrical and electronic equipment such as digital cameras and game devices, etc.

Recycling of Packaging Materials

Activities and
Results

The Nikon Group promotes the recycling of packaging materials for Nikon products including digital cameras in Japan by outsourcing the task to the Japan Containers and Packaging Recycling Association.

In Europe, under the EU Packaging and Packaging Waste Directive, each country has developed a packaging waste recovery and recycling system in accordance with its national laws. Many of these frameworks have adopted the Green Dot system*. In the EU, the Nikon Group pays recovery and recycling fees to recycling organizations in each country, and displays the Green Dot symbol on its product packaging. In this way, the Nikon Group cooperates in the promotion of the recovery and recycling of packaging materials.



Green Dot Mark

* Green Dot System
A recovery and recycling system for packaging waste adopted by domestic legislation in EU Member States in accordance with the 1994 EU Packaging and Packaging Waste Directive.

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

>Environmental Strategy >Environmental Management Promotion System >Promoting a Decarbonized Society >[Promoting Resource Circulation](#) >Preventing Pollution and Conserving Ecosystems

Reducing Resource Usage in Relation to Packaging and User Manuals

Activities and
Results

● Saving Resources by Downsizing Packaging Boxes

The Nikon Group is working to reduce the amount of materials it uses, such as paper and plastic, by downsizing the packaging boxes that contain individual products.

For example, in the case of Nikon's ECLIPSE Si biological microscope, in the past the microscope body and the lens barrel were packaged separately in cushioning material. By redesigning the cushioning material to make it a single unit, Nikon has succeeded in reducing overall packaging size by around 30%, and reducing the weight of the packaging materials by around 13%.

● Reducing Plastics in Packaging

In recent years, pollution of the sea from plastic waste has become a global problem. In response, the Nikon Group has implemented a number of measures, such as reducing the amount of plastic used in packaging, and changing over to paper-based materials in its packaging.

The Nikon Group is also working to standardize its packaging materials not just for consumer products such as cameras, but also for industrial products too, by promoting the use of one type of corrugated paper, including cushioning materials. This makes packaging easier to sort and also leads to less plastic waste.

● Reducing the Amount of Paper Used for User Manuals

The Nikon Group is working to reduce resource usage in relation to the user manuals that are packaged with Nikon products. In recent years, the amount of paper used for user manuals for mirrorless cameras has tended to increase as the range of functions that these cameras provide has grown, thus requiring more pages in the manual, and with the need to provide replacement manuals or supplementary materials when functionality is enhanced due to upgrading of firmware, etc. In response to this situation, we have been taking steps to substantially simplify the user manual that is provided with the camera, while providing more detailed information in a timely manner through the Nikon website. For the Z 6II and Z 7II models that were launched in 2020, the paper user manual was reduced from 270 pages to around 80 pages, with detailed information being moved to the website, which has made it possible to substantially reduce the amount of paper used. In addition, by providing the most up-to-date information on the Nikon website, customers can now access the latest information whenever they need it using their laptop, tablet computer or smartphone, which is more convenient. This initiative also contributes towards reducing the CO₂ emissions associated with printing and with product transportation. In the future, we plan to expand this initiative to also cover the user manuals for lens products.

Initiatives Aimed at Reducing Waste, etc.

While working to reduce the amount of waste generated, the Nikon Group is also taking steps to improve resource efficiency by defining level-specific targets for zero emissions.

Towards Zero Emissions*

Framework
and System

The Nikon Group has introduced level-specific targets into its zero emissions initiatives.

Nikon and the Group manufacturing companies in Japan all achieved Level S, again maintaining this level for the fiscal year ended March 31, 2021. Outside Japan, Optos Plc (UK) achieved Level 1, and other Group manufacturing companies are also making further efforts with the aim of achieving Level 1 by the year ending March 31, 2031.

* The concept of zero emissions was first advocated by the United Nations University in 1994. It embodies an approach that seeks to reduce waste from the whole of society to zero by recycling waste from one industry for use as a resource in other industries.

Zero Emission Level-specific Targets

- Level S: Final landfill disposal rate of less than 0.5%
- Level 1: Final landfill disposal rate of less than 1%
- Level 2: Final landfill disposal rate of less than 5%
- Level 3: Final landfill disposal rate of less than 10%
- Level 4: Final landfill disposal rate of less than 20%

* Final landfill disposal rate = Final landfill amount / (waste + items of value)
The final landfill amount is the amount of waste disposed of by landfill at the final disposal site.

Waste Reduction Performance

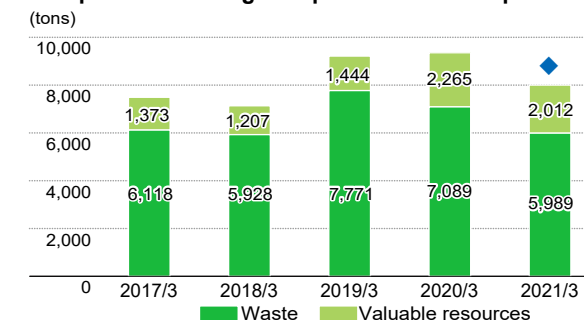
Activities and
Results

In the fiscal year ended March 31, 2021, two Group manufacturing companies located outside Japan—Hikari Glass (Changzhou) Optics Co., Ltd. and Nikon (Thailand) Co., Ltd. (Thailand)—proceeded with measures to convert discarded items into items of value.

The amount of waste (excluding valuable resources) generated by the Nikon Group in Japan and by the Group manufacturing companies outside Japan during the fiscal year ended March 31, 2021 was 5,989 tons. This figure represented a reduction of 15.5% (1,100 tons), and so Nikon achieved its target of reducing the total waste emissions from business processes by 1% or more (70.9 tons or higher) from the previous fiscal year. The total amount of final landfill waste generated was 875 tons ◆, with 7,127 tons of waste being recycled.

◆: Values in Data Index assured by third party

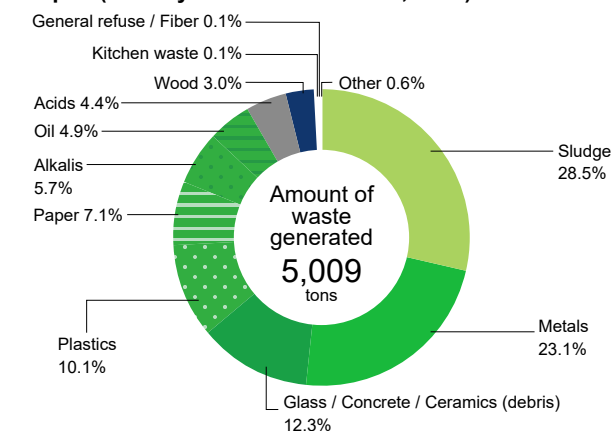
Changes in the Amount of Waste (Waste plus Valuable Resources) Generated by Nikon Group in Japan and Group Manufacturing Companies outside Japan



* Added Nikon (Thailand) Co., Ltd. and X-Tek Systems Ltd. from the fiscal year ended March 31, 2019, and Nikon CeLL innovation Co., Ltd., Nikon Lao Co., Ltd., Optos, Inc., and Optos Plc from the fiscal year ended March 31, 2020.

◆: Values in Data Index assured by third party

Breakdown (by Category) of Waste (Waste plus Valuable Resources) Generated by Nikon Group in Japan (Fiscal year ended March 31, 2021)



2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

>Environmental Strategy >Environmental Management Promotion System >Promoting a Decarbonized Society >[Promoting Resource Circulation](#) >Preventing Pollution and Conserving Ecosystems

Waste Reduction and Resource Circulation Measures

Activities and
Results

●Approach to the Manufacturing Process

Abrasives used to finish optical glass are discarded as abrasive sludge after use. Abrasive sludge accounts for about around 19% of waste discharged from the Nikon Group in Japan. In the fiscal year ended March 31, 2019, the Nikon Group established a method to reuse this abrasive, achieving a 45% reduction in abrasive sludge waste at the Nikon Shonan Branch, which produces photomask substrates. The Nikon Group is currently rolling out this method to the entire Nikon Group in an effort to reduce abrasive sludge waste.

Sendai Nikon Corporation is promoting recycling. For example, plastic waste is sorted by material and color, gate parts from molded products are crushed, and heating is used to reduce the volume of extruded polystyrene foam. With regard to metal waste, oil is separated from metal shavings by centrifugal separation, thereby enhancing the value of recycled valuable resources.

●Paper Resource Initiatives

The Nikon Group is working to reduce the amount of printed documents by digitizing materials for meetings, etc. Nikon Instruments (Shanghai) Co., Ltd. (China) and Nikon International Trading (Shenzhen) Co., Ltd. (China) have changed the settings of multifunction devices and introduced new software, which reduces the amount of paper used by allowing confirmation before accidental or unnecessary copying.

Protection of Water Resources

The Nikon Group recognizes the vital importance of water resources, and is making serious efforts to help safeguard them.

The Nikon Group seeks to identify how much water is used at each business facility and each Group manufacturing company and how this water is used, and utilizes this information as a basis for appropriate management aimed at reducing water usage.

Water Resource Conservation Measures

Targets
Activities and Results

The production processes for optical lenses, which constitute Nikon's main product category, and for the quartz glass that is used as a material in these lenses, use large quantities of water. For example, during the optical lens polishing process, water has to be added frequently in order to keep the polishing agent at the right consistency. Similarly, in the quartz glass production process, water is required to remove acid components from waste gases in the waste gas cleaning device. To conserve water resources in the areas where the plants are located, and to minimize the impact of water shortages on operations, the Nikon Group conducts water risk assessments, and implements measures based on the results obtained in these assessments. The Nikon Group as a whole has specified reducing water withdrawal on a year-on-year basis as part of its Environmental Action Plan. Having achieved this goal in the fiscal year ended March 31, 2020, the Group achieved it again in the fiscal year ended March 31, 2021, bringing water withdrawal down below the target level of 3,985,000 m³.

Framework and System
Activities and Results

Water Risk Assessments

The term "water risk" is used to refer to the impact that issues relating to water conservation, water-related natural disasters, water pollution, etc. can have on a business enterprise's activities. For the Nikon Group, which requires large quantities of water for the production processes used to manufacture its optical components, etc., a proper understanding and

awareness of water risk is vitally important.

The Nikon Group carries out water risk appraisals at each facility, and strives to monitor the situation effectively. In 2019, Nikon also carried out a water risk assessment using Aqueduct*¹ at 16 business facilities in and outside Japan with large water withdrawals. As a result, we confirmed that within the regions where the Nikon Group conducts its business activities, no areas are at any significant risk from water stress*². Furthermore, during the period March - July 2020, we conducted an individual water risk survey targeting 31 business facilities in and outside Japan. In deepening our understanding and awareness of water risk, our aim was to facilitate the identification of water risk and examine appropriate response strategies. Based on the results obtained in this survey, some facilities have begun to implement new water-related measures.

*1 Aqueduct

A global water risk mapping tool provided free of charge by the World Resources Institute showing water risk areas around the world

*2 Water stress

The situation where demand for water exceeds the supply

Water Withdrawal and Discharge

Activities and Results

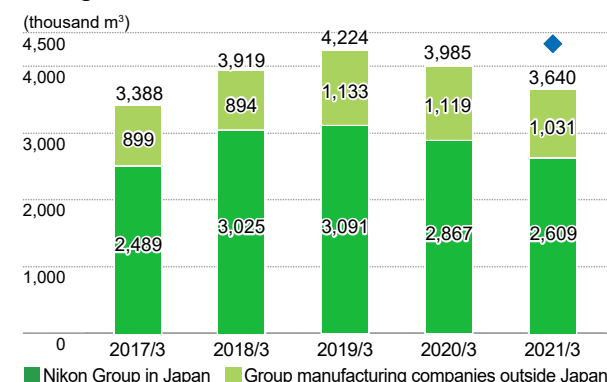
The Nikon Group's water withdrawal in the fiscal year ended March 31, 2021 was 3,640,000 m³ (with the Nikon Group in Japan accounting for 2,609,000 m³, and the Group manufacturing companies outside Japan accounting for 1,031,000 m³). The Group's total wastewater discharge was 3,297,000 m³ (with the Nikon Group in Japan accounting for 2,474,000 m³, and the Group manufacturing companies outside Japan accounting for 822,000 m³). The Nikon Group thus

achieved its target of reducing water withdrawal compared to the fiscal year ended March 31, 2020 (3,985,000 m³). In addition, the business facilities and the Group manufacturing companies that make use of considerable amounts of water pay special attention to ensuring that wastewater generated in the production process is properly treated, and endeavor to ensure that as much as possible of the water is reused. The Nikon Group's water reuse* rate in the fiscal year ended March 31, 2021 was 6.6%, representing an increase of 0.1 % compared to the fiscal year ended March 31, 2020. The Nikon Group is striving to increase the water reuse rate still further, for example through the implementation of new reuse measures at Nikon's Kumagaya Plant.

* Water reuse

Taking wastewater generated in a given production process and using it in another process.

Changes in Water Withdrawal



◆: Values in Data Index assured by third party

2021

Contents /
Editorial Policy

Message from
the President

Nikon Group
Profile

Nikon's
Sustainability

Business
Activity

Environment

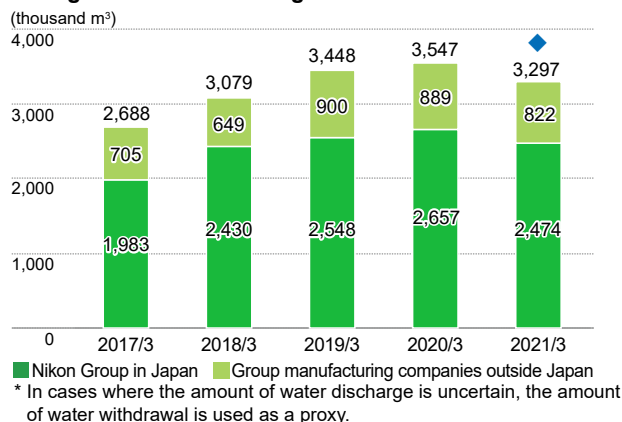
Society /
Labor

Governance

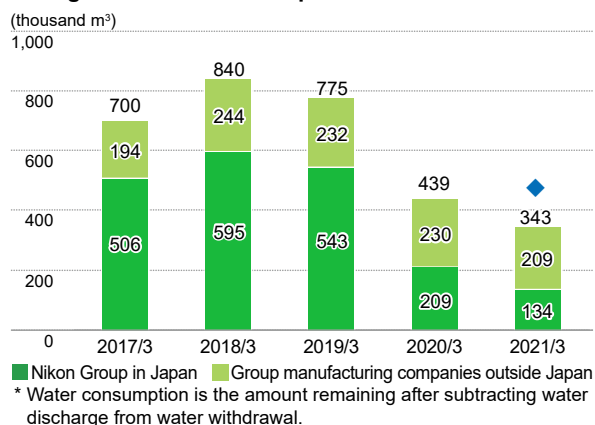
Corporate
Citizenship
Activities

>Environmental Strategy >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Preventing Pollution and Conserving Ecosystems

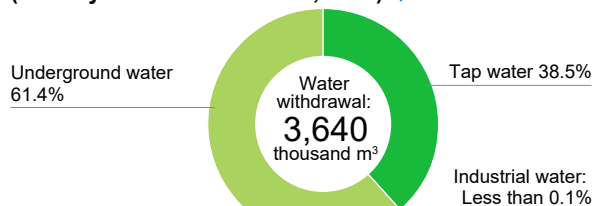
Changes in Water Discharge



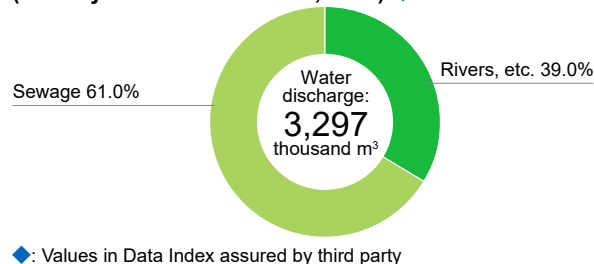
Changes in Water Consumption



Breakdown of Water Withdrawal (Fiscal year ended March 31, 2021)



Breakdown of Water Discharge (Fiscal year ended March 31, 2021)



Water Reuse Measures

Case Example of Wastewater Reuse (Nikon Shonan Branch)

The Nikon Shonan Branch uses a large amount of water resources during the polishing and cleaning processes of its manufacturing of photomask substrates. As such, in March 2019, the Nikon Shonan Branch implemented a mechanism to reuse the wastewater from the cleaning process. This water was previously discharged as unnecessary water but now is reused as supply water for the pure water production equipment. As a result, we were able to reduce the amount of water withdrawal at the Nikon Shonan Branch by over 12% compared to previous levels.

Effective Use of Concentrated Water (Nikon Kumagaya Plant)

Nikon Kumagaya Plant manufactures semiconductor lithography systems. A large amount of ultrapure water is required in the manufacturing process of semiconductor lithography systems. In order to produce ultrapure water, tap water is first fed into the ultrapure water system and separated into pure water and concentrated water by the RO membrane. The pure water is treated further to produce ultrapure water but the concentrated water was previously drained away as wastewater. As a way to make effective use of this concentrated water, in the fiscal year ended March 31, 2018 Nikon adopted a process to reuse it as makeup water for cooling towers. As a result, over the course of the fiscal year ended March 31, 2020, the Nikon Kumagaya Plant was able to reuse approximately 21,000 m³ of concentrated water as makeup water for cooling towers. Starting

from October 2020, the Plant increased the number of cooling towers making use of concentrated water, and as a result there was a further increase in the amount of concentrated water that was reused, rising to around 25,000 m³ over the course of the fiscal year ended March 31, 2021.

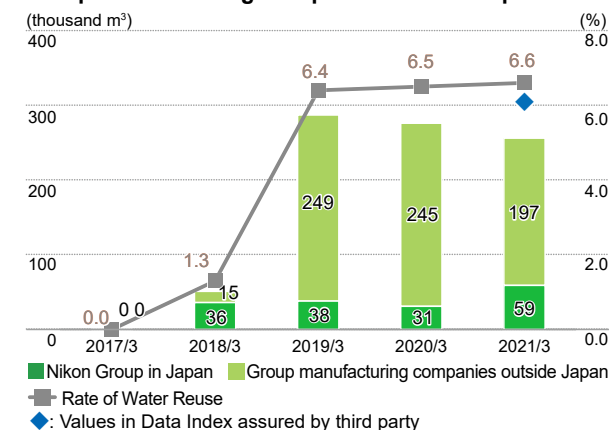
Reuse of Domestic Wastewater and Treated Water (Nikon Lao Co., Ltd.)

Nikon Lao Co., Ltd. (Laos) is located in a district with only basic water supply infrastructure, and has been actively implementing measures to improve water resource efficiency. From April 2017, the company has been purifying domestic water and reusing it for flushing toilets and for their garden sprinkler system. And since February 2018, they have also been using treated water as cooling water.



Wastewater treatment system at Nikon Lao Co., Ltd.

Changes in Water Reuse in Nikon Group in Japan and Group Manufacturing Companies outside Japan



Priority Issue 5

Preventing Pollution and Conserving Ecosystems



Reducing Hazardous Chemical Substances in Products

The Nikon Group has formulated a range of measures for all of our products, to reduce hazardous substances and ensure compliance with international laws and regulations on hazardous chemical substances.

Responding to Regulations on Hazardous Chemical Substances

Framework
and System

To safeguard human health and reduce environmental risks, the Nikon Group strives to implement rigorous chemical substance management that adheres to international regulatory frameworks. More specifically, we respond appropriately to international environmental laws and regulations that include the EU RoHS directive*¹ and REACH regulation*². As Nikon products are made from a very large number of materials and components, we work closely with our procurement partners to survey the chemical substances contained in products using chemSHERPA, a scheme that facilitates sharing information on chemical substances in products, reducing the use and discharge of hazardous chemical substances in the supply chain.

*¹ See P31 for EU RoHS Directive (Restriction of Hazardous Substances)

*² REACH regulation

An EU regulation on chemical substances that came into effect in 2007. REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." Under this regulation, manufacturers and importers of chemical substances are required to register information on the safety and use of these substances.

Main Measures for Chemical Substance Management

1. Researching on recent global trends in related laws and regulations
 - Collecting information from external committees, etc.
2. Implementing surveys of hazardous chemical substances in products
 - Conducting surveys via the supply chain
 - Making effective use of IT to realize efficient data management
 - Implementing chemical analysis, etc.
3. Discussing countermeasures of the Nikon Group
 - Utilizing the relevant internal environment-related systems (committees, etc.)
4. Communicating countermeasures, both internally and externally, in a timely manner
 - Providing instructions regarding reduction or switching over to alternatives to hazardous chemical substances, etc.
 - Formulating and updating the Nikon Green Procurement Standards
5. Confirming appropriate response to laws and regulations
 - Implementing assessments
6. Confirming the chemical management implementation status of procurement partners, and helping them to upgrade it
 - Auditing procurement partners' chemical substance management systems
 - Providing support to help procurement partners establish chemical substance management systems

[Promoting Green Procurement\(→P81\)](#)

Abolition of All Ozone-layer-depleting Substances

Activities and
Results

The Nikon Group has abolished the use of ozone-depleting substances (HCFCs), which were previously used as refrigerants needed to regulate the temperature in FPD lithography systems and semiconductor lithography systems, starting from the fiscal year ended March 31, 2009. With regard to devices sold in the past that used HCFCs as the refrigerant, the Nikon Group is developing new types of air-cooling unit that do not use HCFCs, and which can be installed in these older devices.

With this modification, the Nikon Group is helping to not only reduce its use of HCFCs, but also to extend the product lifespan of older devices.

Technology without Hazardous Substances

Activities and
Results

The Nikon Group has worked to develop technology that does not use hazardous substances.

● Use of Lead- and Arsenic-free Glass

In the 1990s the Nikon Group adopted the use of lead- and arsenic-free glass*, as we recognized that the lead and arsenic used in most optical glass at that time had a serious environmental impact.

We are also thoroughly utilizing lead-free solder. Today, with the exception of certain products with special specifications for industrial use, the utilization rate of lead-free solder in new designs is 100%.

* Lead- and arsenic-free glass

For the optical glass used in the lenses and prisms of optical instruments, Nikon has developed a new type of glass that contains absolutely no lead or arsenic. The ratio of lead- and arsenic-free glass is 100% used now in almost all Nikon product lines.

● Adoption of Hexavalent Chromium-free Technology for Surface Treatment Processes

Nikon has formulated rigorous technical standards in order to discontinue the use of heavy metals (hexavalent chromium, lead, cadmium, and mercury) in all surface treatment processes, including plating. We perform individual technical support and confirmation by chemical analysis of actual products for our procurement partners to which we outsource the surface treatment processes.

● Replacement of Parts Containing Organofluorine Compound PFOA

In July 2020, the widely used organofluorine compound PFOA became a prohibited substance under the EU's 2019/1021 persistent organic pollutants (POPs) regulation*.

Prior to this, Nikon designated organofluorine compound PFOA as a prohibited substance in the Nikon Green Procurement Standards in January 2020 and completed the replacement of parts which contained this substance.

* Persistent organic pollutants (POPs) regulation

An EU ratified regulation under the Stockholm Convention containing provisions regarding production, placing on the market, restrictions on use of chemicals, and measures to reduce unintentional releases of POPs.

● Restricting the Use of Prohibited Substances under the EU RoHS Directive*

It has come to our attention through an internal audit based on our own product environmental standards that a part containing levels of dibutyl phthalate (DBP), which potentially exceeds the standard value specified in the EU RoHS Directive, has been used in some F6 film SLR cameras produced and/or placed on the market after July 22, 2019. When this came to our attention, we immediately suspended shipment of this item. The reason for this was because the Group's parts procurement partners were not properly instructed or managed.

The Nikon Group takes this very seriously and strives to prevent this from happening again by carrying out compliance retraining on the EU RoHS Directive, strengthening its inspection process, and by making sure its procurement partners are properly instructed and managed on the EU RoHS Directive.

* See P31 for EU RoHS Directive (Restriction of Hazardous Substances)

[Quality Issues Occurring in the Fiscal Year Ended March 31, 2021 \(→P31\)](#)

Management and Reduction of Hazardous Chemical Substances

The Nikon Group strives to consider the environment and health in managing and reducing hazardous chemical substances involved in production.

Policy and System for Management of Chemical Substances

Framework and System
Activities and Results

The Nikon Group has established and uses the Hazardous Chemical Substances Guideline, which is stricter than the relevant statutory requirements, as a self-directed chemical substances management measure. Management standards have been established in relation to chemical substances used in the production process and contained in products, according to the risks to the environment and to health, and such substances are classified as "Prohibited," "Reduced," "Controlled," or other. In particular, we have set deadlines for terminating the use of "Prohibited" substances, and we are working towards eliminating these substances altogether. In the year ended March 31, 2021, we focused on efforts to completely eliminate halogen-based solvents. The use of HCFCs, which are harmful to the ozone layer, has already been terminated and they have been completely replaced by safe substitutes. As regards HFCs, which are classed as halogenated greenhouse gases, and dichloromethane, regarding which there are concerns that it may possibly be carcinogenic, we are currently testing alternatives. In the case of HFCs, we are following the Japanese government's recommended schedule for reduction of use, seeking to reduce usage by at least 85% by 2036, and in the case of dichloromethane we are aiming to decide on alternatives in the fiscal year ending March 31, 2022, and complete the switchover to these alternatives by the fiscal year ending March 31, 2023.

Control and Reduction of Chemical Substances in Manufacturing

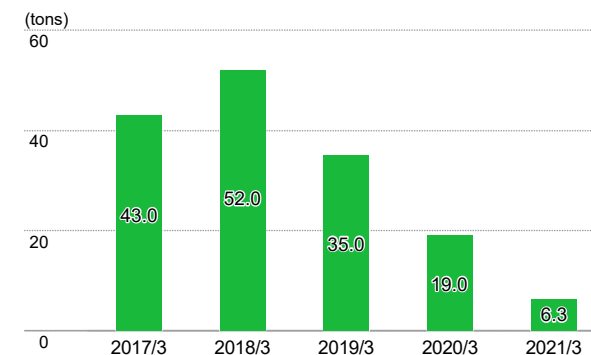
Framework and System
Activities and Results

The Nikon Group implements measures aimed at preventing the occurrence of environmental pollution. In concrete terms, the Nikon Group continues to strive to reduce the risk of environmental pollution as close as possible to zero, by implementing environmentally-friendly management of chemical substances from purchase and use through to disposal. When purchasing a new chemical substance, a system has been established whereby a safety data sheet (SDS)* is obtained and a risk assessment is conducted. Measures based on the results of the assessment are then checked and confirmed by the environment, health and safety department from an expert's point of view. In addition, the chemical substance risk control team, which is a working group spanning each business unit, sets common targets for the Group in order to reduce hazardous chemical substances used in the production process. Terminating the use of 1-bromopropane is something we have been working on since the fiscal year ended March 31, 2019. The use of this substance had ended at all production sites, both in and outside Japan, by the fiscal year ended March 31, 2021, and the change to safer alternative substances has been completed.

* Safety Data Sheet (SDS)

To promote improvements in the appropriate management of chemical substances by business enterprises, when a chemical substance specified by the Chemical Substances Control Law (CSCL), or a product containing such a substance, is transferred or supplied from one enterprise to another, the transferring or supplying enterprise is required to provide, in advance, a safety data sheet (SDS) noting information about the characteristics of the chemical substance and how it should be handled.

Amount of 1-Bromopropane Handled at Nikon Group in Japan



Nikon Group's PRTR*1 and VOCs

Framework and System
Activities and Results

The Nikon Group in Japan uses the Hazardous Chemical Substances Guideline to reduce the use of and manage chemical substances subject to the pollutant release and transfer register (PRTR), and also carries out safety controls on the handling and disposal of these substances based on the safety data sheets (SDS). In addition, the Nikon Group in Japan carries out environmental information surveys twice a year to compile data on inventory, purchases, uses, disposals, releases, etc., filing reports when necessary. Furthermore, we implement internal management that is more rigorous than the PRTR, conducting surveys for all substances of which 100g or more are handled per year, based on our own standards, as compared to the regular PRTR system which only requires

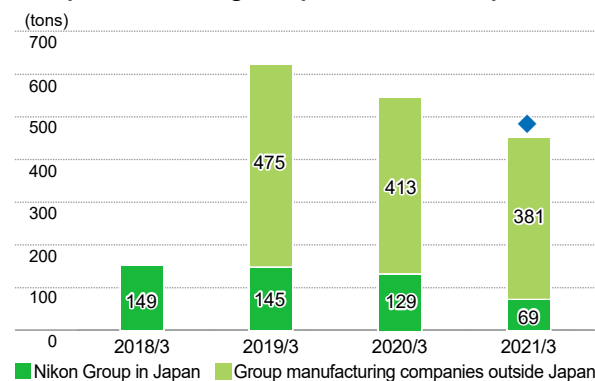
reporting for substances of which 0.5 tons or more, or 1 ton or more (depending on the substance), are handled per year. In the fiscal year ended March 31, 2021, this same system was extended to the Nikon Group's operations outside Japan, and we began managing substances that are subject to Japan's PRTR on the basis of Group-wide common standards. In efforts to reduce the amount of volatile organic compounds (VOC) emitted into the atmosphere*2, the Nikon Group has been implementing measures to make cleaning equipment more airtight and improve the rate of reuse. In the fiscal year ended March 31, 2021, we also conducted surveys of our main production sites, and verified the current state of implementation of related measures. In the future, we will be sharing this information throughout the Group, and we plan to roll out various measures while making effective use of case studies obtained from external organizations.

In the fiscal year ended March 31, 2021, VOC emissions totaled 69 tons in the Nikon Group in Japan and 381 tons in the Group manufacturing companies outside Japan.

*1 See P47 for PRTR (Pollutant Release and Transfer Register)

*2 A survey on 100 major VOCs as indicated by the Ministry of the Environment.

VOC Emissions of Nikon Group in Japan and Group Manufacturing Companies outside Japan



* In Japan only for the fiscal year ended March 31, 2018. Hikari Glass (Changzhou) Optics Co., Ltd., Nanjing Nikon Jiangnan Optical Instrument Co., Ltd. and Nikon (Thailand) Co., Ltd. added in the fiscal year ended March 31, 2019. Nikon Lao Co., Ltd., Optos, Inc. and Optos Plc added in the fiscal year ended March 31, 2020. Nikon X-Tek Systems Ltd. added in the fiscal year ended March 31, 2021.

◆: Values in Data Index assured by third party

Control and Disposal of Polychlorinated Biphenyl (PCB) Waste

Activities and
Results

With regard to waste and in-use electrical equipment containing polychlorinated biphenyl (PCB), which can be harmful to living organisms and the environment, the Nikon Group conducts surveys of all Group companies to confirm whether they possess any such equipment, observes stringent safekeeping practices in compliance with relevant laws and regulations, and submits all required notifications to the relevant governmental authorities.

In the fiscal year ended March 31, 2020, Nikon completed treatment of all high-density PCB waste in the Nikon Group. Currently, two Nikon plants and one Group manufacturing company in Japan possess transformers which create low-density PCB waste. After consultation with a government-

certified waste disposal operator for industrial waste, we intend to carry out treatment of this low-density PCB waste sequentially, completing treatment within the deadline of March 31, 2027 specified in the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law)*.

* The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes is a special measures law aimed at promoting the appropriate processing of polychlorinated biphenyl (PCB) waste.

Prevention of Air, Water and Soil Pollution

Activities and
Results

The Nikon Group not only complies with the rules, including laws, regulations and ordinances, in order to prevent the contamination of air, water, and soil due to emission of hazardous chemical substances, but also promotes initiatives which include concluding agreements with local organizations and setting voluntary standard values.

Continuing from the previous fiscal year, neither Nikon nor any Group manufacturing company in Japan emitted regulated substances into the air or into wastewater at levels exceeding those permitted by the relevant standards in the fiscal year ended March 31, 2021.

Biodiversity Conservation

Corporate activities are profoundly linked to biodiversity. The business activities of the Nikon Group are supported by the bounty of nature. At the same time, we recognize that our business activities have an impact, and we strive to conserve biodiversity.

Approach to Biodiversity

Approach and Policy
Activities and Results

The Nikon Group obtains materials for its products from ecosystems and causes impacts on ecosystems from its business activities such as emission of chemical substances and greenhouse gases. At the same time, we believe that we can contribute to biodiversity conservation through products in the fields of nature observation, research and education. The Nikon Group recognizes the need for biodiversity conservation in order to realize the objective of "Realizing a healthy and environmentally safe society" which forms part of the Nikon Long-Term Environmental Vision, and is implementing related activities.

Relationship between Ecosystem Services, Business Activities and Environmental Activities

At the Nikon Group, relevant corporate departments led analysis and assessment of dependence and impact on biodiversity in our business activities. We also conducted hearings for business units, and found a high dependence and/or impact in provisioning services, regulating services, and cultural services within ecosystem services as a result of conducting analysis and evaluation from the specialist standpoint of each department. The Nikon Group actively works to reduce the greenhouse gas emissions of its business divisions and the use of hazardous chemical substances, including those stipulated in the EU RoHS Directive*, as well as taking steps to reduce paper usage and

making a proactive effort to use FSC-certified paper. These activities help to reduce the negative impact on ecosystems. The Nikon Group is also able to exert a positive impact on ecosystems by providing products for use in educational and research activities, and by implementing corporate citizenship activities. Going forward, the Nikon Group will continue to implement

various environmental activities while taking into account the needs of biodiversity conservation.

*1 See P31 for EU RoHS directive (Restriction of Hazardous Substances)

*2 FSC-certified paper
Paper that is certified as being made using timber from appropriately managed forests.

Nikon Group's Main Activities Related to Ecosystem Services

Ecosystem services on which Nikon Group has a high dependence and/or impact		Specific examples	Major initiatives
Provisioning services	Wood materials and fibers	Use of paper as product materials (manuals, catalogs, packaging materials, etc.) Use of paper in business activities (copy paper, etc.)	Paper Usage with Consideration for Biodiversity (➡P71)
	Freshwater	Use of water in business activities	Protection of Water Resources (➡P64)
Regulating services	Maintenance of air quality	Emissions of chemical substances in business activities	Reducing Hazardous Chemical Substances in Products (➡P66) Promoting Green Procurement (➡P81) Management and Reduction of Hazardous Chemical Substances (➡P68)
	Regulation of climate	GHG emissions in business activities	Reduction of Greenhouse Gases in the Supply Chain (➡P50) Initiatives to Reduce Greenhouse Gas Emissions in Products (➡P51) Initiatives to Reduce Greenhouse Gas Emissions at its Business Facilities (➡P52) Initiatives to Reduce Greenhouse Gas Emissions in Distribution (➡P55)
	Water purification and waste treatment	Generation of waste, including wastewater in business activities	Initiatives Aimed at Reducing Waste, etc. (➡P62) Protection of Water Resources (➡P64) Management and Reduction of Hazardous Chemical Substances (➡P68)
Cultural services	Ethical values	Use of products for educational and research purposes Corporate Citizenship Activities	Support for Biodiversity Conservation and Restoration (➡P72)

Paper Usage with Consideration for Biodiversity

Activities and
Results

Paper, a forest resource, is one of the resources that the Nikon Group benefits through ecosystem services. The Nikon Group strives to reduce paper consumption as a part of the conservation of biodiversity and forest resources. In addition, under our Paper Procurement Policy, we have recommended conversion to using paper with consideration for the sustainable use of forest resources. In product development, we verify the environmental sustainability of the paper resources that we use by implementing Nikon Product Assessment and Nikon Packaging Assessment at the planning and design stage, and at the prototyping and production stage, and we promote the utilization of biodiversity-friendly paper resources.

[Reducing Resource Usage in Relation to Packaging and User Manuals \(→P61\)](#)

[Paper Procurement Policy](#)

https://www.nikon.com/about/sustainability/environment/safety/Paper_Procurement_Policy.pdf

[Nikon Product/Packaging Assessment \(→P48\)](#)

●Conversion to Using FSC-certified Paper*

The Nikon Group is, in accordance with its Paper Procurement Policy, switching over to the use of FSC-certified paper. We are giving priority initially to usages that involve particularly large quantities of paper and which therefore have a major impact on society.

Within Japan, we are using FSC-certified paper for product catalogs and for printed materials, corporate envelopes, name-cards, etc. issued or used by Nikon's administration departments.

We have been implementing measures to promote the shift over to using FSC-certified paper for the paper used by our business units; in the fiscal year ended March 31, 2021, FSC-certified paper was used for 87% of all product catalogs issued in Japan

(with the exception of those printed on special types of paper). We have also nearly completed shifting over to FSC-certified paper for instruction manuals, such as those for microscopes and measuring instruments.

The Nikon Group has also adopted FSC-certified paper for the instruction manual and packaging for its flagship D6 digital SLR camera, which was launched in June 2020.

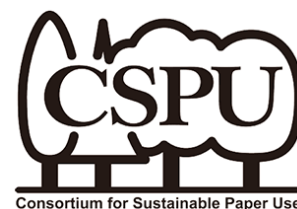
* See P70 for FSC-certified paper



The D6 digital camera packaging box

●Participation in the Consortium for Sustainable Paper Use

Nikon has joined the Consortium for Sustainable Paper Use*. From this participation, Nikon is working to promote appropriate use of paper throughout society while strengthening its efforts through the exchange of information with member companies.



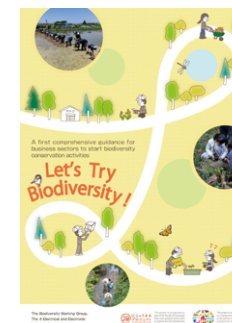
CSPU's logo

* Consortium for Sustainable Paper Use (CSPU)
The Consortium for Sustainable Paper Use is a consortium established in 2013 by a group of corporations that are playing a leading role in promoting sustainable paper use in Japan, the World Wide Fund for Nature (WWF) Japan (a major international environmental NGO), and Response Ability, Inc., a company that is working to promote sustainability in the corporate sector.

Activities with Industry Groups

Activities and
Results

Nikon participates in the Environmental Strategy Liaison Committee Biodiversity Working Group (WG) formed by the four leading Japanese electric and electronic (E&E) industrial associations*, and works to promote biodiversity conservation activities among the associations' member companies. This working group undertakes a wide variety of activities, including the publication of biodiversity awareness-raising materials and handbooks for activity implementation, the conducting of surveys on biodiversity-related trends, the holding of training activities, and the creation and making available for public use of a database of case-studies of biodiversity conservation work undertaken by the associations' member companies. In the fiscal year ended March 31, 2021, the working group compiled English-language versions of the previously published "Let's Try Biodiversity! A first comprehensive guidance for business sectors to start biodiversity conservation activities," "Let's Try Biodiversity Pick Up! Society/Company Changes if We Change Paper!?" and "Let's Try Biodiversity Pick Up! Part 2 - Reduce waste on the ground to reduce marine plastics" and made them available online to support biodiversity activities at member companies' overseas business locations. The working group also arranged for an expert to give an online seminar on the topic of plastic waste in the oceans, a topic that has started to attract a great deal of attention in the past few years.



The cover of "Let's Try Biodiversity! A first comprehensive guidance for business sectors to start biodiversity conservation activities"

* The four leading Japanese electric and electronic (E&E) industrial associations
The following four leading Japanese electric and electronic associations are collaborating on biodiversity initiatives.
JEMA: The Japan Electrical Manufacturers' Association
JEITA: Japan Electronics and Information Technology Industries Association
CIAJ: Communications and Information Network Association of Japan
JBMA: Japan Business Machine and Information System Industries Association

Initiatives at Each Business Facility

Activities and Results

The Nikon Group contributes towards the conservation of biodiversity and the protection of the natural environment in local communities.

In addition, having become aware that around 80% of ocean waste was originally urban waste that was washed into the sea, we are making a serious effort to keep the areas around our facilities clean, as well as working to beautify nearby footpaths and flowerbeds, etc. We also actively participate in and collaborate on environmental conservation activities organized by local communities to protect rare plant and animal species, etc., as well as other activities undertaken to revitalize the local community. In the fiscal year ended March 31, 2021, although the COVID-19 pandemic led to restrictions on activity content and the number of activities that could be held, a total of 981 Nikon employees participated in community contribution activities over the course of the year.

Nikon Corporation's Oi Plant, Sagami-hara Plant, Shonan Branch (of the Sagami-hara Plant), Kumagaya Plant, Mito Plant and Yokosuka Plant

In the fiscal year ended March 31, 2021, with the collaboration of local government authorities, these Nikon plants implemented clean-up activities in which they cleaned up garbage, fallen leaves, etc. from parks, roads and footpaths in the vicinity of the plant.



Clean-up activity near a Nikon plant (Oi Plant)

Nikon Yokohama Plant

The Nikon Yokohama Plant has registered to participate in the Hama Road Supporter road adoption program that is being implemented by Yokohama City Government. Besides carrying out clean-up activities to clean garbage, etc. from roads near the plant, the Nikon Yokohama Plant has also been implementing activities to beautify the nearby roads, for example by planting and cultivating miniature sunflowers and tulips on the verges and roadside flower-beds.



Planting and cultivation of tulips (Yokohama Plant)

Nagai Plant, TNI Industry Corporation

TNI Corporation's Nagai Plant collects fallen cherry blossom leaves within its ground to make mulch, which it donates to the Kubo Zakura Preservation Society, a group working to protect the Isazawa-no-Kubozakura, a nationally protected species local to Nagai City, Yamagata Prefecture.

Tochigi Nikon Corporation, Tochigi Nikon Precision Co., Ltd., and TNI Industry Corporation

These plants undertake clean-up activities in the vicinity of the plant, and also collaborate with the Association for Cleaning Up the Naka River, which has been sponsored by Tochigi Prefectural Government, on carrying out clean-up activities on the riverbed of the Naka River, in line with the goal of "Realizing Zero Plastic Waste in our Forests, Countryside, Rivers and Lakes."

Nikon (Thailand) Co., Ltd.

June 5 has been designated by the United Nations as World Environment Day. On June 5, 2020, Nikon (Thailand) Co., Ltd. planted 50 Golden Trumpet trees around the plant, and also conducted clean-up activities in the vicinity of the plant.



Tree-planting activity (Nikon (Thailand) Co., Ltd.)

Support for Biodiversity Conservation and Restoration

Activities and Results

Nikon has been supporting the AKAYA Project of the Nature Conservation Society of Japan (NACS-J) since 2006. This project involves research and verification testing aimed at conservation and restoration of biodiversity in the Akaya Forest, which is centered around an area of National Forest covering around 10,000 hectares located in the north of Minakami-machi in Gunma Prefecture, and which has been designated by UNESCO as the Minakami Biosphere Reserve, as well as promoting sustainable community development that makes effective use of forest resources. In addition to providing our digital cameras and binoculars to support research activities, Nikon also encourages employees of the Nikon Group in Japan to participate in volunteer activities to help regenerate the natural forests. To enhance the efficiency of the AKAYA Project's wildlife surveys, we also worked together with the NACS-J to develop an application for automatically detecting animal images. This application is used in the field for surveys, and in the future, it is anticipated that it can be used to realize effective low-density management of the Japanese deer population, with the aim of protecting the natural environment.

[Column: Helping to Preserve Biodiversity with Technology \(P112\)](#)



Nikon Group employees participate in volunteering activities that seek to accelerate the regeneration of natural forest by removing trees and plants that retard the growth of young trees. The effectiveness of these activities has been verified by periodic monitoring surveys.

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities[>Strengthening Supply Chain Management](#)[>Respecting Human Rights](#)[>Diversity and Inclusion](#)[>Employees' Health and Safety](#)

Society / Labor

Priority Issues

6. Strengthening Supply Chain Management

[➔P73](#)

7. Respecting Human Rights

[➔P83](#)

8. Diversity and Inclusion

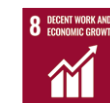
[➔P87](#)

9. Employees' Health and Safety

[➔P94](#)

Priority Issue 6

Strengthening Supply Chain Management



Reason for Priority

The processes of development, design, procurement, production, and sales form a value chain before the provision of products to customers by business enterprises. The manufactured products that are delivered to customers must not only be of high quality, but must also guarantee social responsibility on global issues such as human rights, labor, and the environment. In the value chain process of procurement, when business enterprises procure raw materials from supply chains around the world, there may be problems in individual worksites, such as human rights violations, poor working conditions, environmental destruction, and conflict minerals, which have been recognized as social issues. The supply chain may also contain many risks on these issues at tier 2 and tier 3 suppliers. Business enterprises are required to contribute to solving these social issues by visualizing supply chains and consistently doing business with suppliers who share the same vision and work together to address these issues.

Commitment

The rapid changes in the external environment, which are typified by the recent COVID-19 pandemic, pose the challenge of responding to the new normal. In general, under such an environment, enterprises tend to prioritize profit in order to survive and neglect consideration of the human rights of workers, the environment, and other issues. At the Nikon Group, we believe we should pursue profit and respond to social issues simultaneously. By strengthening collaboration with our procurement partners, we aim to boost corporate competitiveness, solve social issues in the supply chain, and engage in sustainable corporate activities together. The Nikon Group seeks sustainable procurement in collaboration with our procurement partners that will contribute towards the building of a sustainable society through a supply chain based on transactions with procurement partners who share the same approach.

Nobuyuki Ishizuka
General Manager of Production Technology Division

[Activity Policies]

- Nikon Basic Procurement Policy
- Nikon CSR Procurement Standards
- Responsible Minerals Sourcing Policy

- Nikon Basic Green Procurement Policy
- Nikon Green Procurement Standards

[System]

- Supply Chain Subcommittee

Nikon's Supply Chain Management

Nikon considers its suppliers to be an important partner that help create and provide products and solutions useful for the world.

Based on this belief, we strive to deepen mutual understanding and build trust with procurement partners, and aim for the co-existence and co-prosperity of both parties.

Basic Policy for Procurement

Approach and
Policy

As a company working to build a better society and global environment as well as realize sustainable growth, Nikon has established the Nikon Basic Procurement Policy to continually supply the world with useful products and solutions. Under this plan, we carry out our procurement activities in an honest and fair manner.

Nikon Basic Procurement Policy (Summary)

Procurement based on the concept of partnership

1. Sustainable corporate activities
2. Open-door procurement
3. Procurement based on the concept of fair competition

[Nikon Basic Procurement Policy](https://www.nikon.com/about/corporate/procurement/policy/)

<https://www.nikon.com/about/corporate/procurement/policy/>

Nikon Group's Supply Chain

Framework
and System

The Nikon Group manufactures and assembles nearly all products within the Group. At the same time, we procure raw materials, metals, resins, and optical and electronical components from around 2,700 procurement partners in and outside Japan.

To ensure a high degree of quality, cost and delivery (QCD), we actively procure raw materials and parts from the countries and regions where we manufacture our products. The percentage of local procurement based on transaction value for goods

procured externally is approximately 90% at our production sites in China (Nanjing Nikon Jiangnan Optical Instrument Co. Ltd., Nikon International Trading (Shenzhen) Co., Ltd., and Hikari Glass (Changzhou) Optics Co., Ltd.) and approximately 80% at our production site in Southeast Asia (Nikon (Thailand) Co., Ltd.)

We require our local procurement partners to comply with various standards through the Nikon Group's Total Supply Chain Management and CSR procurement, and provide guidance on improvements. In addition to optimizing QCD, we work from a long-term perspective that will lead to enhancing the corporate capabilities of our procurement partners and creating new business opportunities for them.

Percentage of Local Procurement at Production Sites (As of the Fiscal Year Ended March 31, 2021) (Unit: %)

		Percentage of local procurement (Based on transaction value)	Percentage of locally-based procurement partners
Country/ Region	Japan	94	99
	China	88	84
	Southeast Asia	79	78

Procurement Partner Management

Framework and System

Activities and Results

●Total Supply Chain Management (TSM)

Over the past few years, the environment surrounding corporations has changed rapidly, including the COVID-19 pandemic, economic conflict between the U.S. and China, and storm-related disasters. In the supply chain, it is essential to establish a Total Supply Chain Management (TSM) system that can respond promptly to these changes.

At the Nikon Group, we believe it is necessary to work on creating this system in two stages. The first stage is the visualization of the supply chain in order to accurately identify the current situation. The next stage involves doing business from a long-term perspective with procurement partners that meet the Nikon Group's required standards based on technical capabilities, quality, cost, delivery management, governance, level of cooperation, and other indicators.

In the fiscal year ended March 31, 2020, we established a system for the integrated management of information held by each department in the Nikon Group in order to promote the visualization of information. We then collected information from Japan and Asia, where our major procurement partners are concentrated, and commenced operation of the system. In the fiscal year ended March 31, 2021, we worked on improving the quality of the information in the system.

Procurement partners updated corporate information, and we added data on areas such as management status, transaction status, rating information, and ESG information in order to

evaluate our procurement partners. At the same time, we expanded the regions covered in the system and began to register the procurement partners of the Group companies in Europe. We also started to register procurement partners for indirect materials in order to integrate the management of direct and indirect materials.

Furthermore, we revised our Procurement Procedure Manual, which specifies the system operating procedures and selection criteria for procurement partners in order to maintain and continue the initiative at a high level and made it known to all the concerned parties at the Nikon Group.

Building a framework for supply chain visualization using this system has enabled us to identify the compliance status of our procurement partners with the standards required by the Nikon Group quickly and in detail. As a result, we have been able to strengthen our procurement capabilities through such means as providing timely support to procurement partners who do not meet our standards or terminating transactions with procurement partners who do not understand the initiative. Going forward, we will move to the phase of enhancing the operation of the system in supply chain management. In the fiscal year ending March 31, 2022, we will continue our efforts to expand the regions covered by the system. We will also work to improve the quality of information in order to conduct transactions with procurement partners from a long-term perspective and consider the multifaceted and quantitative evaluation of our procurement partners.

Strengthening the BCP

Strengthening capabilities to respond to emergencies such as frequently occurring natural disasters, is also important issue for TSM. In the fiscal year ended March 31, 2021, the Nikon Group redeveloped the internal initial response infrastructure under the BCP. At the same time, we established a company-wide meeting for sharing BCP information and shared information on responding to Typhoon No. 19 (13 times) and COVID-19 (15 times).

We also decided to utilize the BCP contingency survey function of the system to survey damage at procurement partners in an emergency more efficiently. In the fiscal year ended March 31, 2021, we completed the registration of information from all of our procurement partners. We also obtained information on tier 2 suppliers from approximately 20% of our procurement partners, worked on visualizing the tier 2 and tier 3 supply chain, and conducted a demonstration survey for an emergency scenario based on this information.

In the fiscal year ending March 31, 2022, we will continue to visualize tier 2 and tier 3 suppliers and promote BCP supply chain management.

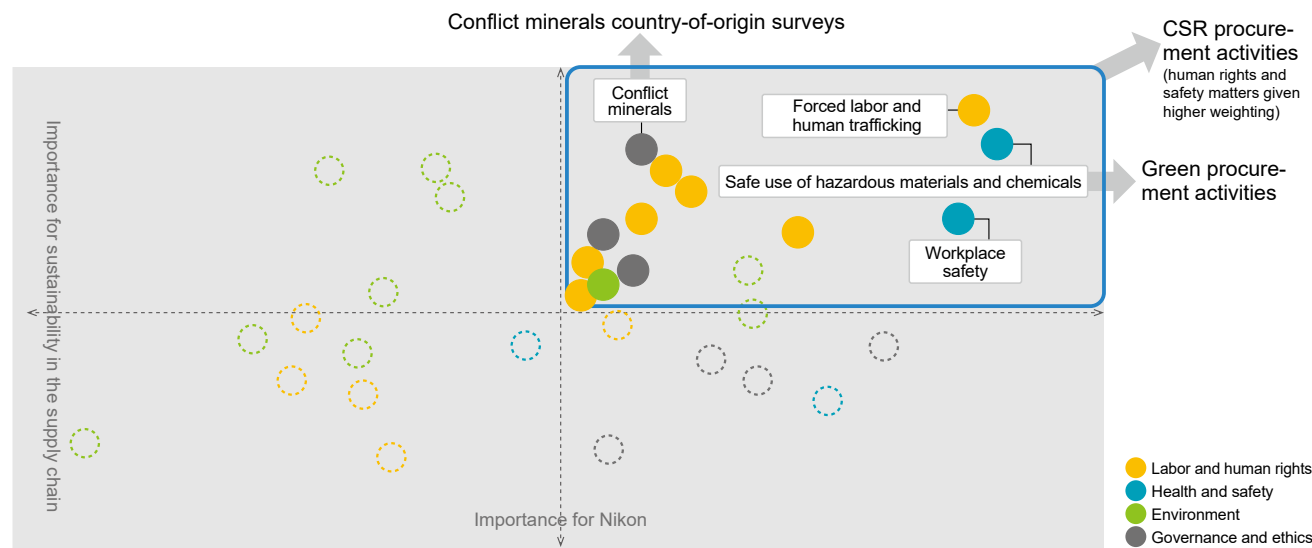
Supply Chain Materiality

Framework
and System

The Nikon Group analyzes the materiality of its supply chain to ensure more accurate and effective activities, aimed at truly responsible supply chain management. Specifically, with the assistance of an NPO consultant with expertise on sustainability, we map our important issues identified from various international standards according to the importance for Nikon's business operations and the importance for sustainability in the supply chain. As a result, the highest priority issues found in the Nikon Group's supply chain were determined to be human rights and labor matters along with the management of chemical substances. The Nikon Group is now working to address these issues as part of its ongoing efforts for addressing CSR procurement, conflict minerals compliance and green procurement.

The Nikon Group has been working to address these issues within the context of CSR procurement, responsible minerals sourcing, and green procurement. We will continue with these activities moving forward.

Material Map



Procurement Partners Subject to Each Activity

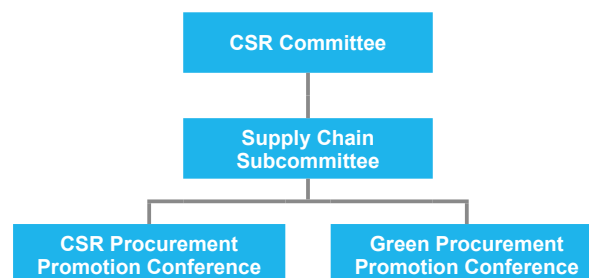
Issues of highest importance	Countermeasure	Target	Number of companies
Forced labor and human trafficking/ Workplace safety	CSR procurement activities (human rights and safety matters given higher weighting)	All procurement partners However, procurement partners that account for the top 80% of transaction volume are targeted first considering their impacts on our business operations	Approx. 200
Safe use of hazardous materials and chemicals	Green procurement activities	Procurement partners that use hazardous substances or chemicals in manufacturing processes for components in Nikon products	Approx. 1,200
Conflict minerals	Conflict minerals country-of-origin surveys	Procurement partners that use conflict minerals in components used in Nikon products	Approx. 700

Nikon's Supply Chain Management SystemFramework
and System

The Nikon Group has established the Supply Chain Subcommittee, which meets twice a year, 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 Nikon's Procurement Sector Manager and comprises members including the heads of quality assurance and procurement from each business unit and the presidents of the Group manufacturing companies in and outside Japan. Under this subcommittee, we have established the CSR Procurement Promotion Conference, which promotes all aspects of CSR procurement, including compliance with responsible minerals sourcing, as well as the Green Procurement Promotion Conference.

The CSR Procurement Promotion Conference is composed of managers at section head level from procurement-related departments, while the Green Procurement Promotion Conference is composed of managers at section head level from procurement-related and quality assurance-related departments. Both Conferences are held to discuss and implement specific activities and measures, and to implement progress management. In addition, before starting to do business with a new procurement partner, we conduct surveys

not only of the company's product quality, cost, delivery performance and technology, but also of its CSR measures, and we only sign contracts and do business with those companies that meet all of the specified criteria.

Outline of Supply Chain Management System

Promoting CSR Procurement

The Nikon Group engages in CSR procurement with the cooperation of its procurement partners to contribute to the sustainable development of society.

Basic Approach to CSR Procurement

Approach and
Policy

With the globalization of corporate activities, social issues in the supply chain such as human rights, labor safety and the environment are growing and intensifying. As a result, year after year stakeholders are expecting business enterprises to do more to address these issues. The Nikon Group recognizes that CSR procurement activities are not only essential for addressing social issues, but also for the sustainable development of business, both for ourselves and for our procurement partners. With this in mind, the Nikon Group has established the Nikon CSR Procurement Standards in accordance with the Responsible Business Alliance (RBA) Code of Conduct. The Standards have been issued in Japanese, English and Chinese. We ask all our procurement partners and their suppliers to act responsibly in accordance with the Nikon CSR Procurement Standards. Furthermore, compliance with the Nikon CSR Procurement Standards is one of the preconditions for signing a master agreement with procurement partners.

[Initiatives as an RBA Member\(➡P10\)](#)

[Nikon CSR Procurement Standards](#)

<https://www.nikon.com/about/corporate/procurement/csr/>

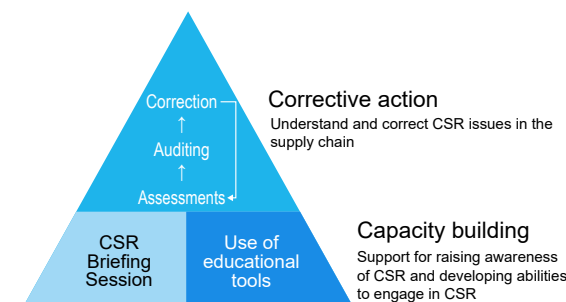
Main Points in Implementing CSR Procurement

Approach and
Policy
Framework
and System

CSR procurement at the Nikon Group is an activity aimed at reducing CSR risks in the supply chain.

More specifically, we identify and correct CSR risks in the supply chain in accordance with the Nikon CSR Procurement Standards. At the same time, we provide our procurement partners with help to improve their own capacity in order to ensure correction. The Nikon Group thus promotes CSR procurement through corrective action and capacity building. In the area of corrective action, we confirm compliance with the Nikon CSR Procurement Standards through regular CSR assessments. We audit procurement partners identified as non-compliant and high risk and take corrective action. When there are difficult issues that cannot be resolved by the procurement partner alone, Nikon provides support for improvement. We also actively use information such as the RBA self-assessment (RBA-SAQ) to conduct assessments efficiently. In the area of capacity building, we utilize CSR presentations and educational tools to raise CSR awareness, acquire knowledge, and study good practice. Through these measures, our procurement partners increase their capacity to establish their own CSR system and provide their own CSR education. The Nikon Group will continue building a more responsible supply chain through these two types of activities.

Conceptual Diagram of CSR Procurement



Framework and System
Activities and Results

Corrective Action

●Tighter CSR Risk Management based on Management Standards

The Nikon Group implements CSR assessments of its key procurement partners once every three years.

In the past, in order to reduce the CSR risk of our existing procurement partners, we selected targets in each business activity and reduced the risk of approximately 600 companies over a three-year period. Subsequently, we reviewed the scope of targets in order to shift our approach to reducing CSR risk for Nikon as a whole, and integrated the management of information on procurement partners across the Nikon Group starting in the fiscal year ended March 31, 2021. Utilizing this information, the targets for CSR assessments are selected from key procurement partners who account for the top 80% of Group-wide transaction value, based on indicators such as the incidence of any social issues at the location and the supply of

key parts and non-substitutable parts.

The assessments are conducted in the form of a self-assessment by our procurement partners to confirm their compliance with the five areas of labor, safety and health, the environment, ethics, and management systems set out in the Nikon CSR Procurement Standards.

The self-assessments are evaluated with weightings given to human rights, including forced labor and child labor, and items related to human life. In addition, we have adopted a management standard of less than 65% compliance, which is the RBA benchmark for a high-risk company. We conduct third-party audits of procurement partners identified as high risk and request the correction of non-compliant items. We also request procurement partners identified as close to being high risk to submit an improvement plan and take corrective action.

In addition, when selecting new suppliers, we conduct a CSR assessment in advance to confirm they meet our management standard, and we do not enter into contracts with suppliers that do not meet our management standard.

In the fiscal year ended March 31, 2021, we conducted CSR assessments at 211 procurement partners, and 28 procurement partners were below the management standard. We requested corrective action at 13 particularly high-risk companies, and the other 15 companies were asked to submit an improvement plan and implement corrective action at the beginning of the fiscal year ending March 31, 2022.

Expanding the CSR Assessment to Tier 2 Suppliers

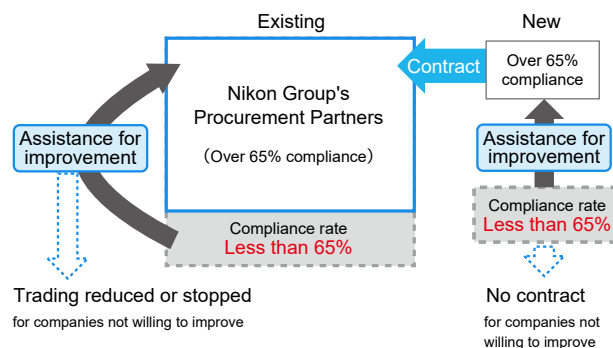
In the past, the Nikon Group prioritized procurement partners who are tier 1 suppliers in conducting CSR assessments. However, starting in the fiscal year ended March 31, 2021, we expanded the scope of assessments to tier 2 suppliers. First, we requested the cooperation of 11 trading company procurement partners, which have many tier 2 suppliers, and conducted CSR assessments at 60 of their contract manufacturers.

As a result of the assessments using the same method as that

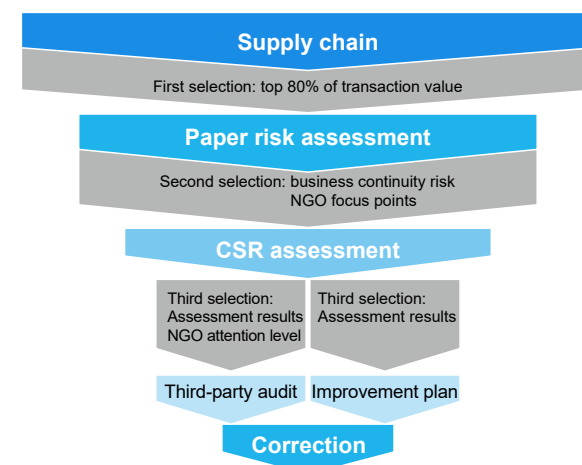
used for our procurement partners, we identified five high-risk companies which did not meet our management standard. The challenge going forward will be implementing corrective action at companies with which we do not have a direct business relationship.

In the fiscal year ending March 31, 2022, we will promote the visualization of tier 2 suppliers while addressing this challenge.

Diagram of Procurement Partner Management based on the CSR Procurement Management Standards



Overall Picture of Evaluation and Corrective Action



Responding to Human Rights Problems of Foreign Workers

In response to the growing problem of human rights violations against foreign workers, the Nikon Group is conducting audits and taking corrective action in Southeast Asia. We are also addressing the issue of foreign technical intern trainees in Japan.

We implemented an assessment of employment brokers providing technical intern trainees as dispatched employees for two of our procurement partners as identified in the CSR assessment. As a result, we found that trainees experienced unreasonable cost burdens, and we requested the employment brokers to take corrective action through our procurement partners. Following the corrective action, our procurement partners developed mechanisms so that trainees do not incur unreasonable cost burdens and refunded trainees including those who had returned to their home countries for unreasonable cost burdens incurred backdated for the past three years.

The Nikon Group considers that responding to the human rights problems of foreign workers is important, and will work to resolve such problems if similar cases are identified in the future.

Utilization of RBA Data to Reduce the Workload for Procurement Partners

The Nikon Group has incorporated utilization of RBA-Online assessment and audit data to decrease the need for multiple responses to the same type of assessments and audits with aim of reducing the survey workload for our procurement partners. In the fiscal year ended March 31, 2021, we changed the assessment response tool to allow respondents to choose between Nikon's original questionnaire and the RBA assessment data. As a result, 14 procurement partners and one tier 2 supplier responded using the RBA assessment data.

Results of CSR Assessment and CSR Audits (No. of Targeted Companies)

(companies)

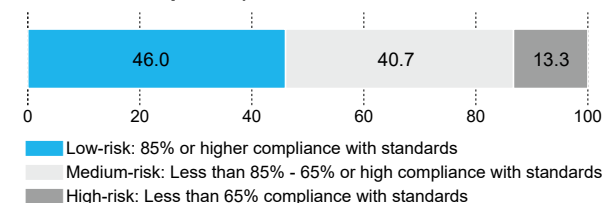
	Selection criteria	2017/3	2018/3	2019/3	2020/3	2021/3
Tier 1 suppliers (procurement partners)	—	Around 3,200			Around 2,700	
First selection (important procurement partners)	Top 80% of transaction volume	Around 600			Around 200*1	
CSR assessment based on second selection	Risk assessment based on multiple perspectives, including location of human rights issues, supply of key parts or non-substitutable parts, etc.	214	209	208	(8)*2	211
Tier 2 Supplier Assessments (Trading company contract manufacturers)		—	—	—	—	60
CSR auditing based on third selection	Improvement plan from third selection	3	3	4	3*3	3
Extra weighting given to human rights and the safeguarding of human life; transaction volume and company size, etc. taken into account		10	10	10	10*3	10
Request for submission of improvement plan	—	13	13	14	13*3	13

*1 The criteria used for first selection (i.e. selection of important procurement partners) has been changed from inclusion in the top 80% of transaction volume by business segment to 80% of transaction volume for the Nikon Group as a whole.

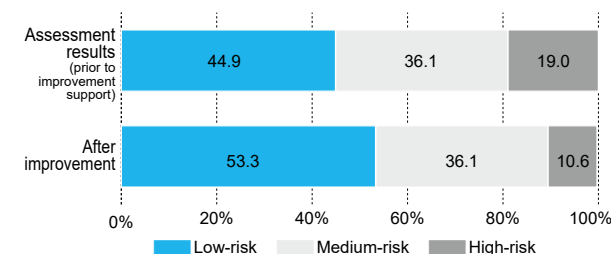
*2 Assessments for selecting new procurement partners, and assessments utilizing RBA system data.

*3 Implementation of auditing and improvement plans with respect to procurement partners that have had a low conformity rate over the past three years.

Risk Levels (As of fiscal year ended March 31, 2021, Share of Companies)



Changes in Risk Level Due to Improvement Support (Cumulative total from the fiscal year ended March 31, 2017 to the fiscal year ended March 31, 2021) (Share of Companies)



Main Items for Correction Found in CSR Audit and Main Items for Correction Status

	2020/3	2021/3
Main items for correction	<ul style="list-style-type: none"> ·Prolonged working hours ·Employees working many days in a row ·Failure to refund recruitment fees (Visa fees) 	<ul style="list-style-type: none"> ·Prolonged working hours ·Inadequate provision of paid leave ·No evacuation route map posted (route unknown)
Status	100% completed	Improvements underway

Capacity Building

Activities and
Results

The Nikon Group holds educational activities every year, both internally and for procurement partners, to spread awareness of Nikon's approach to CSR procurement activities. Internally, we implement education for new employees, procurement managers, and the managers of procurement-related departments, etc. This education provides an explanation of the background to social issues in the supply chain, such as human rights and labor, as well as an outline of CSR procurement activities, results, and issues. With regard to procurement partners, we hold CSR procurement briefings in Japan, China and Thailand, at which we outline the latest trends in CSR and sustainability, use case studies to explain the Nikon CSR Procurement Standards, and explain out requests. In addition, we request CSR promotion staff at our procurement partners to use the RBA e-Learning Academy as an educational tool to take courses in a curriculum selected by the Nikon Group.

In the fiscal year ended March 31, 2021, mindful of COVID-19, we held online briefing sessions. At the briefing sessions, we explained the prohibition on burdening migrant workers with expenses, requested compliance, and introduced good examples of improvements, as well as explaining the questions in the CSR assessment.

We also requested CSR promotion staff at 211 key procurement partners that implemented CSR assessments to take courses through the RBA e-Learning Academy.

CSR Briefing Sessions and Utilization of Educational Tools (Fiscal year ended March 31, 2021)

	Target	Location	Sessions	Participating companies	Participants
CSR Briefing Session	Nikon Group	In Japan	3	—	37
		Outside Japan		—	49
	Procurement partners	In Japan	1	849	1,066
		Outside Japan	2	212	389
Utilization of educational tools	Nikon Group	In Japan	—	—	—
		Outside Japan	—	—	—
	Procurement partners	In Japan	1	20	24
		Outside Japan	1	2	2

● Procurement Hotline

The Nikon Group has set up an externally accessible point of contact so that any information on violations to the CSR procurement standards in the supply chain can be quickly conveyed and acted upon.

[Inquiries \(Procurement, CSR procurement, Green procurement\)](#)
<https://www.nikon.com/about/corporate/procurement/form/>

● Future Issues

The CSR assessments and audits that the Nikon Group has conducted to date have increased the rate of compliance with procurement standards by our procurement partners and reduced procurement risk. To make our CSR procurement activities even more effective, we believe the issue is identifying the current risk status of tier 2 suppliers and taking corrective measures.

Going forward, we will solve this issue while aiming to reduce risk across the entire supply chain.

Responding to the Responsible Minerals Sourcing

Activities and
Results

Besides establishing its Responsible Minerals Sourcing Policy, the Nikon Group is collaborating with its procurement partners on surveys of conflict mineral producer nations and on due diligence.

In the fiscal year ending March 31, 2022, while continuing to increase the number of surveys of conflict mineral producer nations, we will build a system that can accommodate an increase in the number of minerals subject to survey and the expansion of risk areas.

More detailed information about these measures is published in our Responsible Minerals Sourcing Report 2021 (Results of the 2020 Survey) (English) on the Nikon website.

[Responsible Minerals Sourcing Report 2021 \(Results of the 2020 Survey\)](#)
https://www.nikon.com/about/sustainability/society-labor/supply-chain/Responsible_Minerals_Sourcing_Report_2020_Survey.pdf
[List of RMAP Conformant Smelters Identified by the 2020 Survey \(as of 15 April, 2021\)](#)
https://www.nikon.com/about/sustainability/society-labor/supply-chain/rmap_list.pdf

Promoting Green Procurement

The Nikon Group is promoting green procurement, with the aim of implementing measures to help safeguard the environment and ensuring appropriate management of chemical substances contained in products, throughout the supply chain.

Approach to Green Procurement

Approach and Policy
Framework and System

Environmental regulations similar to the EU RoHS^{*1} Directive and REACH^{*2} Regulations have become more widespread in countries outside the EU, and Japan has also established similar laws and regulations. Moreover, efforts aimed at reducing CO₂ are rapidly increasing around the world.

The Nikon Group has been aware of the social issues behind these social trends for a long time. Based on the Nikon Basic Green Procurement Policy, we prioritize procurement of goods that give consideration to environmental impact and have made active involvement in environmental conservation a condition of doing business with our procurement partners.

More specifically, we have drawn up the Nikon Green Procurement Standards, and we require procurement partners to abide by these. Procurement partners are asked to establish and properly utilize an environmental management system (comprising both a management system for safeguarding the environment and a management system for chemical substances in products). Furthermore, we have defined prohibited chemical substances and controlled chemical substances for the chemical substances contained in products and used in manufacturing processes in the Separate Volume: Corresponding Chemical Substance List, and we require our procurement partners to comply with it.

The Nikon Green Procurement Standards and the list were created based on laws and regulations in Japan and overseas, including the EU RoHS Directive and REACH Regulations, and are both revised and updated regularly.

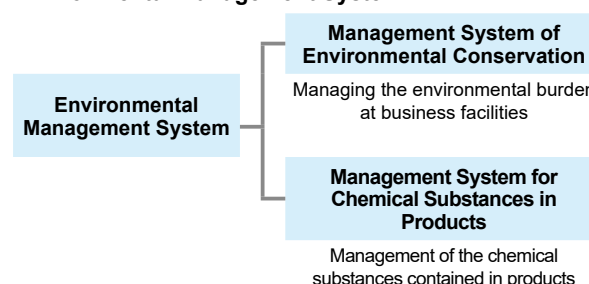
^{*1} See P31 for EU RoHS Directive

^{*2} See P66 for REACH Regulations

[Nikon Basic Green Procurement Policy/Nikon Green Procurement Standards](#)

<https://www.nikon.com/about/corporate/procurement/green/>

Environmental Management System



Auditing of Procurement Partners' Environmental Management Systems, and Nikon Environmental Partner Certification

Activities and
Results

To verify that the environmental management systems specified by the Nikon Green Procurement Standards are being properly established and utilized, the Nikon Group conducts environmental management system auditing (referred to below as the "auditing") of procurement partners.

The auditing has examined procurement partners' environmental management systems (EMS) and chemical management systems (CMS), including the extent to which procurement partners have put in place third party-certified management systems. Currently, the auditing results showed that approximately 80% of the procurement partners selected

to be targets of the auditing had put in place third party-certified management systems.

Where the audit results show that a procurement partner meets the environmental management system requirements specified by the Nikon Green Procurement Standards, that procurement partner will receive Environmental Partner certification. Also, if the environmental management system is non-conforming, then that procurement partner will be required to rectify it. In addition, in the case of procurement partners that have not yet put an environmental management system in place, the Nikon Group may, depending on the circumstances, provide support for system establishment.

Revision of Environmental Management System Assessment and Auditing

In order to comply with increasingly stringent environmental laws and regulations, the Nikon Group reviewed its methods for conducting procurement partner auditing and assessment in the fiscal year ended March 31, 2021.

In the past, business units selected the targets for assessment and auditing, but it was decided to establish unified selection criteria for the Nikon Group. In addition, the items to be checked in assessments and auditing have been made more detailed to ensure compliance with more stringent regulations.

More specifically, we classified all suppliers for assessment, auditing, or as exempt according to the potential for violations of environmental laws and regulations based on their industry, type of business, products handled, and manufacturing processes. Based on the classifications, we decided to conduct EMS and CMS assessment of procurement partners classified as subject to assessment and to require improvements within six months for any items to be corrected. We have also decided

to incorporate procurement partners classified as subject to auditing into our auditing plan for the fiscal years ending March 31, 2022 and after. In the case of new transactions, we also plan to classify suppliers for assessment, auditing, or as exempt and to handle them accordingly.

Under the classifications conducted by the Nikon Group in the fiscal year ended March 31, 2021, 348 suppliers were subject to assessment and 871 suppliers were subject to auditing. Of those subject to auditing, 420 suppliers have already been audited, and the remaining 451 were found to be unaudited. It will take four to five years to complete the auditing process for these 451 suppliers as the total number is large, meaning some may be unverified for several years. In order to prevent this, we conducted simultaneous assessments of 799 suppliers in total, including 348 companies subject to assessment and the 451 companies that are yet to be audited.

The challenge going forward will be building a system to accommodate the increased number of audits. In addition, we will need to increase the number of and train auditing staff, as well as provide education for business units with increased roles. We plan specific measures to address these issues starting in the fiscal year ending March 31, 2022. Moreover, we intend to make improvements while confirming the effectiveness of the new assessment and auditing methods.

Number of Companies Subject to Auditing and Assessment After the Revision

(companies)

Scope of revision	Procurement partners (around 2,700 companies)	
Subject to auditing	871	
	Audited	420
	Unaudited	451
Subject to assessment	348	Suppliers covered by simultaneous assessments (799 companies)

Environmental Partner Certification

At the Nikon Group, the period of validity of Nikon

Environmental Partner certification is set at three years, and we conduct a renewal audit every three years. In the renewal audit, Nikon Environmental Partners are required to submit updated information. If there have been any substantial changes to production locations or management systems, etc., then the procurement partner in question will be required to undergo a full audit; if there have been no substantial changes, then a simple documentary audit will be implemented.

In the fiscal year ended March 31, 2021, with restrictions on business travel due to the COVID-19 pandemic, we used an online conferencing tool to conduct renewal audits for 129 companies and new audits for 24 companies, and 19 companies were newly certified as Environmental Partners. As a result, the actual number of certified Environmental Partners is 420 companies, bringing the cumulative total of certifications to 517 companies.

In the fiscal years ending March 31, 2022 and after, we will steadily conduct renewal audits for the actual number of certified Environmental Partners.

Nikon Group Auditing and Certification Performance

(companies)

Category	2019/3	2020/3	2021/3
Performance on Environmental Partner certification	26	23	19
Cumulative number of Environmental Partner certifications	476	498	517
Actual number of certified Environmental Partners (The figure reflects the decrease due to cessation of transactions, business closures, etc.)	—	—	420

* Actual number of certified Environmental Partners counted from the fiscal year ended March 31, 2021

Presentations for Procurement Partners and the Nikon Group

Activities and
Results

The Nikon Group holds presentations on the management of chemical substances contained in products for its procurement

partners every year. At the presentations, we provide information on important trends related to chemical substances contained in products, including the content of revisions to REACH Regulations, Substances of Very High Concern (SVHC), the details of the revised EU RoHS Directive, and the latest regulations on PFHA. In the fiscal year ended March 31, 2021, we held three presentations in which 1,455 people from our procurement partners participated.

We also hold similar presentations as necessary for Nikon Corporation and the Group companies. In the fiscal year ended March 31, 2021, we held a total of three internal presentations in which 86 employees from the relevant Nikon Group departments participated.

Cultivation of Environmental Management System Auditors

Framework
and System
Activities and
Results

To enhance the quality of procurement partner auditing, the Nikon Group undertakes auditor cultivation. More specifically, we provide training for the personnel selected by Nikon business units and the Group companies in and outside Japan to conduct environmental management system auditing, and then implement testing. Those personnel who pass the testing are then certified and registered as Environmental Management System Auditors. These business unit and the Group company auditors play a key role in environmental management system auditing. In the fiscal year ended March 31, 2021, five new auditors were trained and certified, bringing the total number of auditors within the Nikon Group to 160.

In the fiscal year ended March 31, 2021, we also provided auditor education on management of chemical substances contained in products by an external instructor for 19 auditing leaders who play a central role in auditing in each business unit. More specifically, the education upgraded the level of audit leaders by explaining environmental laws and regulations in Japan and overseas and covering the importance of managing the chemical substances contained in products, an overview of auditing, and the checkpoints for auditing, as well as providing exercises.

Priority Issue 7

Respecting Human Rights



Reason for Priority

There are various human rights issues in the world. Many of them are related to the business activities of companies, including forced labor and child labor in the supply chain and infringements of the rights of the socially vulnerable. In particular, through the Black Lives Matter (BLM) movement calling for the elimination of racial discrimination, various opinions on human rights issues have been aired in the media and on social networking sites, and interest has been increasing. Also in recent years, there has been an urgent need to address serious labor issues relating to migrant and foreign workers. It is necessary to face up to these serious and complex social issues, and to contribute towards their resolution. More specifically, companies are expected to carry out due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

Commitment

As a company with global operations, the Nikon Group is profoundly aware of the importance of respecting human rights in its business activities. One of our significant responsibilities to society is addressing human rights issues sincerely. In order to more clearly express our stance and strategy in response to expectations from society, we launched the Nikon Human Rights Policy in April 2019. In order to ensure that this Policy is disseminated among all Nikon Group employees, we will be striving to further strengthen our efforts to build a corporate culture where respecting human rights is valued. In addition, as enunciated by the Nikon Human Rights Policy, we will be implementing human rights due diligence steadily in accordance with the UN Guiding Principles on Business and Human Rights. Not only by avoiding engagement or complicity in human rights violations in our own operations, but also by promoting prevention and mitigation of the negative impacts on human rights among our business relationships, the Nikon Group is doing its utmost to uphold internationally recognized human rights standards.

Toshikazu Umatate
Representative Director and President

[Activity Policies]

- Nikon Human Rights Policy

[System]

- CSR Committee

Human Rights Initiatives

The Nikon Group respects human rights. We strive neither to be engaged in human rights abuse by ourselves nor to be involved in any such activities in complicity with others.

Basic Policy

Approach and Policy

Through our business activities, the Nikon Group is directly and indirectly involved in the human rights of a variety of stakeholders. Our stance, which emphasizes respect for the human rights of all these people, is clearly enunciated in "2. Respect for Human Rights" of the Nikon Code of Conduct. Furthermore, we launched our Nikon Human Rights Policy in April 2019 in order to further outline our approach to addressing human rights issues related to our business activities based on the Code of Conduct. The Nikon Human Rights Policy also sets out basic principles that we should follow for implementing practical procedures in line with UN Guiding Principles on Business and Human Rights, which were adopted by the United Nations in 2011. The policy was developed through internal discussions with major relevant departments as well as by taking advice from external experts, and was approved by the Board of Directors. The Nikon Group has other policies and standards in place specific to individual human rights issues, including the Nikon Group Privacy Protection Statement, the Nikon CSR Procurement Standards, and the Responsible Minerals Sourcing Policy. Nikon also supports the 10 Principles of the UN Global Compact, and we continue to implement measures aimed at realizing Principles 1-2 (Human Rights) and 3-6 (Labor).

[Nikon Human Rights Policy](#)

https://www.nikon.com/about/sustainability/society-labor/human-rights/human_rights_policy.pdf

[Nikon Group Privacy Protection Statement](#)

https://www.nikon.com/privacy/privacy_policy.htm

[Nikon CSR Procurement Standards](#)

<https://www.nikon.com/about/corporate/procurement/csr/>

[Responsible Minerals Sourcing Policy](#)

https://www.nikon.com/about/sustainability/society-labor/supply-chain/Responsible_Minerals_Sourcing_Policy.pdf

[Joining the UN Global Compact \(➡P10\)](#)

[Code of Conduct Hotline \(Reporting and Consulting System\)](#)

(➡P99)

[Inquiries \(Procurement, CSR procurement, Green procurement\)](#)

<https://www.nikon.com/about/corporate/procurement/form/>

[Responsible Minerals Sourcing Hotline](#)

<https://www.nikon.com/about/sustainability/society-labor/supply-chain/form/>

Organizational System

Framework and System

Implementation of the Nikon Human Rights Policy in the Nikon Group is supervised by Nikon's CSR Committee which includes several members of the Nikon Board of Directors. Instructions from the CSR Committee are handled by the Corporate Sustainability Department, which functions as the secretariat for the CSR Committee, together with the related departments (and committees) shown in the following table. In the case that an emerging issue is identified, we will enhance our organizational structure and systems by consulting these departments and other appropriate departments if necessary.

We have reporting and consulting systems in place for each company or each region, to which employees of the Nikon Group can report any case of violation of the Nikon Code of Conduct (including issues related to human rights). For external stakeholders, we have several channels of inquiry including contact points for suppliers, a hotline dedicated to conflict minerals issues, and contact points for customer support, etc. The Nikon Group will continue our efforts to enhance the management system for effective implementation of the policy.

Main Committees and Departments in Charge of Human Rights Issues

Committees and departments in charge	Main issues handled
CSR Committee	General human rights issues (supervising implementation of the Nikon Human Rights Policy)
Human Resources Department	Prohibition of forced labor and child labor, elimination of discrimination and harassment, occupational health and safety, wages, working hours, freedom of association and collective bargaining rights, etc., with respect to Nikon employees
Administration Department	Contact points for employee reporting and consulting system
Information Security Department	Privacy (including protection of personal information)
Bioethics Review Committee	Bioethics
Supply Chain Subcommittee	Human rights issues in the supply chain (labor, conflict minerals, etc.)

Initiatives for Preventing Human Rights Violations

Activities and
Results

Human Rights Risk Assessment

In the process of developing the Nikon Human Rights Policy, the Nikon Group implemented risk assessment to identify significant human rights issues for the Group. The assessment was conducted by benchmarking other companies' results of assessment or the actual cases of human rights violation reported in the same industry with Nikon, while referring to international human rights standards.

We identified the following seven items as human rights issues particularly relevant to our business as a result of the assessment and specified them in the Nikon Human Rights Policy as particularly important issues: Prohibition of Forced Labor and Child Labor, Elimination of Discrimination and Harassment, Occupational Health and Safety, Freedom of Association and the Right to Collective Bargaining, Working Hours and Wages, Right to Privacy, and Human Rights Issues in the Supply Chain. We will enhance our efforts to address these issues in particular. In the event that there is any significant change in terms of corporate management such as change of business scope, or if a review is otherwise considered necessary due to other reasons, we will conduct a review of current assessment results by taking the necessary steps including deliberation in the CSR Committee.

Monitoring

In the Nikon Group, we conduct human rights and labor monitoring surveys for the Group companies at the end of each fiscal year. In the survey, we check whether there have been practices that heighten the risk of human and labor issues, as well as checking up on the employment of migrant workers and foreign technical trainees and the data concerning occupational safety, etc. Starting in the fiscal year ended March 31, 2021, we

expanded the scope of the surveys to non-consolidated Group companies, such as those in which our shareholding ratio is not 100%. The results are reported to the CSR Committee, where instructions for further confirmation or corrective actions are provided if necessary, to prevent incidents/potential incidents or their recurrence. No major problems were identified in the surveys for the fiscal year ended March 31, 2021.

In addition, Nikon has joined the Responsible Business Alliance (RBA) and uses the self-assessment tool for RBA Code of Conduct compliance for monitoring human rights risk. In the fiscal year ended March 31, 2021, we analyzed the results of self-assessments at the Group manufacturing companies outside Japan with the objective of identifying the level of risk and considering the necessary measures. No major human rights risks were found. However, there were some minor issues, such as the size of employee dormitories, and we are working on improvements at the business sites involved.

Going forward, we will continue to monitor and mitigate human rights risk by conducting intra-Group human rights and labor surveys and the RBA self-assessment, and using other tools. Given the current situation where laws and regulations related to personal information protection in each country and region are tending to be tightened up, we are enhancing our measures for appropriate handling of personal information to ensure its secure management, by consulting with supervisory authorities and/or lawyers.

[Initiatives as an RBA Member \(➡P10\)](#)

[Risk Management for Information Assets and Cybersecurity \(➡P108\)](#)

Other related measures

[Promoting CSR Procurement \(➡77\)](#)

[Responsible Minerals Sourcing Report 2021](#)

[\(Results of the 2020 Survey\)](#)

https://www.nikon.com/about/sustainability/society-labor/supply-chain/Responsible_Minerals_Sourcing_Report_2020_Survey.pdf

Examples of questions asked in intra-Group human rights and labor related surveys

- Methods to verify age when recruiting new staff or accepting intern trainees
- Number of young intern trainees accepted during the fiscal year and their allocated jobs (including confirmation that they were not engaged in dangerous or harmful tasks)
- Occupational accidents (outside Japan)
- Current status in relation to freedom of association (outside Japan)
- State of compliance with laws and regulations relating to the minimum wage and working hours

Human Rights Training

Activities and
Results

Engaging in business activities with respect for human rights requires each and every executive and employee to be constantly aware and mindful. Therefore, at the Nikon Group, we work to disseminate information and raise awareness about human rights among our executives and employees.

In the fiscal year ended March 31, 2021, we held a top-management seminar on the theme of Race/Human Rights Issues and Corporate Activities following the November 2020 CSR Committee meeting. 2020 was the year when the BLM movement spread from the United States to the world, and corporations were also required to take various actions. As a company with global operations, the Nikon Group also confirmed the global and social circumstances underlying the BLM movement, its history to date, expectations of corporations, and other points that need to be taken into consideration through the seminar.

Moreover, in December 2020, we disseminated a message from the president to employees entitled Respecting Human Rights: Becoming a Company where Each and Every Employee Plays an Active Role in the in-house newsletter to coincide with Human Rights Day. We also occasionally include human rights

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Strengthening Supply Chain Management

> [Respecting Human Rights](#)

> Diversity and Inclusion

> Employees' Health and Safety

topics in the newsletter which is published quarterly.

We provided e-learning on respecting human rights for the Nikon Group employees in Japan. The e-learning, which had an attendance rate of 87%, also reflected on recent events such as the BLM movement and the COVID-19 pandemic, and included information on day-to-day precautions. The Nikon Group employee awareness survey conducted in the fiscal year ended March 31, 2020 revealed that understanding of the content of the Nikon Human Rights Policy tends to be lower among the Nikon Group employees in Japan than among employees of the Group companies outside Japan. Therefore, we also provided the e-learning as a review of the human rights policy.

In the fiscal year ending March 31, 2022, we will continue our activities to raise employee awareness of human rights and plan to provide education that is more relevant to work for employees in public relations and marketing-related departments.

We also explain the importance of human rights issues to our procurement partners as well as persons in charge of procurement within the Nikon Group.

[Promoting CSR Procurement \(➡P77\)](#)

Compliance with the UK Modern Slavery Act

Activities and
Results

The Modern Slavery Act came into effect in the United Kingdom in October 2015. The Nikon Group has released a statement on its website in accordance with the act.

[Nikon Group Slavery and Human Trafficking Statement for the fiscal year ended March 2020](#)

<https://www.nikon.com/about/sustainability/society-labor/human-rights/uk-modern-slavery2020.pdf>

Labor Relations

Approach and Policy

Framework and System

The Nikon Group respects basic labor rights and is committed to human rights as described in the Nikon Human Rights Policy following the International Labor Organization's (ILO's) "Declaration on Fundamental Principles and Rights at Work." The Nikon Labor Union has been organized at Nikon, and it is a member of the Japanese Association of Metal, Machinery, and Manufacturing Workers [JAM], mostly made up of employees of SMEs in the metal and machine industries. As of March 31, 2021, the Nikon Labor Union had 4,173 members, and 79.8% of Nikon employees were union members. When implementing measures related to the personnel system or work style, we strive for full consultation with the Nikon Labor Union. Nikon also holds joint study meetings with the Nikon Labor Union, and exchanges opinions as necessary.

At the Group companies in Japan, Nikon Labor Union chapters and employee-elected representatives play the same role.

At the Group companies outside Japan, issues are discussed either by the company's in-house union or through consultations with an outside labor union to which employees belong. At companies where there is no labor union, we hold briefings for all employees, dialog with employee groups, and face-to-face meetings with individual employees.

Whenever a substantial change is made to the job description and work location 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.

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Strengthening Supply Chain Management

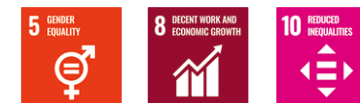
> Respecting Human Rights

> [Diversity and Inclusion](#)

> Employees' Health and Safety

Priority Issue 8

Diversity and Inclusion



Reason for Priority

A company with global business operations has employees with a variety of social backgrounds and values. In order to secure, attract, and retain outstanding human resources and generate innovation, we need to provide an attractive workplace where employees respect one another's diversity, and where all employees can thrive professionally (diversity and inclusion).

Commitment

Creating a corporate culture that can continue to drive the creation of new value is necessary for Nikon's sustainable growth and the enhancement of corporate value. To this end, it is important to respect diversity and accept human resources with a variety of values and individual characteristics while creating an environment in which individual employees can enhance each other and reach their full potential. Specifically, Nikon engages in fair evaluations and treatment that emphasize performance regardless of age, gender, etc., and we provide support to help every individual employee consider their career independently and develop their skills. We are also responding to social and environmental change by creating a flexible, employee-friendly environment. Moreover, believing that promoting the advancement of women in the workplace in Japan is an important issue to address, we have established systems to support career development and a balance of work and family life. Going forward, we will not only provide support for female employees as we have been doing for some time, but will also establish an environment that enables employees facing a variety of circumstances, such as childcare, long-term care, and disabilities, to fulfill their potential and play important roles.

Takumi Odajima

Representative Director and Executive Vice President
General Manager of Group Governance & Administration Division

Promoting the Success of Diverse Employees

At the Nikon Group, warmly embracing diverse ideas and delighting in differences among people and cultures, in line with our corporate philosophy and vision, is one of our core tenets. In line with this thinking, we work actively to create an environment that enables each and every employee to maximize their motivation and their capabilities.

Respect for Diversity

Approach and Policy
Framework and System

At the Nikon Group, we respect the diversity and human rights of our employees, and strive to ensure fair treatment. In order to build an environment in which employees accept one another's diversity and are able to develop their individual capabilities and achieve superior results through teamwork, we aim to promote diversity and inclusion. In concrete terms, we respect employees' diverse personalities and human rights, and provide a working environment that helps to maximize employee motivation and capabilities, regardless of ethnicity, beliefs, gender, level of education, nationality, religion, age, etc. Each fiscal year, we set targets to be addressed for important issues in the area of diversity and inclusion, and report the targets and share our progress towards them with the CSR Committee.

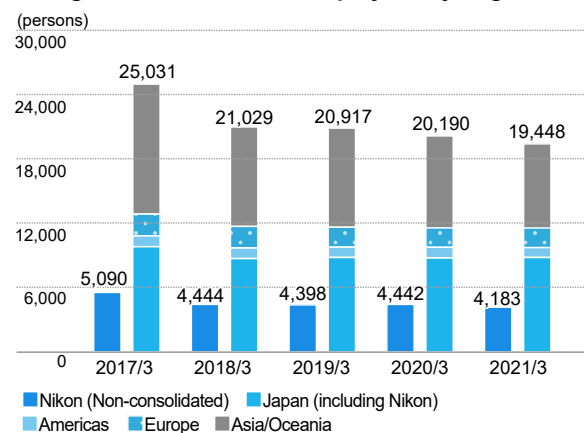
In addition, Nikon's Human Resources Department leads the rollout and promotion of initiatives aimed at creating an employee-friendly environment at the Group companies in Japan.

Utilization of Global Human Resources

The Nikon Group promotes outstanding human resources to management and executive positions, regardless of age or gender and is committed to utilizing human resources on a global scale, appointing locally hired personnel as executive officers of Nikon.

As a member of the local community, each of our Group companies hires local employees and appoints them to management positions as appropriate in order to contribute to local job creation and economic revitalization.

Changes in the Number of Employees by Region



* Consolidated figures include permanent employees and non-regular staff of the Nikon Group and executive officers of the Group companies. Regarding regional figures, employees who are seconded to affiliates are counted as employees of the affiliates. Employees of Nikon Metrology NV and its subsidiary group companies are included in the European figures.

development through introductions to employees who serve as role models and a mentor system for female employees. We have also made efforts to provide an environment that allows employees to choose flexible working styles in accordance with their life stage.

As a result of these efforts, in the fiscal year ended March 31, 2021 the female ratio of all new employees recruited through regular annual recruitment process was 22.6%, partly due to increased hiring needs in occupations with few female applicants. As of March 31, 2021, the ratio of women in the management positions was 6.4%.

Nikon will continue to focus on building an environment conducive to the advancement of women and on providing career development support.

Promoting Advancement of Women in the Workplace

Targets
Activities and Results

In order to address the issue of the relatively small number of female employees and female managers at Nikon, we have set ourselves the goals of increasing the ratio of female employees recruited through the regular annual recruitment process to at least 25%, and of increasing the ratio of female managers to at least 7.5% by March 31, 2023, and we have been making systematic and sustained efforts.

With the aim of promoting women's advancement in the workplace, we provide support for autonomous career

> Strengthening Supply Chain Management

> Respecting Human Rights

> [Diversity and Inclusion](#)

> Employees' Health and Safety

Ratio of Female Employees

(%)

	2017/3	2018/3	2019/3	2020/3	2021/3
Nikon	11.0	11.5	13.2	13.5	14.8
Group companies in Japan	16.8	15.5	13.5	13.3	13.2
Group companies in Europe	65.5	24.2	24.7	27.5	26.5
Group companies in the Americas		29.2	25.5	24.1	22.4
Group companies in Asia/Oceania		72.5	71.7	70.3	69.5
Nikon Group (Total)	44.1	40.5	41.0	39.2	38.0

* Permanent employees and non-regular staff of the Nikon Group (consolidated). For years prior to and including the fiscal year ended March 31, 2018 those employees who were seconded to affiliates were counted as employees of their original companies. Starting from the fiscal year ended March 31, 2019, employees seconded to affiliates have been counted as employees of the affiliates.

Ratio of Women in Management Positions

(%)

	2017/3	2018/3	2019/3	2020/3	2021/3
Nikon	5.7	5.8	5.1	6.6	6.4
Group companies in Japan	3.7	2.5	3.3	2.2	3.1
Group companies in Europe	26.5	21.6	20.1	23.9	22.9
Group companies in the Americas		31.4	21.9	29.7	28.7
Group companies in Asia/Oceania		29.8	21.4	22.0	23.6
Nikon Group (Total)	—	13.1	12.1	14.8	15.0

* Permanent employees and non-regular staff of the Nikon Group (consolidated). For years prior to and including the fiscal year ended March 31, 2018 those employees who were seconded to affiliates were counted as employees of their original companies. Starting from the fiscal year ended March 31, 2019, employees seconded to affiliates have been counted as employees of the affiliates.

Supporting Senior Employees in the Workplace

Activities and
Results

In the present day, when it is said human life can last for 100 years, there has been a diversification in the needs and values of each individual in the areas of life planning and working style. In order to realize a society in which people can continue to work for as long as they want to, it is important to provide opportunities for senior employees to play an active role and for employees to consider their career development, including their post-mandatory retirement age working style, and to take stock of their own experience and skills.

Nikon has introduced a reemployment system under which employees who have reached the mandatory retirement age of

60 and wish to continue working can be reemployed up to the age of 65. In April 2020, the system was revised so employees can be reemployed at Nikon Nisso Prime Corporation, a joint venture company engaged in providing employment services. In this way, options for reemployment outside the company are expanded, and opportunities are created for older employees who wish to continue working over the long term. Furthermore, we provide support for autonomous career development from a long-term perspective by holding age group-specific career design training and the Life Plan Seminar, which is held for employees who will reach mandatory retirement age in the following year (a total of 149 employees attended this seminar in the fiscal year ended March 31, 2021).

Supporting People with Disabilities

Targets
Activities and
Results

The Nikon Group is working to establish an environment that enables each and every employee to make the most of his or her individuality and abilities regardless of any disability. With support from experienced staff and instructors, employees with disabilities play an active role at Nikon Tsubasa Inc., a special subsidiary which Nikon established in 2000. As of June 2020, persons with disabilities accounted for 2.48% of the employees of the four Nikon Group companies (Nikon Corporation, Nikon Tsubasa Inc., Nikon Systems Inc. and Nikon Business Service Co., Ltd.) that have been approved for Group treatment (using the Special System for Affiliate Companies) under the Act on the Promotion of the Employment of Disabled Persons, exceeding the statutory minimum percentage. Moreover, in order to further encourage the employment of people with disabilities at the entire Nikon Group in Japan, in the fiscal year ended March 31, 2021, we established a goal to employ at least one person with a disability at the Group companies where there are no employees with a disability. As a result, the number of Group companies where there are no employees with a disability fell from three to two. Recruitment activities are continuing for the companies that struggled with recruiting and were unable to hire during the period, due in part to the impact of the COVID-19 pandemic.

[Nikon Tsubasa Inc. \[In Japanese\]](#)
<https://www.nikon-tsubasa.co.jp/>

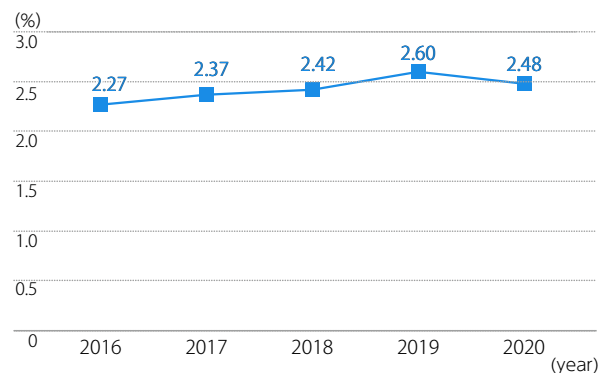
>Strengthening Supply Chain Management

>Respecting Human Rights

>Diversity and Inclusion

>Employees' Health and Safety

Changes in Employment of People with Disabilities under Group Certification



* The rates are as of June 1 of each year.

Creating an Employee-friendly Working Environment

Activities and
Results

The Nikon Group is working to build employee-friendly workplaces, with the goal of increasing labor productivity and securing a diverse workforce. Our goal is for employees to have a high degree of motivation at work while also enhancing their work-life balance.

Working on Reducing Working Hours

With the aim of reducing employee working hours, the Nikon Group is implementing a number of initiatives to reduce the number of employees who work excessive overtime and ensure that annual paid leave days are taken by employees. At Nikon, we have introduced the Cooling System to reduce excessive working hours and prevent the concentration of the workload on certain individuals, and we have set an upper limit on overtime that is more stringent than the legal limit.

In the fiscal year ended March 31, 2021, the percentage of Nikon employees taking their annual paid leave stood at 63.0%; this figure continues to compare favorably to the national

average of 56.3% in 2019 as reported in the 2020 General Survey on Working Conditions compiled by Japan's Ministry of Health, Labor and Welfare. Although the uptake rate was lower than in other years due to the impact of the COVID-19 pandemic and other factors, Nikon aims to increase the percentage of employees taking annual paid leave at least 70% in the fiscal year ending March 31, 2022 through the establishment of a system for systematically taking leave and days when taking annual paid leave is encouraged.

The main measures taken by Nikon are as follows.

Countermeasures against Long-working Hours

- Implemented the Cooling System and thoroughly implemented health exams covering excessive overtime work
- Held interviews with workplaces that have long working hours and provided instructions for improvement

Encouragement to Take Annual Paid Leave

- Established the company-wide annual paid leave
- Established days encouraged for taking annual paid leave (days in between holidays)
- Established system for systematically taking five days of annual paid leave
- Pushed supervisors and employees who take few days of annual paid leave to take annual paid leave

Measures Related to Diversified Working Styles

At Nikon, we have provided an environment that enables flexible working through the establishment of the Super Flex Time Working system, which has no core time period (in which employees are required to work) and a telecommuting system. The Super Flex Time Working system applies to 93.6% of employees (as of March 2021).

In response to the COVID-19 pandemic, we are balancing measures against infection and business operations by promoting the use of telecommuting and Super Flex Time Working more than ever before.

Childcare and Long-Term Care Support

Nikon helps employees to balance the provision of care for children and other family members with their work responsibilities. In concrete terms, Nikon goes beyond the statutory requirements, allowing employees to take childcare leave for any reason for young children up until the child's second birthday. Our systems, which include childcare nursing leave and shortened working hours, for childcare can be used up until children graduate from elementary school. We have also put in place a number of other systems to support employees' provision of care for children and other family members, including staggered working hours, shortened working hours, and Super Flex Time Working, a more flexible working system, etc. Besides these systems, we have established an accumulated special leave system that allows expired annual leave to be accumulated and used for childcare and long-term care. This system can also be used in situations such as children's school events, thereby enhancing our systems to help employees balance work and the provision of nursing care for children and other family members. Starting in January 2021, we also made it possible to take some of this special leave in hourly units, allowing employees to choose more flexible working styles.

Nikon has also introduced a "re-entry" system. This system provides opportunities to rejoin the company for former employees who left the company because of child-care or family-care responsibilities, because of a spouse's job transfer, or for other unavoidable reasons.

In June 2018 we received the Platinum Kurumin mark*.



* Platinum Kurumin
This certification by the Minister of Health, Labour, and Welfare recognizes companies that have introduced a higher level of work-life balance assistance measures, from among those companies that have received the Kurumin mark, after establishing an action plan pursuant to the Act on Advancement of Measures to Support Raising Next-generation Children.

Fair Treatment

The Nikon Group conducts fair evaluations that emphasize performance, and treats employees fairly, regardless of age or gender.

Basic Philosophy on HR Management System

Approach and
Policy

The Nikon Group has adopted a basic policy that values dialog and communication, and uses this to develop a working environment that stimulates employees' motivation and where they can contribute their skills to the fullest. Based on this policy, HR management systems are in place at each individual Nikon Group company.

The Nikon Group conducts fair evaluations with emphasis on performance, irrespective of age, gender, etc., and encourages employees to fulfill their responsibilities and roles and produce achievements. Employees are placed in jobs and roles based on their aptitude, skills and drive, and we support them to develop their own careers and work on skills development.

Nikon's HR Management System

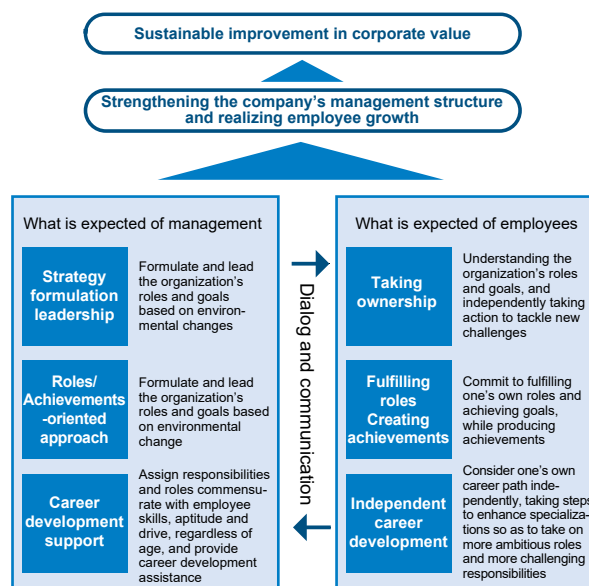
Framework
and System

Nikon has adopted a human resources management system that emphasizes accountability and achievements. Under this new system, we ensure that managers are able to properly evaluate the responsibilities and roles of the employees that they supervise, and able to fully explain the results of these evaluations. Performance evaluations are based mainly on the results achieved (i.e. target achievement) in relation to the position held and the role played in the organization, regardless of age or gender.

Nikon has also introduced multifaceted evaluations in which managers receive feedback from those around them regarding their management actions and skills. Starting in the fiscal year

ended March 31, 2020, we expanded the scope of application of this system to also include managers in some Group companies in Japan, with the aim of enhancing management capabilities.

Purpose of Nikon's HR Management System



Nikon's Main Systems for Career Development

Profile System

The profile system provides all employees with the chance to look back every year on their duties and personal growth and think about their future career vision, taking into account the company's expectations. Employees are interviewed by their supervisor to help brainstorm ways to develop their individual career.

Career Counseling

Nikon has established offices where employees can consult about improving their skills and advancing their careers if they so desire.

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)

The career matching support system allows employees actively seeking to develop their career to request a transfer once a year to seek out new challenging opportunities inside the company.

Second Career Support System

The second career support system has been established with the aim of providing support for employees who are interested in taking early retirement from Nikon and developing a new career outside the company. Employees who meet the specified criteria can benefit from job-hunting support services and second career support leave, etc.

Human Resource Development

The Nikon Group provides support for employees' own self-directed career development and capability development efforts, and implements human resources cultivation activities.

Nikon's Human Resource Development

Activities and
Results

The Nikon Group offers training and educational programs linked with the role and the HR systems of the individual Group companies. Nikon provides training and educational programs to support employees looking to enhance their own employability. In the fiscal year ended March 31, 2021, in terms of employee education and training, Nikon held a total of 237 training courses (including the training noted on the right) organized by departments specializing in employee education, which were attended by a total of 7,369 employees. On average, Nikon employees spent 2.4 days per year undergoing training, and Nikon's expenditure on training per employee was 39,956 yen. Training participants are given a questionnaire (report) on their training course to complete, which is then used to assess the training curriculum and make continual improvements. The target for the overall evaluation in the questionnaire is 4/5 or higher, and the average in the fiscal year ended March 31, 2021 was 4.11 points. Employees of the Group companies in Japan can also take a part in training courses offered by Nikon. Each of the Group companies also provides employees with education and training opportunities. At the Nikon Group as a whole, education and training time per employee was 52 minutes, and the per person training expenditure was 17,042 yen in the fiscal year ended March 31, 2021.

Annual Number of Training Days Per Employee (Fiscal year ended March 31, 2021)

(days)

	Number of training days on average
Managers	1.1
Non-managers	2.6
Men	2.3
Women	2.9
Total	2.4

Examples of Training Offered by Nikon

- Selective training aimed at cultivating the next generation of leaders and management personnel
- Training to foster understanding about new roles, such as when employees are newly promoted to management positions, including division head or section head
- HR training and education carried out systematically for several years from the first year of joining the company
- Career design training at certain milestones
- Targeted training for women and managerial candidates
- Application-based training for improving skills and knowledge through independent initiative
- Support for employees wanting to improve their English proficiency

their roles. In addition, we implement selective training programs with the aim of systematically cultivating management staff and quickly developing the next generation of leaders who can guide the company going forward.

Under the multifaceted evaluation that was introduced in stages starting in the fiscal year ended March 31, 2019 at Nikon and some Group companies in Japan as part of our efforts to strengthen management, we hold multifaceted evaluation feedback and training every year for newly-appointed department managers and managers, being evaluated for the first time, to help them to analyze their own strengths and weaknesses and prepare an action plan for the coming year. In the fiscal year ended March 31, 2021, we provided new training content focused on human resource utilization capabilities, which is on the categories for evaluation in the multifaceted evaluation. Just over 90 managers took part in this training for five months and worked hard on improving organizational rejuvenation, training of subordinates, and leadership. In the fiscal year ending March 31, 2022, we will also be implementing even more effective cultivation, with adjusted training content and the setting of improvement targets.

Support for Employee Independence and Autonomy

As part of our support for employees' independence and autonomy, Nikon helps employees to take inventory of their skills and career achievements, and provides career design training to get employees thinking about how their careers could develop in the future.

In the fiscal year ended March 31, 2021, Nikon expanded the age groups at which employees are eligible for career design

Strengthening Management

At Nikon, we aim to strengthen management by implementing training that helps newly-appointed managers to understand

>Strengthening Supply Chain Management

>Respecting Human Rights

>Diversity and Inclusion

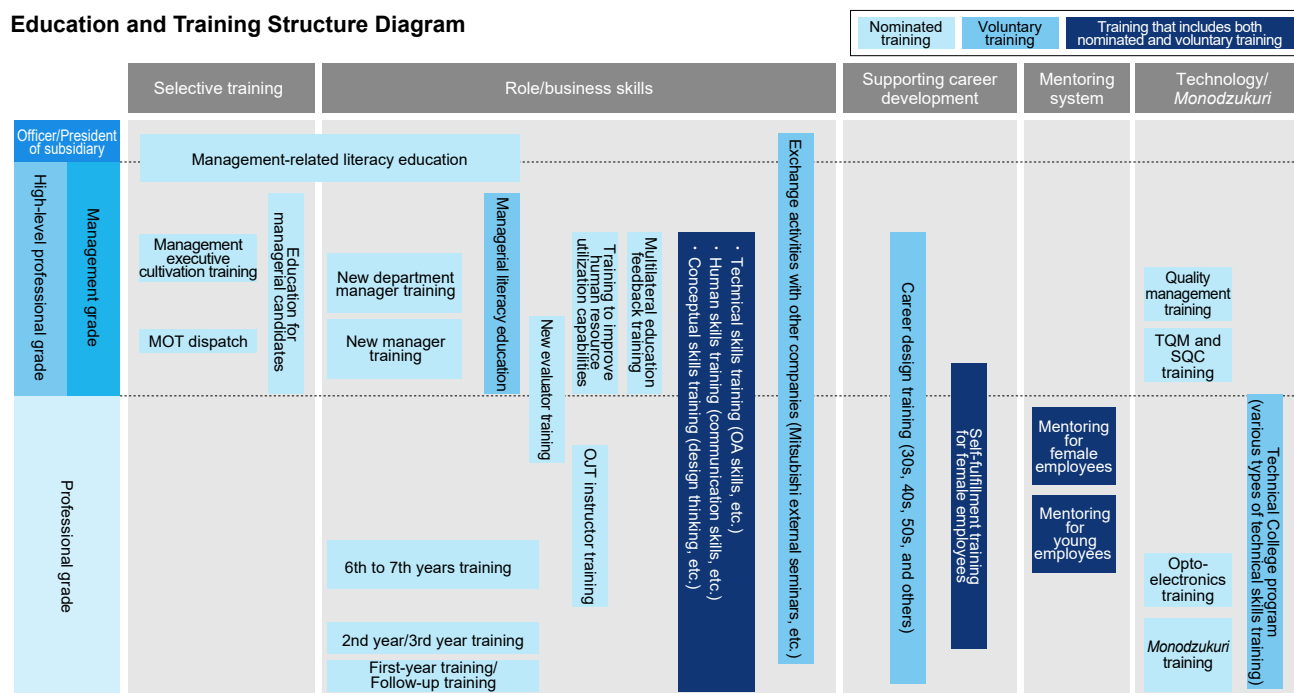
>Employees' Health and Safety

training so that employees in their third year since joining Nikon are now included, in addition to employees who had reached the milestone ages of 35, 45, 50, and 58. Career design training focused on encouraging employees to think about "what kind

of career suits me" was also provided for other interested employees across a wide age range.

In the fiscal year ending March 31, 2022, we will continue working to support our employees' career development.

Education and Training Structure Diagram



* Education and training provided independently by business units is not included.

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Strengthening Supply Chain Management

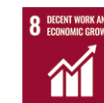
> Respecting Human Rights

> Diversity and Inclusion

> [Employees' Health and Safety](#)

Priority Issue 9

Employees' Health and Safety



Reason for Priority

Ensuring the health and safety of each and every employee is essential for them to reach their potential and grow. Health and safety are the foundations for the happiness of employees and the development of the company.

Compliance with safety and health-related laws and regulations and internal rules as well as taking measures to identify and evaluate a variety of health and safety risks are necessary in order to ensure health and safety.

Commitment

The Nikon Group firmly believes an environment that enable employees to work safely and in good mental and physical health leads to the improvement of workplace vitality and productivity as well as personal life.

Based on this belief, the Nikon Group strives to maintain and improve health and thoroughly ensure safety through the concerted efforts of the company and employees. Each of our Group companies outside Japan also strives for occupational safety in compliance with local laws and regulations. We also work to prevent occupational accidents throughout the Nikon Group by sharing measures to prevent the recurrence of accidents, including cases studies of accidents and incidents involving employees of all employment forms and onsite contractors.

In addition, we will consider measures for maintaining and improving health in response to new working styles, which are changing significantly due to the COVID-19 pandemic.

Takumi Odajima

Representative Director and Executive Vice President
General Manager of Group Governance & Administration Division

[Policy for Activities]

- Nikon Group Health and Safety Activity Policies

Employees' Health and Safety

Creating an environment that enables employees to work safely and in good health leads to the improvement of workplace vitality and productivity as well as personal life.

In line with this thinking, the Nikon Group implements activities to maintain and improve health and ensures strict safety management.

Health and Safety Activity Policies

Approach and
Policy

The Nikon Group has established the Nikon Group Health and Safety Activity Policies, which are updated annually. By implementing the measures outlined in the activity policies, we aim to ensure the health and safety of our employees, who are the foundation of corporate activities, and to improve employee productivity.

Nikon Group Health and Safety Activity Policies

Policies: The following policies have been formulated, in accordance with the Industrial Safety and Health Act in Japan:

- Prevention of occupational accidents
- Safeguarding employees' health and safety
- Creating a comfortable working environment

Goal for the fiscal year ended March 31, 2021:

Review all health and safety related risks, and take the maximum measures to address them

Measures

1. Health management

- Hold health seminars relating to lifestyle habit improvements and enlightenment on preventing infectious diseases*
- Provide guidance and campaigns to encourage employees to stop smoking*
- Strengthen collaboration in areas such as responding to COVID-19

2. Safety management

- Analyze risks and confirm improvement measures through auditing and inspections*
- Implement chemical substance auditing*
- Share reports on occupational accident case studies and measures, including sharing with the Group companies outside Japan

* In Japan

Health and Safety Management System

Framework
and System

The Nikon Group Health and Safety Activity Policies are established by the Central Health and Safety Committee. This committee is different from the Health and Safety Committee which is mandatory under Japanese laws and regulations. It is made up of representatives from both labor and management and chaired by the General Manager of the Group Governance & Administration Division who is a Representative Director. The Central Health and Safety Committee assesses and monitors regular health exams, health checkups for employees with excessive overtime, and occupational accidents at the Nikon Group in Japan. In addition to that, the committee incorporates any issues and measures into the health and safety activity policies for the following fiscal year as well as sharing them not only with the Group companies in Japan, but also those overseas.

Regarding certification in relation to international occupational health and safety management system standards, Sendai Nikon Corporation and Nikon (Thailand) Co., Ltd. have both received ISO 45001 certification.

Raising Health and Safety Management Standards

Activities and
Results

● Initiatives in Japan

As a result of identifying occupational accidents in the fiscal year ended March 31, 2020 by work experience, for of employment, and other factors, accidents involving temporary employees had increased at Nikon. Therefore, in the fiscal year ended March 31, 2021, we strengthened our initial training not only for new hires but also for temporary employees, and 265 temporary employees attended training.

In addition, there was a marked incidence of accidents due to contact with chemical substances and so on in the fiscal year ended March 31, 2020. Thus, in the fiscal year ended March 31, 2021, we implemented chemical substance auditing by business site health and safety staff and education (online) for workers who handle organic solvents, which was attended by 57 employees.

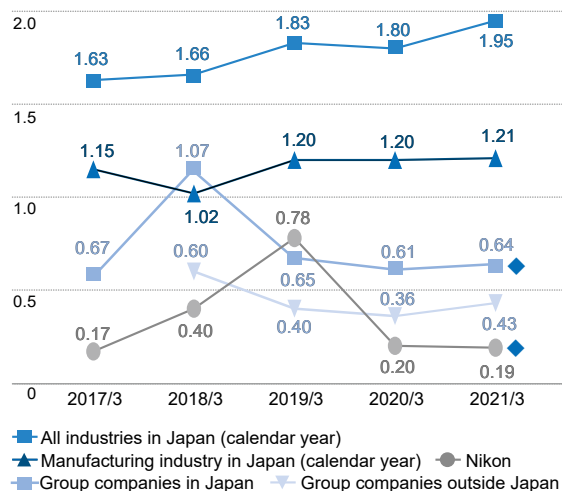
Starting in the fiscal year ended March 31, 2019, we have been carrying out activities with the target of reducing occupational accidents at the Nikon Group in Japan attributed/related to work* to less than 40 per year. In the fiscal year ended March 31, 2021, there were 19 occupational accidents of the type referred to above, even lower than in the previous year, which was partly attributable to implementation of safety and health education according to form of employment and risk.

* Excluding traffic accidents while traveling on business, and excluding accidents involving falls, etc. where the accident was mainly due to individual carelessness.

Initiatives Outside Japan

At the Group companies outside Japan, we are addressing occupational safety by developing occupational safety promotion systems at each company in accordance with the laws and regulations of each country. The Nikon Group as a whole also conducts a survey at the end of every fiscal year to monitor the incidence of occupational accidents at each company. In addition, in order to reduce the number of occupational accidents, we share information on occupational accidents and measures to prevent recurrence at the Nikon Group in Japan. In the fiscal year ending March 31, 2022, we will continue these activities.

Frequency Rates of Lost Time Accidents (1 or More Days)*1



*1 Frequency rates of lost time accidents

The number of deaths and injuries resulting from occupational accidents per million hours worked, which is used as an index for the frequency of occupational accidents.

* There were 27 Group companies in Japan, including non-consolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies (excludes nine companies, including companies in the process of liquidation) outside Japan in the fiscal year ended March 31, 2021. The severity rate was calculated based on total imputed working hours.

◆ : Values in Data Index assured by third party

Occupational Accidents Attributed/Related to Work

	2018/3	2019/3	2020/3	2021/3
Nikon Group in Japan	33	38	29	19

* Target for the fiscal year ended March 31, 2021: less than 40.

* There were 27 Group companies in Japan, including non-consolidated Group companies, in the fiscal year ended March 31, 2021.

Severity Rate of Lost Time Accidents (1 or More Days)*1

	2017/3	2018/3	2019/3	2020/3	2021/3
All industries in Japan (calendar year)	0.10	0.09	0.09	0.09	0.09
Manufacturing industry in Japan (calendar year)	0.07	0.08	0.10	0.10	0.07
Nikon Group	—	—	—	0.01	0.01
Nikon	0.00	0.01	0.02	0.00	0.00 ◆
Group companies in Japan	0.01	0.01	0.02	0.01	0.01 ◆
Group companies in Europe	—	0.06	0.03	0.06	0.04
Group companies in the Americas	—	0.00	0.00	0.01	0.00
Group companies in Asia/Oceania	—	0.01	0.00	0.00	0.00

*1 Severity rate of lost time accidents

The number of work days lost per 1,000 hours worked, which is used as an index for the severity of occupational accidents.

* 0.00 indicates a rate of less than 0.005.

* There were 27 Group companies in Japan, including non-consolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies (excludes nine companies, including companies in the process of liquidation) outside Japan in the fiscal year ended March 31, 2021. The severity rate was calculated based on total imputed working hours.

◆ : Values in Data Index assured by third party

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Strengthening Supply Chain Management

> Respecting Human Rights

> Diversity and Inclusion

> [Employees' Health and Safety](#)

Maintaining and Improving Employee Health

Activities and
Results

Nikon has formulated a Mental Health Promotion Plan, which not only addresses employees with mental health problems, but also includes stimulation of communication in the workplace. In the fiscal year ended March 31, 2021, we promoted stress self-care and activities to improve stress tolerance for young employees based on the results of group analysis of the stress check system. In addition, occupational health staff provided individual consultations and guidance to managers and supervisors to improve line care for health checkups for employees with excessive overtime and support for returning to work, including for employees of the Group companies in Japan. In recognition of our initiatives, including measures to address COVID-19, mental health care, health guidance by occupational health staff after regular health exams, and smoking cessation and other activities, Nikon received certification as a Health and Productivity Management Organization 2021 in February 2021.



* Health and Productivity
Management Organization 2021

The Certified Health and Productivity Management Organization Recognition Program, which is jointly run by the Nippon Kenko Kaigi (Japan Health Association) and the Ministry of Economy, Trade and Industry, promotes "Health and Productivity Management." This system endeavors to highlight outstanding enterprises that are engaged strategically in efforts to advance health management from a productivity management perspective.

Initiatives to Prevent the Spread of COVID-19

Activities and
Results

The Nikon Group has been working to prevent the spread of COVID-19 as part of its efforts to maintain and improve the health of employees and to improve their safety. In the fiscal year ending March 31, 2022, we will continue to take countermeasures with a goal of zero shutdowns of departmental operations due to an outbreak of COVID-19.

Main Measures to Prevent the Spread of COVID-19 Taken by the Nikon Group in the Fiscal Year Ended March 31, 2021

- Formulated the COVID-19 Response Guidelines defining actions to be taken in the case of infection risk, etc.
- Provided hygiene products, such as surgical masks and N95 masks, at the Group companies outside Japan
- Provided pre-travel health consultations with occupational health physicians for employees travelling overseas from Japan
- Paid the cost of PCR tests for employees travelling overseas from Japan (paid for 655 tests from July 2020 up to March 31, 2021)

2021

[Contents /
Editorial Policy](#)[Message from
the President](#)[Nikon Group
Profile](#)[Nikon's
Sustainability](#)[Business
Activity](#)[Environment](#)[Society /
Labor](#)[Governance](#)[Corporate
Citizenship
Activities](#)[>Thorough Compliance](#)[>Strengthening Corporate Governance](#)[>Strengthening Risk Management](#)

Governance

Priority Issues

10 Thorough Compliance [→P98](#)**11 Strengthening Corporate Governance** [→P102](#)**12 Strengthening Risk Management** [→P105](#)

Priority Issue 10

Thorough Compliance



Reason for Priority

The global social situation facing companies continues to change rapidly, which has even included the occurrence of unforeseen situations such as sudden onset of pandemics. No matter how the times may change, the importance of corporate ethics and legal compliance remains along with the need for companies to fulfill their corporate social responsibilities.

If just one scandal occurs, there are too many cases to note where this has caused a loss of trust and endangered a company's business continuity. Therefore, in addition to preventing scandals before they happen, it is important to strengthen compliance system in a broad sense in line with international guidelines and directives, while carrying out appropriate risk evaluation and training simultaneously.

Commitment

The Nikon Code of Conduct forms the basic rules of the Group based on its corporate philosophy of "Trustworthiness and Creativity." It sets the standards for all Nikon Group employees to fully recognize the importance of compliance, abide by laws and regulations, company rules, and social norms, make ethical decisions, and take appropriate actions with integrity in day-to-day business activities. The Nikon Code of Conduct also represents our foundation for strengthening global governance and responding to the expectations of the international community. Nikon aims to be a company that lives up to society's trust by seeking to continuously make the Code of Conduct known to all and entrench it, and by engaging in honest actions including legal compliance.

In order to contribute to the sustainable development of society by realizing our philosophy "Trustworthiness and Creativity" and our vision of "Unlock the future with the power of light," I will continue to demand thorough compliance by practicing the Nikon Code of Conduct.

Takumi Odajima

Representative Director and Executive Vice President
General Manager of Group Governance & Administration Division

[Activity Policies]

- Nikon Code of Conduct
- Nikon Anti-Bribery Policy

[System]

- Compliance Committee

Compliance

The Nikon Group has established a Group-wide compliance promotion system, in order to engage honestly with the trustworthiness placed in us by society. Under this system, we are striving to ensure compliance throughout the entire Nikon Group.

Nikon Code of Conduct

Approach and
Policy

The Nikon Code of Conduct is a specific set of standards for each and every employee to understand in depth and implement the concept of compliance. In January 2018, we revised this code of conduct to address the latest requirements of the global community. Specifically, the revision included adding descriptions on such topics as human rights, taxation, import control and social responsibilities of the supply chain, and standardized this code of conduct as the common rule for all Group companies in and outside Japan. Nikon makes its Code of Conduct known to all employees in and outside Japan and promotes their understanding of it through the message from the president, our principles, explanation of terms, and Q&A, among other means. The Code of Conduct and commentary have been translated into 16 languages and are published to ensure that all employees have access to them at any time. Furthermore, the content of the Code of Conduct and commentary is reviewed regularly and in the fiscal year ended March 31, 2021, review work was carried out on the commentary.

Additionally, to ensure thorough compliance with the code of conduct in the Nikon Group, the head of each department at Nikon and above, and the president of each Group company make a pledge each year to take responsibility in complying with the code of conduct in the organizations that they are in charge.

[Nikon Code of Conduct](#)

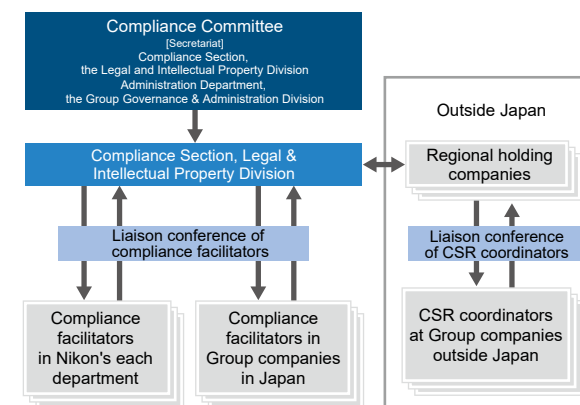
<https://www.nikon.com/about/sustainability/nikon-sustainability/codeofconduct/>

Compliance Promotion System

Framework
and System

The Nikon Group has established the Compliance Committee* for deliberating and making decisions on important issues regarding promotion of compliance, such as the prevention of bribery. The committee is chaired by the Representative Director and General Manager of Group Governance & Administration Division of Nikon. The Compliance Section of the Legal and Intellectual Property Division, which spearheads compliance promotion activities, and the Administration Department of the Group Governance & Administration Division, which is in charge of the Code of Conduct Hotline (Reporting and Consulting System), both serve as the secretariat of the committee. The Nikon Group promotes compliance according to the system outlined in the diagram. In Japan, the Compliance Section collaborates with the compliance facilitators at each of Nikon's departments and the Group companies to undertake compliance promotion activities such as liaison conferences, and so on. Cooperating with the Group companies outside Japan, regional holding companies play a central role in addressing the risk of unintentional violation of laws and regulations that differ from country to country. Furthermore, we promote global activities by sharing their knowledge of cultures, customs and regulation in each country and region.

Compliance Promotion Structure Diagram (As of April 1, 2021)



* The Business Conduct Committee was renamed the Compliance Committee effective April 1, 2021.

Code of Conduct Hotline (Reporting and Consulting System)

The Nikon Group has included provisions regarding a reporting and consulting system in the Nikon Code of Conduct and has established such systems at all Group companies in and outside Japan in order to respond to reports of violations or potential violations of the Nikon Code of Conduct.

Code of Conduct Hotline, a common reporting/consulting channel for employees of the Nikon Group in Japan (including non-consolidated Group companies), consists of an internal contact point and an external contact point which is handled by an external specialist firm.

Outside Japan, as a general rule, each Group company has established its own internal contact point. In addition, the

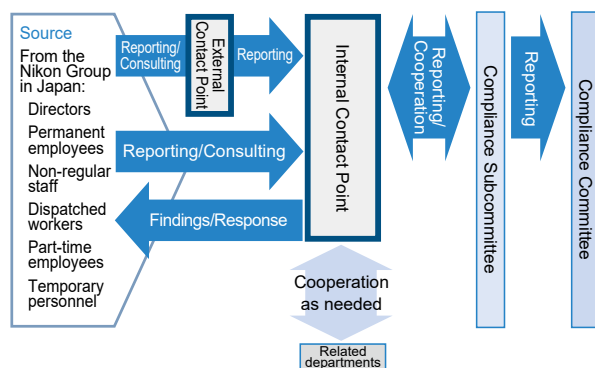
contact points handled by external specialist firms have been set up and are being operated in Europe, the Americas and Asia (excluding China and South Korea).

In the fiscal year ended March 31, 2021, we established and commenced operations of an external contact point by a specialist firm in China.

Consultations can be made anonymously. Also, external contact points are open daily in Japan with the exception of the year-end and New Year's holidays and open 24 hours a day 365 days a year outside of Japan where reports can be made in the local language. For each case received through the system, investigations collect information from the reporter and persons relevant to the matter to understand the issue objectively. And then, we work together with relevant departments to resolve the case and follow up as necessary. We treat each case with utmost care by respecting human rights, which includes keeping the matter in strict confidence, protecting privacy, ensuring anonymity, and preventing any disadvantages for using the system.

Furthermore, the Nikon Group makes employees aware of this system through the booklet on the Nikon Code of Conduct accessible to all employees and relevant training programs.

Diagram of the Reporting and Consulting System in Japan



Use of Reporting and Consulting System (Fiscal year ended March 31, 2021)

	(cases)
Cases	
Group companies in Japan	30
of which human rights-related matters (harassments, labor, etc.)	27
Group companies outside Japan	9
of which human rights-related matters (harassments, labor, etc.)	4

Compliance Promotion Activities

Activities and Results

● Compliance Training for Officers and Employees at Nikon Group

The Nikon Group aims to disseminate the awareness of compliance in every person at the Nikon Group, from our top management to each employee.

For this reason, a compliance seminar led by a specialist attorney was held for Nikon's full-time officers in conjunction with the meeting of the Business Conduct Committee (currently the Compliance Committee) in December 2020. With 19 officers in attendance, the seminar covered recent legal revisions to Japan's Whistleblower Protection Act and Anti-Monopoly Act. For Group employees, we held group training and e-learning. In the fiscal year ended March 31, 2021, e-learning and online training were mainly used to disseminate the awareness of the Nikon Code of Conduct due to the impacts of the COVID-19 pandemic.

At the Group companies in Japan, we held e-learning for all employees including managers following the establishment of

legislation on the prevention of abuse of authority.

At the Group companies in Europe, the Americas and Greater China, we provided training on the prevention of bribery as part of our efforts to stop corruption.

At the Group companies in Asia and Greater China, we held training following the introduction of external contact points for our hotline.

Further, in the Nikon Group's newsletter for all of its employees, we introduce compliance related news that are reported in the world and explain the Nikon Group's view on compliance.

● Global Awareness Survey (Monitoring)

The Nikon Group conducts monitoring through an awareness survey of its employees at the Group companies in and outside Japan every one or two years. Through this, the Nikon Group intends to understand the penetration of compliance awareness and employees' confidence in the reporting and consulting system as well as current situations of the Code of Conduct training, whose results are reflected in improvements to the Nikon Group's promotional activities.

In the fiscal year ended March 31, 2021, we conducted an awareness survey for the Nikon Group in Japan and outside Japan, with 15,516 employees responding (response rate of 90.2%). The penetration rate of the Nikon Code of Conduct increased from 84.4% in the 2018 survey to 90.6% today, indicating steadily progress is being made globally. The results were reported during the meeting of the Business Conduct Committee held in December 2020 while also providing a comparison of overtime. The results of the survey are also fed back to all departments at Nikon and the Group companies with requests for improvements, and each company strives to make improvements on the basis of this.

Through such efforts, the Nikon Group has established a PDCA cycle for promoting compliance in all regions where we conduct business activities.

Efforts to Prevent Bribery

Approach and Policy

Framework and System

Activities and Results

The Nikon Group enacted the Nikon Anti-Bribery Policy to reiterate its long-standing commitment to the prevention of bribery.

To ensure compliance with the Nikon Anti-Bribery Policy, led by the Compliance Section, holding companies outside Japan have each formulated their region-specific Anti-Bribery Guidelines. These guidelines reflect regional characteristics and put together business approaches, precautions and operational procedures, etc., on areas such as entertainment, gifts and donations.

Specifically, we are taking steps to ensure full compliance with application and approval procedures in writing regarding any spending related to public officials. In addition, as a general rule we have banned facilitation payments. Furthermore, in principle, we require that contracts with third parties such as intermediaries contain an anti-bribery clause. On top of this, we have a system in place to confirm matters using a prescribed checklist in case of dealing with third parties deemed to be high risk.

Moreover, the Compliance Section and regional holding companies outside Japan are working continuously to provide training and make procedures on anti-bribery known to all. Each Group company also checks the operation of the Anti-Bribery Guidelines using a self-assessment checklist at the end of every fiscal year, with the results used to improve practices in the subsequent fiscal year.

In the fiscal year ended March 31, 2021, we conducted anti-bribery training in Europe, the Americas and Greater China. In South Korea, we completed revisions to local Anti-Bribery Guidelines, began enforcing the new guidelines, and made preparations for training on the new guidelines.

Through these initiatives, the Nikon Group has never been the subject of investigation on bribery by the authorities in any

country.

[Nikon Anti-Bribery Policy](#)

https://www.nikon.com/about/sustainability/governance/compliance/anti-bribery_policy.pdf

Efforts to Prevent Competition Law Violations

Approach and Policy

Framework and System

Activities and Results

As set out in the Nikon Code of Conduct, the Nikon Group's fundamental position is to carry out fair competition and engage in business deals that comply with the competition laws of each country.

In recent years, the international community has increased its focus on compliance with competition laws, requiring more stringent efforts to comply with these laws. The Nikon Group had continued to provide training on competition law and since 2014 we have reinforced this initiative. Through this education, which we provide continuously on annual basis, we strive to promote and disseminate the awareness of legal compliance across the entire Nikon Group as well as prevent the competition law violations.

● Furthering Education on Competition Law

The Nikon Group has been making global efforts to educate employees with respect to competition law that are in line with the laws and regulations of each country. Specifically, the Legal Department of Nikon takes the lead in providing competition law education for the entire Nikon Group. The legal department of each business operational site and each Group company prepares a curriculum and provides education with the assistance of local law offices as necessary.

One of the goals regarding compliance activities in the fiscal year ended March 31, 2021, was to "Continue to provide education on competition laws." Under this goal, in Japan we conducted e-learning based on the latest case studies, and overseas we provided education based on the risks due to the

nature of each company's business operations. Furthermore, at certain Group companies outside Japan, we began introducing a new system for checking the comprehension level of employees.

In the fiscal year ended March 31, 2021, competition law training was held for 4,367 employees at 47 companies, including non-consolidated company Nikon Optical U.S.A. Inc. (the United States) (as of March 31, 2021).

Responding to Misconduct

Activities and Results

In the event of violations of employment rules or the Nikon Code of Conduct, the Nikon Group takes strict action in accordance with internal regulations after investigating all related matters. In the fiscal year ended March 31, 2021, Nikon took disciplinary action in three cases (involving a total of nine people) related to management and supervisory responsibility for misconduct by employees of the Group companies. At the Group companies in Japan, there were three cases (involving a total of three people) of disciplinary action against parties involved in improper transactions, and one case (involving a total of one person) of disciplinary action against a manager or supervisor. At the Group companies outside Japan, there were two cases (involving a total of two people) of serious disciplinary action against parties involved in improper transactions. Nikon continually provides education for employees through the newsletter, e-learning and other means in order to prevent the recurrence of misconduct.

Priority Issue 11

Strengthening Corporate Governance

Reason for Priority

Corporate governance is the cornerstone of business activities. In order to ensure fair and transparent management, businesses must continue to improve on the system of governance. In addition, the governing body should forecast and respond to the various ever-changing risks and opportunities from a medium- to long-term perspective and implement countermeasures accordingly. As such, it is essential for us to respond to the various requests of stakeholders.

Commitment

Strengthening governance is one of the important challenges for a company, and it is necessary to build a corporate governance organization that ensures transparency and discipline to become a company that is trusted not only by investors but also by diverse stakeholders. Nikon has implemented initiatives aimed at strengthening governance, including establishing the Compensation Committee and Nominating Committee, increasing the ratio of external directors on the Board of Directors, and beginning the full-fledged implementation of the President's succession plan.

In the fiscal year ending March 31, 2022, we will continue to enhance corporate governance, including initiatives aimed at strengthening board effectiveness and increasing diversity.

Kazuo Ushida
Chairman of the Board

[Activity Policies]

- Corporate Governance Guideline
- Basic Policy on Internal Control System
- Nikon Global Tax Policy
- Nikon Group Information Security Policy
- Nikon Group Personal Data Processing Rules

[System]

- General Shareholders' Meeting
- Board of Directors
- Audit and Supervisory Committee
- Nominating Committee
- Compensation Committee
- Executive Committee
- Risk Management Committee
- Export Control Committee

Corporate Governance

Amid continued globalization of the business environment, the Nikon Group is working to enhance our trustworthiness with stakeholders by increasing management efficiency and transparency and enhancing its corporate governance organization.

Basic Views

Approach and
Policy

Based on its corporate philosophy, the Nikon Group will carry out highly transparent management by fulfilling its fiduciary responsibilities toward shareholders as well as its responsibilities toward all stakeholders, including customers, employees, business partners, and society, with a sincere and diligent attitude.

The Nikon Group will strive to achieve sustainable growth and enhancement of its corporate value over the medium to long term by improving management efficiency and transparency, and further strengthening the supervisory function over management in light of the purpose of Japan's Corporate Governance Code.

[Corporate Governance Guideline](#)

<https://www.nikon.com/about/ir/governance/organization/guideline/>

System

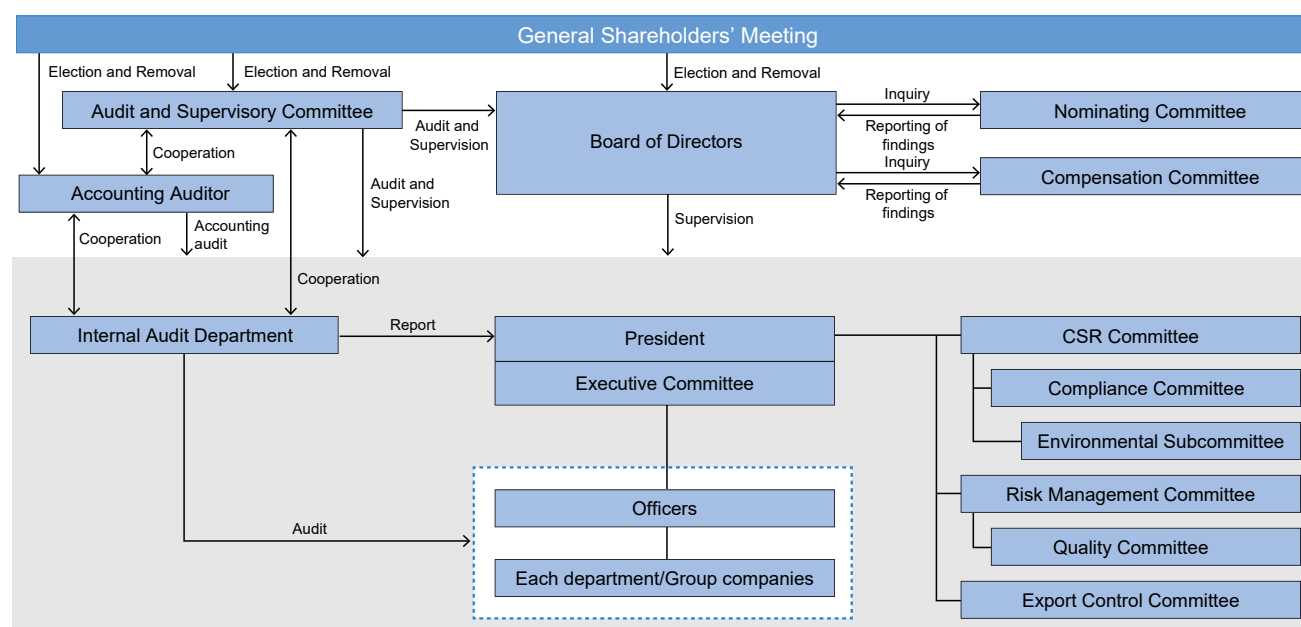
Framework
and System

Aiming to further enhance corporate governance, Nikon adopted a company with an Audit and Supervisory Committee. This position further strengthens the supervisory function of the Board of Directors as it strives to streamline decision-making and clarify management responsibility arising through delegation of authority.

[Corporate Governance Organization](#)

<https://www.nikon.com/about/ir/governance/organization/>

Nikon's Corporate Governance Organization (As of June 29, 2021)



Related Information

[Internal Control System](#)

<https://www.nikon.com/about/ir/governance/internal-control/>

[Basic Policy on Internal Control System](#)

<https://www.nikon.com/about/ir/governance/internal-control/policy/>

[NIKON REPORT/Annual Report](#)

<https://www.nikon.com/about/ir/library/ar/>

[Shareholders' Meeting](#)

https://www.nikon.com/about/ir/stock_info/meeting/

> Thorough Compliance

> [Strengthening Corporate Governance](#)

> Strengthening Risk Management

Taxation

Approach and Policy

Framework and System

Taxes have a significant impact on the development of local communities, and proper payment of taxes is an important social obligation for companies.

The Nikon Group stipulates conduct in compliance with applicable tax laws and regulations and open and honest dialog with tax authorities in the Nikon Code of Conduct. We also established the Nikon Global Tax Policy in order to improve tax compliance and strengthen governance.

Based on this policy, the Nikon Group will implement tax compliance that is aligned with management policy and management of taxation that is consistent across the Group. At the Nikon Group, the CFO* who also serves as director is responsible for tax governance. Each regional headquarters manages tax compliance for their respective region, while tax management and compliance for the entire Nikon Group is the responsibility of the tax team at Nikon's Finance and Accounting Division.

Each regional headquarters conducts quarterly monitoring of the Group companies in its region and implements appropriate countermeasures in response to regional tax risks and making this policy known to all. Furthermore, the tax team of Nikon's Finance and Accounting Division receives reports from each regional headquarters, based on which it provides supervision and support as well as addresses issues that cross regional lines.

The tax team of Nikon's Finance and Accounting Division also regularly reports to the CFO on the status of tax governance. Looking ahead, the Nikon Group endeavor to respond appropriately to changes in conditions and tax risks pertaining to tax governance in and outside Japan.

* CFO: Chief Financial Officer

[Global Tax Policy](#)

https://www.nikon.com/about/sustainability/governance/risk-management/tax_policy.pdf

Tax Payments by Region

(million yen)

Region	Tax payment
Japan	10,083
United States	896
Europe	1,532
China	740
Other	1,661
Total	14,912

* Results for the fiscal year ended March 31, 2020.

Priority Issue 12

Strengthening Risk Management

Reason for Priority

Risk management involves properly identifying risks and implementing measures in advance to minimize the impacts of these risks. The importance of risk management is growing amid the diversification of the risks facing companies because of advancements in IT and AI technologies, the globalization of business, and environmental issues symbolized by climate change.

In addition, making the necessary preparations and arrangements before a major disaster strikes, such as a communicable diseases like the COVID-19 pandemic today or a major earthquake such as a Tokyo Inland Earthquake or a Nankai megathrust earthquake, will help to prevent damages and mitigate risks.

Taking action to identify various changing risks and to mitigate impacts on business, the environment and society using a medium- to long-term perspective represents one path to achieving sustainable development.

Commitment

The risks facing companies are growing more diverse and complex due to the rapid evolution of technology and changes in the socioeconomic situation globally. Failure to respond to such risks appropriately could result in the loss of trust among stakeholders such as customers and shareholders and damages affecting the continuity of a company. For this reason, the development of an effective risk management system is becoming more important.

The Nikon Group conducts risk assessments annually, identifies important company-wide risks, analyzes and evaluates these risks, and regularly monitors its response. To further increase the effectiveness of risk response as a Group in the future, we are focusing on improving the functionality of the three lines of defense (first line: business departments; second line: corporate administration departments; and third line: internal audit departments) and strengthening mutual collaboration. Also, we continue to establish a highly efficient and flexible Group governance system in order to improve our response to risks globally, while taking into account changes in management environment and business structure.

Takumi Odajima

Representative Director and Executive Vice President
CRO, General Manager of Group Governance & Administration Division

* CRO: Chief Risk Management Officer

[Activity Policies]

- Nikon Group Information Security Policy
- Nikon Group Personal Data Processing Rules

[System]

- Risk Management Committee
- Export Control Committee

Risk Management

The Nikon Group manages comprehensive risks and implements measures for its sustainable growth.

Basic Approach to Risk Management

Approach and
Policy

The Nikon Group has implemented a risk management system in order to deal appropriately with all risks that may have a significant impact on corporate management with the aim of sustainable growth for Nikon and the Group companies.

Risk Management System

Framework
and System

To properly respond to risks that might critically impact corporate management, the Nikon Group has set up the Risk Management Committee, which is chaired by the Representative Director and CRO and made up of Executive Committee members, with the Administration Department serving as secretariat. For the fiscal year ended March 31, 2021, the committee was held in October 2020 and in March 2021.

In October 2020, we established a new subcommittee under the Risk Management Committee in order to more effectively respond to serious risks. With this subcommittee, we put into place a system for more flexibly supporting and monitoring by corporate administration departments regarding the implementation of improvement measures by business departments.

In the fiscal year ending March 31, 2022, we plan on improving our response to risks using a company-wide risk management system after further strengthening collaboration with main related departments.

The Risk Management Committee supervises the risks overall, and specialist committees are in charge of risks requiring specialized support and handle detailed matters. Business-specific risks are tackled at the respective business unit level.

Main Activity Themes of Risk Management Committee in the Fiscal Year Ended March 31, 2021

- Review and improve company-wide risk management system
- Develop risk management system for improving internal control
- Conduct company-wide risk identification survey for 2020 and make incident report
- Report of results of survey on litigation
- Evaluate effectiveness of priority risk matters in terms of information security

Main Specialist Committees Involved in Risk Management

Committee	Main risks handled
Risk Management Committee	Risk in general
CSR Committee	CSR in general and environmental issues in general (climate change, management of chemical substances, water, etc.)
Compliance Committee	Compliance in general
Export Control Committee	Prevention of the Foreign Exchange Law Violation and security risk management
Quality Committee	Quality in general
Bioethics Review Committee	Bioethics in general

Risk Assessment

The Nikon Group conducts risk identification surveys to gain an overall insight into the risks affecting the Group.

The survey results were reported to the Risk Management Committee after compiling a risk map presenting the scale of impacts and probability of occurrence.

Part of the report made to the Risk Management Committee including the risk map was provided as feedback to relevant departments including business departments in order to share recognition of risks facing the entire company.

In the fiscal year ended March 31, 2021, we identified material risk events based on a comprehensive view incorporating the results of the risk identification survey, and then worked on our response and making improvements. In addition, we increased collaboration between the Risk Management Committee and corporate administration departments in an effort to further develop our risk management system and mitigate risks.

Related Information

Financial results contain more information about business and other risks within analysis on management performance and financial condition.

[Consolidated Financial Results of the Year Ended March 31, 2021 \(P8 to P10\)](#)
https://www.nikon.com/about/ir/ir_library/result/pdf/2021/21_4qf_c_e.pdf

BCM*1 Activities Measures

Activities and Results

The Nikon Group has formulated BCPs*2 in preparation for large-scale disasters and other emergencies, including the infectious diseases, and reviews them every year.

In response to the COVID-19 pandemic, we established the Emergency Management Headquarters in February 2020 pursuant to the Pandemic Management Manual (headquarters region) established in July 2019 based on the scenario of a pandemic involving a novel form of the influenza virus and the BCM Standards. We made concerted efforts to continue our business activities while taking steps to prevent the spread of infections by encouraging employees to work from home.

In May 2020, we conducted e-learning on the theme of COVID-19 in order to inform each and every employee about how to prevent infections and ensure they put this knowledge to use.

In preparation for the increased probability of a large-scale earthquake to occur such as a Tokyo Inland Earthquake or a Nankai megathrust earthquake, as well as due to intensified natural disasters including typhoons and floods in recent years, the Nikon Group in Japan carried out communication training, based on the scenario of communicating during an emergency, at the same time as disaster training held at its production bases and conducted training to confirm communication methods using satellite phones.

*1 Business Continuity Management (BCM)

Management activities carried out in normal times, such as the formulation, updating and maintenance of the BCP, implementation of proactive measures, education and training, checking and continual improvement.

*2 Business Continuity Plan (BCP)

A plan describing the policy, systems, and procedures, etc., by which corporations can avoid suspension of critical business or can restore critical business quickly if it is interrupted, even when unforeseen contingencies arise, including natural disasters such as major earthquakes, communicable disease pandemics, etc.

Risk Management for Information Assets and Cybersecurity

The Nikon Group actively utilizes information assets and digital technologies as a means to provide value to its customers.

We are working to improve processes and strengthen governance, in addition to introducing the latest cybersecurity technologies, with the goal of mitigating information security risks including cybersecurity.

Information Assets Management Policy

Approach and
Policy

At the Nikon Group, the management and security of information assets are implemented based on the Nikon Group Information Security Policy. The Nikon Group Information Management Rules and other company rules have been established based on the policy to ensure optimal and efficient business conducts while properly protecting the information assets in line with the circumstances in each country and region. These rules are posted on the internal portal site for employees to access anytime.

[Nikon Group Information Security Policy](#)

https://www.nikon.com/about/sustainability/governance/risk-management/security_policy.pdf

Information Management System

Framework
and System

The Nikon Group has appointed the Representative Director and President as the head of information management including personal information protection. We have also established operating processes in accordance with Information Security Management Systems (ISMS). In terms of system operation, under the leadership of the Representative Director and Officer in charge of Information Security, the Information Security Department carries out management and supervision of activities across the entire Nikon Group, and works to plan measures on information security, including response to cyberattacks as well as to develop and maintain systems. In addition, the head of each organization of Nikon's business units, divisions, and the Group companies is designated as

information managers. By working with the Information Security Department, these individuals are helping to build an information security management system compatible with the situation in each country and region, while comprehensively managing the entire Nikon Group.

Material matters involving information asset risks are reviewed by the Risk Management Committee, which includes the members of the Executive Committee and others.

Response to Information Security Incidents

Activities and
Results

When an information security incident occurs at the Nikon Group, the site where the incident occurred is obligated to report it immediately to the Information Security Department. The Information Security Department works with relevant departments to establish a system and procedures for minimizing damage and impact, and processes for promptly resuming business. Serious cases are promptly reported to the director in charge by the Information Security Department. In addition, members of the Information Security Department attend incident response training courses run by outside experts as appropriate.

There have been no major information security incidents involving the payment of fines or compensation in the past three years.

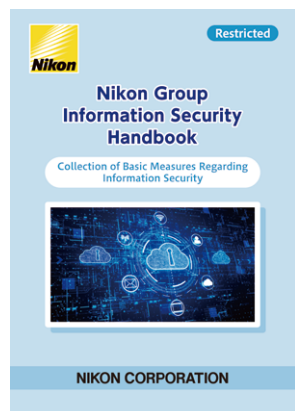
Information Security Education

Activities and
Results

The Nikon Group strives to promote awareness and effectiveness of information security among employees. Specifically, in addition to new hire orientation training, we provide education on information security regularly using e-learning and other methods. Within this education program, we include not only knowledge of the policy and the rules but specific examples.

We have distributed the Nikon Group Information Security Handbook to employees of the Group companies in Japan and Asia. This handbook is used in regular training to make sure that every one of the employees understands the importance of information asset management and complies with the rules with strong awareness.

In the fiscal year ended March 31, 2021, we revised the Information Security Handbook, with the updated version published in April 2021. Also, we provided training on information security, for example, e-learning, for the Nikon Group employees.



Nikon Group Information Security Handbook

Information Security Check

Activities and
Results

The Nikon Group periodically conducts internal checks pursuant to the Nikon Group Information Management Rules to improve our information security level.

In the fiscal year ended March 31, 2021, a paper-based audit was conducted on all of the Nikon Group's organizations (Nikon business departments and the Group companies) in Japan (approx. 140 organizations) and onsite audits were carried out on selected organizations based on materiality theme (six organizations). The results of these audits indicate there were no material risks requiring improvements. However, since it was found that some workplaces did not fully operate rules on information security when working from home, a reminder was issued to ensure compliance once again.

The Nikon Group plans to conduct internal checks focusing on the presence of appropriate information security measures in the fiscal year ending March 31, 2022.

Protection of Personal Information

Approach and Policy
Framework and System
Activities and Results

The Nikon Group has established the Nikon Group Privacy Protection Statement as it respects privacy and acknowledges that processing personal data in a lawful and proper manner is an important social responsibility. Additionally, under this Statement, we established the Nikon Group Personal Data Handling Rules as a common set of rules covering the entire Group. We are now working to make these rules known within the Group and ensuring that personal data is handled following these rules under the information security promotion system. Furthermore, we established the Personal Data Protection Subcommittee under the Risk Management Committee comprised of members from the Executive Committee and other organizations. The subcommittee carries out risk management concerning privacy and personal information covering the entire Nikon Group.

Our specific initiatives include posting the privacy notice following relevant laws and regulations on the website of each Nikon Group company, and notifying customers of contact windows concerning privacy and individual rights, including the purpose of use of personal information and how to delete their personal information.

In addition, the subcommittee requests procurement partners to follow the Nikon CSR Procurement Standards so that they comply with information security including privacy protection. In addition, we have obtained ISO 27001 certification, an international standard for ISMS, where rigorous management of personal information is required, such as in healthcare.

[Nikon Group Privacy Protection Statement](https://www.nikon.com/privacy/privacy_policy.htm)

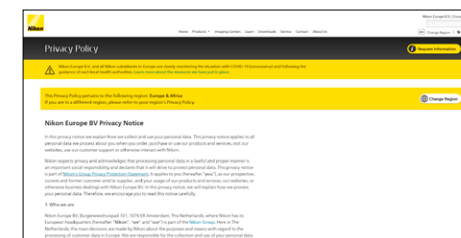
https://www.nikon.com/privacy/privacy_policy.htm

[Privacy Notice of Nikon Europe B.V. in accordance with General Data Protection Regulation \(GDPR\) in EU](https://www.microscope.healthcare.nikon.com/en_EU/privacy-policy)

https://www.microscope.healthcare.nikon.com/en_EU/privacy-policy

Nikon CSR Procurement Standards

https://www.nikon.com/about/corporate/procurement/pdf/csr-procurement1_3_e.pdf



Privacy Notice of Nikon Europe B.V. in accordance with General Data Protection Regulation (GDPR) in EU (excerpt)

Response to the Personal Information Protection Laws of Each Country

The Nikon Group complies with the personal information protection laws of each country where it operates, including the General Data Protection Regulation (GDPR) in the EU. We are also working to develop a system to prevent violations in order to achieve appropriate management of personal information under an information security management system.

In the fiscal year ended March 31, 2021, the Group companies in China responded to the China's Cybersecurity Law and the multiple level protection system for information system security, while in Singapore we prepared the necessary paper documentation. European Group companies continued to provide training on the GDPR and responded to the legal requirement on the transfer of personal information across borders following the UK's exit from the EU. Additionally, the Group companies subject to the GDPR, the China's Cybersecurity Law, and the California Consumer Privacy Act in the United States conducted an inspection of legal compliance using a check list.

In the fiscal year ending March 31, 2022, we will continue to ensure compliance with the laws of each country, including Japan's amended Act on the Protection of Personal Information.

2021

Contents /
Editorial PolicyMessage from
the PresidentNikon Group
ProfileNikon's
SustainabilityBusiness
Activity

Environment

Society /
Labor

Governance

Corporate
Citizenship
Activities

> Thorough Compliance

> Strengthening Corporate Governance

> [Strengthening Risk Management](#)

Infrastructure Development and Process Improvement for Cybersecurity

Activities and
Results

To maintain a strong defense against increasingly sophisticated and stealthy cyberattacks, the Nikon Group introduced a new cybersecurity infrastructure in the fiscal year ended March 31, 2021, and switched to an operating system for monitoring and addressing situations seamlessly around the world for the early detection of cyberattacks and early response.

Working from home increased during the pandemic's new normal, but we also worked on enhancing IT infrastructure so that IT systems can be accessed safely from anywhere outside the company using cloud technologies, etc.

In addition, we regularly improve our conventional operating processes. For example, we conduct periodic checks of the vulnerability of our corporate website, which can become an entry point for cyberattacks. We regularly conduct training for designers on information security rules during the product development process.

Corporate Citizenship Activities

Approach to Corporate Citizenship Activities

Approach and
Policy

With the strong desire to be a good corporate citizen, the Nikon Group engages in corporate citizenship activities in order to develop in partnership with the community. In December 2020, we revised the Nikon Community Contribution Activities Policy into the Nikon Corporate Citizenship Policy, clearly expressing this thinking as well as indicating our approach of engaging primarily in activities that target the next generation. The Nikon Group has been implementing corporate citizenship activities in line with the new policy so that the activities will be beneficial for both the community and the company.

[Nikon Corporate Citizenship Policy](https://www.nikon.com/about/sustainability/citizenship/)
<https://www.nikon.com/about/sustainability/citizenship/>

**Main results achieved in the fiscal year
ended March 31, 2021**

**Next generation who received the support and
encouragement by the Nikon Group through our
corporate citizenship activities**

14,244 people

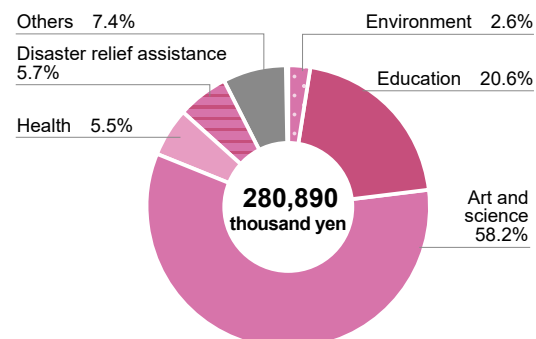
Corporate Citizenship Activity Promotion System

Framework
and System

The Nikon Group promotes the implementation of corporate citizenship activities by all Group companies through the CSR Promotion System, in which the CSR Committee plays a central role. By implementing the annual survey on Nikon Group Corporate Citizenship Activities, we are able to monitor whether the initiatives adopted by individual Group companies are in conformity with the Corporate Citizenship Policy; the survey results are reported to the CSR Committee.

[Sustainability Promotion System \(→P9\)](#)

Expenses for Corporate Citizenship Activities by Area (Fiscal year ended March 31, 2021)



Employee Participation in Corporate Citizenship Activities

The Nikon Group is working to improve the environment surrounding employee participation in corporate citizenship activities. Besides providing support through systems such as Nikon's volunteer leave system, we also plan activities that are easy for employees to take part in, and encourage employee participation.

Participation in the Nikon Group's Corporate Citizenship Activities

Total participants (fiscal year ended March 31, 2021)	1,888
--	-------

> Corporate Citizenship Activities

Main Corporate Citizenship Activities

Activities and
Results

● Helping the Next Generation to Appreciate the Global Environment Issues

With the aim of passing the global environment onto the next generation, the Nikon Group implements environmental awareness raising activities for children.

As part of its support for the Akaya Project, which aims to restore biodiversity, Nikon created a booklet "AKAYA NOTE" for children, and has been distributing it to schools for free. In the fiscal year ended March 31, 2021, 240 copies of the booklet were delivered. In the Netherlands, working together with the local branch of an international environmental education NGO, Foundation for Environmental Education (FEE), Nikon Europe B.V. provides the "Light on Small" environmental education teaching materials, which employ Nikon's Fabre Photo stereo microscopes. In the fiscal year ended March 31, 2021, these teaching materials were used by 405 school children in the Netherlands.

[Support for Biodiversity Conservation and Restoration](#)

[\(→P72\)](#)

Participation in Nikon Group's Environmental Awareness Raising Activities

Total participants (fiscal year ended March 31, 2021)	645
--	-----



The booklet AKAYA NOTE helps children to learn about biodiversity, by taking the animals and plants that live in the forest as its subject matter and making extensive use of photographs and illustrations.

Column

Helping to Preserve Biodiversity with Technology

Nikon is using its technology to help with the wildlife monitoring surveys conducted under the Akaya Project.

In collaboration with The Nature Conservation Society of Japan (NACS-J), Nikon developed an application that automatically detects animals for extracting images of animals only from the vast amount of image data collected through the survey. The application was developed using deep learning technology and not only reduces the onsite survey workload, but also reduces the number of animal images overlooked by humans. Nikon is currently working on applying the application to low density management of Japanese deer, which is a pressing concern for the Akaya Project.



Automatic animal image detection application jointly developed with NACS-J

● Supporting Children with Schooling

The Nikon Group has been working to assist children with school enrollment and attendance who find it difficult to go to school for economic reasons, primarily in regions involved in our products.

Three companies, Nikon, Nikon (Thailand) Co., Ltd., and Nikon Lao Co., Ltd., provide scholarships in Thailand and Laos through international education NGOs. In Thailand, we provided scholarships for 171 junior and senior high school students and university students in the year ended March 31, 2021, bringing the total number of scholarship recipients over 14 years to 2,408. In Laos, we provide scholarships to 100 junior high school students each year, with 700 total recipients over seven years. In addition, the Nikon Group in Japan provides support for the United Nations World Food Programme (WFP) school feeding which improves the health of children in developing countries as well as encouraging school attendance. In the fiscal year ended March 31, 2021, we donated 1,088,153 yen, enough for 36,272 school meals, and we believe this helped 145 children attend school for a year.

Children Receiving Financial Assistance from Nikon Group

Recipients (fiscal year ended March 31, 2021)	416
--	-----



Scholarships in Thailand are provided through Shanti Volunteer Association in Japan and Sikkha Asia Foundation in Thailand.

> Corporate Citizenship Activities

● Encouraging the Next Generation to Build the Future

The Nikon Group implements a range of activities aimed at identifying and cultivating the industrial, artistic and cultural talent of the future.

Nikon Imaging Japan Inc. presents the Miki Jun Award to the most outstanding photo exhibit by up-and-coming photographers in the Nikon Salon—a photography exhibition venue, which Nikon established to popularize and strengthen photographic culture. Moreover, Nikon is helping to train the engineers who will lead the next generation of the optical industry through the Nikon Chair of Imaging Science established at the Institute of Industrial Science (IIS), The University of Tokyo. In addition, in Laos, we strive for the cultivation of industrial talent who can understand Japanese through the Nikon-JICA Scholarship (offered at Savannakhet University), operated jointly with the Japan International Cooperation Agency (JICA).

The Group companies outside Japan also provide scholarships for young people looking to enter the photography industry and support for local STEM* education programs.

* STEM: An acronym for education in Science, Technology, Engineering, Mathematics.

People Participating in Nikon Group Initiatives for Identifying and Cultivating Human Talent

Participants (fiscal year ended March 31, 2021)	13,183
--	--------

* As the Nikon Photo Contest is held every other year, the results for the fiscal year ended March 31, 2021 is half the number of the 26,167 applicants in 2020 - 2021.



Out of the 40 recipients of the Nikon-JICA Scholarship offered at Savannakhet University in Laos, 16 are Japanese language students. The other students are majoring in IT, electrical engineering, business and other subjects.

● Sustainable Community Well-being

Committed to helping local communities to become better places to live, and to sustain this over the long term, the Nikon Group implements activities that contribute to the well-being of local people.

Nikon India Private Limited (India)

Nikon India Private Limited has been helping to provide home-based fostering for 40 children in need of social care, through SOS Children's Villages of India.

Optos Plc (UK)

Optos Plc contributes to local healthcare through its support for Blood Bikes Scotland, a volunteer group which delivers medical items to patients free of charge.



Blood Bikes Scotland supported by Optos Plc

Nikon Precision Inc. and Nikon Research Corporation of America (U.S.)

Nikon Precision Inc. and Nikon Research Corporation of America contribute to activities that deliver meals with high nutritional value to economically vulnerable households and children, homeless people, and facilities for the elderly, through support for local foodbanks.

● Disaster Relief Assistance

As a good corporate citizen, the Nikon Group provides emergency aid for large-scale natural disasters based on its relationship with the community.

In the fiscal year ended March 31, 2021, the Nikon Group offered emergency support through monetary donations for areas affected by the heavy rain event of July 2020 in Japan. In addition, since January 2020, the Group has been providing a variety of assistance from the standpoints of measures to control infection, promotion of basic research, and support for medical facilities as part of its support activities in response to the COVID-19 pandemic.

Main Support Activities in Response to COVID-19 Pandemic

Measures to control infection	Donations to COVID-19 Solidarity Response Fund for the WHO, China Charity Alliance, and PM Cares Fund, a fund affiliated with the Indian government
Promotion of basic research	Donations for basic research into elucidation of the virus at the Department of Infection Biology, Faculty of Medicine, University of Tsukuba and the Department of Cell Biology and Neuroscience, Juntendo University Graduate School of Medicine
Support for medical facilities	Donation of face shields manufactured by Sendai Nikon Corporation and supplies owned by Nikon business facilities (N95 masks and clean room clothing, etc.) to medical institutions, local governments, and others

Related Information

Please see the corporate website for more details on Corporate Citizenship Activities.

[Corporate Citizenship Activities](#)

<https://www.nikon.com/about/sustainability/citizenship/>



NIKON SUSTAINABILITY REPORT

ニコン
サステナビリティ報告書

Data Index

データ集

2021

Contents
目次Data on "Business activity" field ... D - 2
「事業」に関するデータData on "Environment" field ... D - 3
「環境」に関するデータData on "Society / Labor" field ... D - 15
「社会・労働」に関するデータData on "Governance" field ... D - 27
「ガバナンス」に関するデータData on "Corporate Citizenship" ... D - 30
「企業市民活動」に関するデータIndependent Practitioner's Assurance ... D - 32
第三者保証

Boundary

Nikon: Refers to Nikon brand or Nikon Corporation only
 Group companies: Nikon's 79 consolidated subsidiaries
 Nikon Group: Nikon Corporation and its consolidated subsidiaries

- * "Nikon Group in Japan" refers to Nikon and Group companies in Japan.
- * The boundary for environmental data is defined in "Data classification and ISO 14001 Certification Status" (D-3). In other cases where a specific boundary is defined, details are clearly specified in each respective section.
- * Unless otherwise stated, the term "employees" includes the Nikon Group executive officers, permanent and nonregular staff, contract workers, contract workers from staffing agencies, part-time employees, and temporary personnel.
- * As for the numerical values relating to the financial content of this report, figures displayed in hundred millions of yen are truncated, and figures displayed in millions of yen are rounded to the nearest unit. In addition, other numerical values are rounded off, which may result in a discrepancy between the breakdown and total.

範囲

ニコン：ブランドを示すものや株式会社ニコンのみに適用されるもの
 グループ会社：連結子会社（79社）
 ニコングループ：株式会社ニコンおよび連結子会社

- ※「国内ニコングループ」とはニコンと国内グループ会社を表しています。
- ※環境データについては、D-3の「データ区分とISO 14001取得状況」に対象範囲を定義しています。また、これ以外に個別の対象範囲を定義している場合には、各掲載場所にその旨を明示しています。
- ※「従業員」には、ニコングループの役員、正社員、嘱託、契約社員、派遣社員、パートタイマー、アルバイトが含まれています。
- ※財務内容にかかわる数値は、億円表示は単位未満を切り捨て、百万円表示は単位未満で四捨五入しています。また、それ以外の数値については、表示以降四捨五入しており、内訳と合計値が一致しない場合があります。

Independent Practitioner's Assurance

Certain data has also received third-party assurance in order to enhance its credibility (relevant data are marked with ★).

第三者保証

数値の信頼性向上のため、一部データについては、第三者保証を受けています（該当のデータには★を付けています）。

Sustainability Report Positioning
サステナビリティ報告書の位置づけSustainability Report, Data index
サステナビリティ報告書、データ集

Information on social and environmental activities
 社会・環境活動の詳細な情報を掲載しています

[Sustainability](https://www.nikon.com/about/sustainability/)
<https://www.nikon.com/about/sustainability/>
[サステナビリティ](https://www.nikon.co.jp/sustainability/)
<https://www.nikon.co.jp/sustainability/>

NIKON REPORT
(Integrated report)
ニコンレポート
(統合報告書)

NIKON REPORT communicates Nikon's strategies for growth to stakeholders through simple narratives
 ステークホルダーの皆様に、ニコンの成長戦略ストーリーを簡潔に伝えています

Nonfinancial
非財務Financial
財務

Financial Statements etc.
 決算説明会資料、有価証券報告書など
 IR information
 IR関連の詳細な情報を掲載しています

[Investor Relations](https://www.nikon.com/about/ir/)
<https://www.nikon.com/about/ir/>
 投資家情報
<https://www.nikon.co.jp/ir/>

Data on “Business activity” field

「事業」に関するデータ

Analysis and Review Breakdown of Call Center Inquiries (Japan)

分析・検討したコールセンターへのお問い合わせ内訳 (日本)

		FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Total number of inquiries お問い合わせ総件数		34,602	27,117	17,787	cases / 件
Breakdown 内訳	Requests / ご要望	59.9	66.1	70.2	%
	Feedback / ご意見	38.0	31.9	28.1	%
	Favorable comments / 好評価	2.2	2.0	1.7	%

* This breakdown is the number of inquiries received, excluding questions about dealers and usage methods, out of a total number of inquiries to the call center, used for analysis and review in product development.

※ この内訳は、コールセンターへのお問い合わせ総数のうち、販売店や使用方法に関する質問などを除き、製品開発などのための分析・検討に活用した件数です。

Customer Satisfaction Survey Results

お客様対応時の満足度調査の結果

Unit / 単位 : %

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Customer satisfaction お客様満足度	83.2	85.8	87.9	86.6	87.0

* The above figures represent the level of satisfaction taken from call center inquiries in the Americas, Europe and China. (Figures for four countries in Asia/Oceania region also included up to the fiscal year ended March 31, 2018.)

※ 上記数値は、米州、欧州および中国でのコールセンターの対応に対する満足度（2018年3月期までは、アジア・オセアニア地域の4カ国の数値も含む）。

Data on “Environment” field 「環境」に関するデータ

Data classification and ISO 14001 Certification Status (Fiscal Year Ended March 31, 2021) データ区分と ISO 14001取得状況 (2021年3月期)

Data classification / データ区分	Company / 会社名	ISO 14001 Certification Status / ISO 14001取得状況
Nikon / ニコン	Nikon Corporation / (株) ニコン	✓
Group manufacturing companies in Japan 国内グループ生産会社	Tochigi Nikon Corporation / (株) 栃木ニコン	✓
	Tochigi Nikon Precision Co., Ltd. / (株) 栃木ニコンプレジジョン	✓
	Jigtech Corporation / (株) シグテック	✓
	Sendai Nikon Corporation / (株) 仙台ニコン	✓
	Miyagi Nikon Precision Co., Ltd. / (株) 宮城ニコンプレジジョン	✓
	Hikari Glass Co., Ltd. / 光ガラス (株)	✓
	TNI Industry Corporation / ティーエヌアイ工業 (株)	✓
	Nikon Engineering Co., Ltd. / (株) ニコンエンジニアリング	✓
	Nikon CeLL innovation Co., Ltd. / (株) ニコン・セル・イノベーション	※1
	Nikon Tec Corporation / (株) ニコンテック	✓
Group nonmanufacturing companies in Japan 国内グループ非生産会社	Nikon Solutions Co., Ltd. / (株) ニコンソリューションズ	✓
	Nikon Systems Inc. / (株) ニコンシステム	✓
	Nikon Business Service Co., Ltd. / (株) ニコンビジネスサービス	✓
	Nikon Product Support Corporation / (株) ニコンプロダクトサポート	✓
	Nikon Vision Co., Ltd. / (株) ニコンビジョン	✓
	Nikon Imaging Japan Inc. / (株) ニコンイメージングジャパン	✓
Group manufacturing companies outside Japan 海外グループ生産会社	Hikari Glass (Changzhou) Optics Co., Ltd.	✓
	Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.	✓
	Nikon (Thailand) Co., Ltd.	✓
	Nikon Lao Co., Ltd.	✓
	Nikon X-Tek Systems Ltd.	✓
	Optos Plc	✓
Group nonmanufacturing companies outside Japan, etc. 海外グループ非生産会社等※2	Optos, Inc.	✓
	Nikon Imaging (China) Sales Co., Ltd.	✓
	45 companies / 45社	※1

* The ISO 14001 certification rate for the Nikon Group as a percentage of the number of employees at manufacturing sites is roughly 100%.

* In October 2020, Nikon Instech Co., Ltd. was merged with Nikon Healthcare Japan Inc., and Nikon Solutions Co., Ltd. has been established and then started its operations.

* Partial changes have been made to past environmental performance data due to the expansion of the boundary.

* In January 2020, the worker dispatch business of Nikon Staff Service Corporation was succeeded by the joint venture company, Nikon Nisso Prime Corporation, while the contract manufacturing business was succeeded by the newly established company, Nikon Product Support Corporation.

※1 Introduced the Nikon Eco Program (simplified environmental management system).

※2 Three Group nonmanufacturing companies in Japan that have very minimal environmental impact and have not obtained ISO 14001 are included. 10 companies such as private funds and companies in the process of liquidation are excluded.

※ ニコングループにおける ISO 14001認証の取得率は、生産拠点における従業員数ベースで約100%。

※ 2020年10月、(株)ニコンインステックは、(株)ニコンヘルスケアジャパンと合併し、(株)ニコンソリューションズとして営業を開始。

※ バウンダリ拡大等に伴い、過去の環境パフォーマンスデータを一部変更。

※ 2020年1月、(株)ニコンスタッフサービスの人材派遣事業は、合併会社である(株)ニコン日総プライムが継承し、製造請負事業などは新たに設立された(株)ニコンプロダクトサポートが継承した。

※1 ニコン簡易EMS(ニコン環境管理簡易システム)を導入している。

※2 環境負荷のごく小さい ISO 14001未取得の国内グループ非生産会社3社含む。またプライベートファンドや、清算に向けた諸手続き中の会社など10社は除く。

CO₂ Emissions List Breakdown by Scope and Category
Scope・カテゴリ別CO₂ 排出量Unit / 単位 : t-CO₂e

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Scope 1	Nikon, Group companies in Japan, Group manufacturing companies outside Japan / ニコン, 国内グループ会社, 海外グループ生産会社 ★	35,818	33,569	33,922	32,944	31,293
	Group nonmanufacturing companies outside Japan / 海外グループ非生産会社	-	6,652	4,207	4,107	2,598
	Total / 合計	35,818	40,221	38,129	37,051	33,891
Scope 2	Nikon, Group companies in Japan, Group manufacturing companies outside Japan / ニコン, 国内グループ会社, 海外グループ生産会社 ★	192,927	198,609	189,358	167,805	156,664
	Group nonmanufacturing companies outside Japan / 海外グループ非生産会社	-	6,409	5,941	5,677	5,160
	Total / 合計	192,927	205,018	195,298	173,482	161,824
Scope 3 individual categories within Scope 3 listed below / 以下、各カテゴリ						
1. Purchased goods and services / 購入した製品・サービス	Imaging Products Business and Precision Equipment Business / 映像・精機事業	998,535	745,127	798,990	725,837	438,434
2. Capital goods / 資本財	The entire Nikon Group / ニコングループ全体	92,055	97,598	74,321	85,486	90,663
3. Fuel and energy-related activities not included in Scope 1, 2 Scope1、2に含まれない燃料およびエネルギー関連活動	Nikon, Group companies in Japan, Group manufacturing companies outside Japan / ニコン, 国内グループ会社, 海外グループ生産会社	18,374	18,880	18,379	17,402	15,914
4. Upstream transportation and distribution / 輸送、配送 (上流)	The entire Nikon Group / ニコングループ全体	82,213	50,065	58,591	52,668	29,007
5. Waste generated in operations / 事業から出る廃棄物	Nikon (excluding the headquarters), Group companies in Japan, Group manufacturing companies outside Japan / ニコン (本社除く), 国内グループ会社, 海外グループ生産会社	2,905	2,267	2,102	2,501	2,291
6. Business travel / 出張	The entire Nikon Group / ニコングループ全体	29,726	29,179	34,668	28,022	8,928
7. Employee commuting / 雇用者の通勤	The entire Nikon Group / ニコングループ全体	15,709	11,064	9,900	9,714	8,567
8. Upstream leased assets (included in Scope 2) / リース資産 (上流、Scope2を含む)	Calculation included in Scope 2 / Scope2に含んで算出	-	-	-	-	-
9. Downstream transportation and distribution / 輸送、配送 (下流)	Excluded (because the amount is very small) / 除外 (少量のため)	-	-	-	-	-
10. Processing of sold products / 販売した製品の加工	Excluded (because the amount is very small) / 除外 (少量のため)	-	-	-	-	-
11. Use of sold products / 販売した製品の使用 ★	Imaging Products Business and Precision Equipment Business / 映像・精機事業	302,484	228,378	219,592	185,684	108,524
12. End-of-life treatment of sold products / 販売した製品の廃棄	Imaging Products Business and Precision Equipment Business / 映像・精機事業	5,129	4,223	3,612	3,175	1,544
13. Leased assets (downstream) / リース資産 (下流)	Excluded (because the amount is very small) / 除外 (少量のため)	-	-	-	-	-
14. Franchises / フランチャイズ	Out of scope / 対象外	-	-	-	-	-
15. Investments / 投資	Out of scope / 対象外	-	-	-	-	-
Total / 合計		1,547,130	1,186,781	1,220,156	1,110,488	703,873

* The following values were used for CO₂ conversion factors.

【Electric power】

Japan: The CO₂ emission factors without adjustment for each electric power utility noted in the "List of Basic Emissions Factors by Electric Power Utility" specified in the Act on Promotion of Global Warming Countermeasures.

UK: Residual mix.

US: NERC regional residual mix.

Other countries outside Japan: Individual country factor in International Energy Agency (IEA) factors. However, no conversion factor for Laos, so Thailand factor used.

【City gas】

Japan: The gas company eigenvalues noted in the guidance document for Periodic Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act) were multiplied by the values given in Appended Table 2 of the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures, and by 44/12.

UK: Factors from the Report on Greenhouse Gases.

Other countries outside Japan: Same value as a typical Japanese gas company.

【Heat and other fuels】

The factors noted in the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures.

* CO₂ emissions from energy consumption in Japan are calculated by subtracting amounts of hydroelectric power as well as amounts of energy associated J-Credits and Green Heat Certificates from total energy consumption, and multiplying that by the basic emission factors.

* Data coverage of Scope 1 and 2 for the fiscal year ended March 31, 2021 is 100% on an employee basis.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ CO₂ 換算係数は、下記の値を使用。

【電力】

日本: 温対法「電気事業者別基礎排出係数」

英国: 残渣ミックス

米国: NERC地域別残渣ミックス

その他海外: 国際エネルギー機関 (IEA) の国別係数。ただし、ラオスの係数はないのでタイの係数で代用。

【都市ガス】

日本: 省エネ法「定期報告書記入要領」のガス会社固有値に、温対法「算定・報告・公表制度における算定方法・排出係数一覧」の「別表2」の値と44/12を乗じた値

英国: 「温室効果ガス報告書」用係数

その他海外: 日本の代表的なガス会社と同じ値

【熱およびその他燃料】

温対法「算定・報告・公表制度における算定方法・排出係数一覧」の係数

※ 日本におけるエネルギー起源CO₂ 排出量は、総エネルギー使用量から、アクアプレミアム電力、J クレジット購入電力および、グリーン熱証書のエネルギー量を減算し、基礎排出係数を使用して算出。

※ 2021年3月期におけるScope1、2のデータのデータカバー率は従業員ベースで100%。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Energy Consumption ★
エネルギー使用量

Energy エネルギー		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Renewable energy / 再生可能エネルギー							
Electricity 電力	Nikon Group in Japan / 国内ニコングループ	34	0	0	17,406	17,623	MWh
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0	0	
Cold water/steam 冷水/蒸気	Nikon Group in Japan / 国内ニコングループ	0	1,686	8,790	8,224	0	1,000 MJ
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0	0	
Nonrenewable energy / 非再生可能エネルギー							
Electricity 電力	Nikon Group in Japan / 国内ニコングループ	256,801	261,069	265,148	236,964	224,327	MWh
	Group manufacturing companies outside Japan / 海外グループ生産会社	114,489	138,435	122,986	113,345	105,847	
City gas 都市ガス	Nikon Group in Japan / 国内ニコングループ	6,348	5,344	5,223	4,966	4,642	1,000 Nm ³
	Group manufacturing companies outside Japan / 海外グループ生産会社	73	72	76	90	130	
Liquefied petroleum gas (LPG) 液化石油ガス	Nikon Group in Japan / 国内ニコングループ	2,516	2,637	2,471	2,153	2,186	t
	Group manufacturing companies outside Japan / 海外グループ生産会社	179	222	234	217	208	
Compressed natural gas (CNG) 圧縮天然ガス	Nikon Group in Japan / 国内ニコングループ	0	0	0	0	0	1,000 m ³
	Group manufacturing companies outside Japan / 海外グループ生産会社	64	45	44	4	0	
Other fuels ^{※1} その他燃料 ^{※1}	Nikon Group in Japan / 国内ニコングループ	1,339	1,238	1,182	1,203	1,239	kL
	Group manufacturing companies outside Japan / 海外グループ生産会社	863	898	875	853	682	
Cold water/Steam 冷水/蒸気	Nikon Group in Japan / 国内ニコングループ	8,165	6,257	0	0	7,109	1,000 MJ
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0	0	
Total energy consumption ^{※2} / 総使用量 ^{※2}							
Nikon Group in Japan / 国内ニコングループ		2,979	2,979	3,006	2,879	2,745	TJ
Group manufacturing companies outside Japan / 海外グループ生産会社		1,190	1,431	1,277	1,178	1,098	
Energy consumption per unit of sales / 売上高原単位		5.56	6.15	6.04	6.87	8.52	GJ/¥1,000,000

※1 Calculated as crude oil equivalent.

※2 The following values were used for calorific-value conversion factors for total consumption.

[Electric power]

The factors given in the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

[City gas]

Japan: Gas company-specific factors under the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

UK: Value calculated from the factors for the Report on Greenhouse Gases.

Other countries outside Japan: Same value as a typical Japanese gas company.

[Heat and other fuels]

The factors given in the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

★: Values assured by the third party (fiscal year ended March 31, 2021).

※1 原油換算値。

※2 総使用量の熱量換算係数は、下記の値を使用。

[電力]

省エネ法「定期報告書記入要領」の係数

[都市ガス]

日本: 省エネ法「定期報告書記入要領」のガス会社固有係数

英国: 「温室効果ガス報告書」用係数より算出した値

その他海外: 日本の代表的なガス会社と同じ値

[熱およびその他燃料]

省エネ法「定期報告書記入要領」の係数

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Energy Consumption (MWh conversion)

エネルギー使用量 (MWh換算)

Energy / エネルギー	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
a) Nonrenewable fuels (nuclear fuels, coal, oil, natural gas, etc.) purchased and consumed ^{※1} ★ a) 購入し消費した非再生可能燃料 (核燃料、石炭、石油、天然ガスなど) ^{※1}	131,530	127,032	118,745	114,009	MWh
b) Nonrenewable electricity purchased ★ b) 購入電力 (非再生可能)	399,504	388,135	350,308	330,174	MWh
c) Steam/heating/cooling and other energy (nonrenewable) purchased ★ c) 購入した蒸気/暖房/冷却その他のエネルギー (非再生可能)	2,364	0	0	2,686	MWh
d) Total renewable energy (biomass, solar, wind, hydroelectric, and geothermal) purchased ★ d) 購入した総再生可能エネルギー (バイオマス、太陽光、風力、水力エネルギー、地熱)	637	3,321	20,513	17,623	MWh
e) Total nonrenewable energy (electricity and heating & cooling) ^{※2} sold e) 販売された非再生可能エネルギー総量 (電力・暖房・冷却) ^{※2}	0	0	0	0	MWh
Total nonrenewable energy consumption (a+b+c-e) 非再生可能エネルギー消費量合計 (a+b+c-e)	533,398	515,167	469,053	446,869	MWh
Total costs of energy consumption エネルギー消費量に関するコスト	4,217,535,530	4,829,224,833	5,823,967,429	4,957,543,118	¥

* Nikon Group in Japan and Group manufacturing companies outside Japan are included.

※1 Fuel: Value converted to crude oil calorific value and then multiplied by the power conversion coefficient (1MJ = 0.2778kWh). The following values are used for the conversion coefficient of crude oil calorific value.

[City gas]

Japan: Gas company-specific factors under the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

UK: Value calculated from the factors for the Report on Greenhouse Gases

Other countries outside Japan: Same value as a typical Japanese gas company

[Heat and other fuels]

The factors given in the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

※2 Steam/heating/cooling: Value converted to crude oil calorific value using the coefficient given in the guidance document for Periodical Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act), and then multiplied by the power conversion coefficient (1MJ = 0.2778kWh).

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 対象は国内ニコングループと海外グループ生産会社

※1 燃料: 原油熱量に換算した後、電力換算係数 (1MJ=0.2778kWh)を乗じた値。原油熱量への換算係数は、下記の値を使用。

[都市ガス]

日本: 省エネ法「定期報告書記入要領」のガス会社固有係数英国: 「温室効果ガス報告書」用係数より算出した値

その他海外: 日本の代表的なガス会社と同じ値

[熱およびその他燃料]

省エネ法「定期報告書記入要領」の係数

※2 蒸気/暖房/冷却: 省エネ法「定期報告書記入要領」原油熱量換算後、熱量-電力換算係数 (1MJ = 0.2778kWh) を乗じた。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Ratio of Renewable Energy to Electricity Consumption

電力使用量における再生可能エネルギー量

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Electricity consumption 使用電力	Nikon Group in Japan / 国内ニコングループ	256,965	261,205	265,265	254,471	242,079	MWh
	Group manufacturing companies outside Japan / 海外グループ生産会社	114,489	138,435	122,986	113,345	105,847	
	Group nonmanufacturing companies outside Japan / 海外グループ非生産会社	-	17,379	16,281	16,395	15,396	
	Total / 合計	371,455	417,019	404,533	384,211	363,321	MWh
Renewable energy consumption 再生可能エネルギー量	Green Power Plan / グリーン電力プラン	20	30	32	20,051	20,486	MWh
	Green Power Certificate / グリーン電力証書	34	0	0	1,147	1,136	
	Solar power / 太陽光発電	131	153	143	127	155	
	Total / 合計	185	182	175	21,325	21,778	MWh
Ratio of renewable energy consumption / 再生可能エネルギー量割合		0.05	0.04	0.04	5.6	6.0	%

CO₂ Emissions from Energy Consumption ★

エネルギー起源CO₂ 排出量

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Nikon Group in Japan / 国内ニコングループ	155,743	149,803	148,456	131,965	124,066	t-CO ₂
Group manufacturing companies outside Japan / 海外グループ生産会社	65,631	75,270	66,430	59,726	55,559	
Total / 合計	221,374	225,073	214,886	191,691	179,626	
Emissions per unit of sales / 売上高原単位	0.30	0.31	0.30	0.32	0.40	t-CO ₂ /¥1,000,000

* The following values were used for CO₂ conversion factors.

[Electric power]

Japan: The CO₂ emission factors without adjustment for each electric power utility noted in the "List of Basic Emissions Factors by Electric Power Utility" specified in the Act on Promotion of Global Warming Countermeasures.

UK: Residual mix

US: NERC regional residual mix

Other countries outside Japan: Individual country factor in International Energy Agency (IEA) factors. However, no conversion factor for Laos, so Thailand factor used.

[City gas]

Japan: The gas company eigenvalues noted in the guidance document for Periodic Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act) were multiplied by the values given in Appended Table 2 of the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures, and by 44/12.

UK: Factors from the Report on Greenhouse Gases

Other countries outside Japan: Same value as a typical Japanese gas company

[Heat and other fuels]

The factors noted in the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures.

* CO₂ emissions from energy consumption in Japan are calculated by subtracting amounts of hydroelectric power as well as amounts of energy associated J-Credits and Green Heat Certificates from total energy consumption, and multiplying that by the basic emission factors.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ CO₂ 換算係数は、下記の値を使用。

[電力]

日本: 温対法「電気事業者別基礎排出係数」

英国: 残渣ミックス

米国: NERC地域別残渣ミックス

その他海外: 国際エネルギー機関 (IEA) の国別係数。ただし、ラオスの係数はないのでタイの係数で代用。

[都市ガス]

日本: 省エネ法「定期報告書記入要領」のガス会社固有値に、温対法「算定・報告・公表制度における算定方法・排出係数一覧」の「別表2」の値と44/12を乗じた値

英国: 「温室効果ガス報告書」用係数

その他海外: 日本の代表的なガス会社と同じ値

[熱およびその他燃料]

温対法「算定・報告・公表制度における算定方法・排出係数一覧」の係数

※ 日本におけるエネルギー起源CO₂ 排出量は、総エネルギー使用量から、アクアプレミアム電力、Jクレジット購入電力および、グリーン熱証書のエネルギー量分を減算し、基礎排出係数を使用して算出。

★: 第三者保証を受けている数値 (2021年3月期のみ)

Breakdown of Greenhouse Gas Emissions (Fiscal Year Ended March 31, 2021) ★

温室効果ガス内訳 (2021年3月期)

Unit / 単位 : t-CO₂e

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
CO ₂ Emissions from Energy Consumption エネルギー起源CO ₂	Nikon Group in Japan / 国内ニコングループ	155,743	149,803	148,456	131,965	124,066
	Group manufacturing companies outside Japan / 海外グループ生産会社	65,631	75,270	66,430	59,726	55,559
	Total / 合計	221,374	225,073	214,886	191,691	179,626
CO ₂ Emissions from Nonenergy Consumption 非エネルギー起源CO ₂	Nikon Group in Japan / 国内ニコングループ	46	26	3	37	30
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	1	1	0
	Total / 合計	46	26	4	38	30
CH ₄	Nikon Group in Japan / 国内ニコングループ	85	84	91	92	92
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	56	66	70
	Total / 合計	85	84	147	158	161
N ₂ O	Nikon Group in Japan / 国内ニコングループ	37	36	49	51	42
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	27	23	23
	Total / 合計	37	36	76	74	65
HFCs HFC類	Nikon Group in Japan / 国内ニコングループ	7,187	6,940	7,973	7,017	6,625
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	22	1,539	1,216
	Total / 合計	7,187	6,940	7,995	8,556	7,841
PFCs PFC類	Nikon Group in Japan / 国内ニコングループ	0	0	0	0	0
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	0	0	0
	Total / 合計	0	0	0	0	0
SF ₆	Nikon Group in Japan / 国内ニコングループ	16	19	172	233	235
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	0	0	0
	Total / 合計	16	19	172	233	235
NF ₃	Nikon Group in Japan / 国内ニコングループ	0	0	0	0	0
	Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	0	0	0
	Total / 合計	0	0	0	0	0
Total 合計	Nikon Group in Japan / 国内ニコングループ	163,113	156,908	156,744	139,395	131,088
	Group manufacturing companies outside Japan / 海外グループ生産会社	65,631	75,270	66,535	61,355	56,869
	Total / 合計	228,745	232,178	223,280	200,749	187,957

* Before the fiscal year ended March 2018, only Nikon Group inside Japan is included.

* From the fiscal year ended March 2019, Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd, Nanjing Nikon Jiangnan Optical Instrument Co., Ltd., and Hikari Glass (Changzhou) Optics Co., Ltd. are included.

* From the fiscal year ended March 2020, Optos Plc, Optos Inc and Nikon X-Tek Systems Ltd. are included.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 2018年3月期以前は国内ニコングループのみ対象

※ 2019年3月期より、Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd, Nanjing Nikon Jiangnan Optical Instrument Co., Ltd., Hikari Glass (Changzhou) Optics Co., Ltd.の集計開始

※ 2020年3月期より、Optos Plc, Optos Inc, Nikon X-Tek Systems Ltd.の集計開始

★: 第三者保証を受けている数値 (2021年3月期のみ)。

CO₂ from Nonenergy Consumption and Other Greenhouse Gases^{※1} Emissions ★

非エネルギー起源CO₂ およびその他の温室効果ガス^{※1}排出量

Unit / 単位 : t-CO₂e

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon Group in Japan / 国内ニコングループ	7,371	7,105	8,288	7,430	7,022
Group manufacturing companies outside Japan / 海外グループ生産会社	-	-	106	1,628	1,309
Total / 合計	7,371	7,105	8,394	9,058	8,331

※1 CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

* Before the fiscal year ended March 2018, only Nikon Group inside Japan is included.

* From the fiscal year ended March 2019, Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd, Nanjing Nikon Jiangnan Optical Instrument Co., Ltd., and Hikari Glass (Changzhou) Optics Co., Ltd. are included.

* From the fiscal year ended March 2020, Optos Plc, Optos Inc and Nikon X-Tek Systems Ltd. are included.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※1 CH₄, N₂O, HFC類, PFC類, SF₆, NF₃

※ 2018年3月期以前は国内ニコングループのみ対象

※ 2019年3月期より、Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd, Nanjing Nikon Jiangnan Optical Instrument Co., Ltd., Hikari Glass (Changzhou) Optics Co., Ltd.の集計開始

※ 2020年3月期より、Optos Plc, Optos Inc, Nikon X-Tek Systems Ltd.の集計開始

★: 第三者保証を受けている数値 (2021年3月期のみ)。

CO₂ Emissions Reduction through the Use of Renewable Energy

再生可能エネルギー活用によるCO₂ 削減効果

Unit / 単位 : t-CO₂

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Solar power / 太陽光発電	66	80	79	70	82
Green Power Certificate / グリーン電力証書	17	0	0	599	600
Green Heat Certificate / グリーン熱証書	-	96	501	469	0
Green Power Plan / グリーン電力プラン	2	6	6	8,705	8,783

* CO₂ emissions factors including the Basic Emissions Factors by Electric Power Utility, the country factors defined by International Energy Agency (IEA), and those used in "List of Calculation Methods and Emissions

Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures, have been used in calculating the effects of CO₂ reductions.

※ CO₂ 削減効果の算出には、電力事業者別基礎排出係数、国際エネルギー機関 (IEA) の国別係数、または温対法「算定・報告・公表制度における算定方法・排出係数一覧」のCO₂ 排出係数を使用。

CO₂ Emissions from Distribution in Japan, International Shipment and Distribution outside Japan

日本国内、国際間、海外領域の物流によるCO₂排出量

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
CO ₂ emissions in distribution / 物流CO ₂ 排出量	82	50	59	53	29	1,000 t-CO ₂
CO ₂ emissions per ton-kilometer / トンキロ当たりのCO ₂ 排出量	0.50	0.46	0.50	0.55	0.42	t-CO ₂ / ton-kilo

Sales Trends of Refurbished Semiconductor Lithography Systems (for IC)
中古露光装置 (IC用) の販売台数

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Units sold / 販売台数	10	13	20	11	11	Unit / 台
Percentage of total units sold / 全販売台数に対する割合	29.4	43.3	48.8	24.4	40.7	%
Cumulative total / 累計	358	371	391	402	413	Unit / 台

Zero Emission Levels
ゼロエミッションレベル状況

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon (All six plants) / ニコン (全6事業所)	Level S レベルS	Level S レベルS	Level S レベルS	Level S レベルS	Level S レベルS
Tochigi Nikon Corporation, Tochigi Nikon Precision Co., Ltd. 栃木ニコン、栃木ニコンプレジジョン					
Sendai Nikon Corporation / 仙台ニコン					
Miyagi Nikon Precision Co., Ltd. / 宮城ニコンプレジジョン					
TNI Industry Corporation / ティーエヌアイ工業					
Hikari Glass Optics Co., Ltd. / 光ガラス	Level 1 レベル1	Level 1 レベル1	Level 1 レベル1	Level 1 レベル1	Level 1 レベル1
Hikari Glass (Changzhou) Optics Co., Ltd.					
Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.					
Optos Plc	-	-	-	-	-

* Zero Emission Level-specific Targets

Level S: Final landfill disposal rate of less than 0.5% (from the fiscal year ended March 31, 2014)

Level 1: Final landfill disposal rate of less than 1%

Level 2: Final landfill disposal rate of less than 5%

Level 3: Final landfill disposal rate of less than 10%

Level 4: Final landfill disposal rate of less than 20%

* Final landfill disposal rate = Final landfill waste / (Waste + Resources with economic value)

* The final (landfill) disposal is the amount of disposal by landfill, etc. at the final disposal site.

※ ゼロエミッションのレベル別指標

レベルS：最終(埋立)処分率0.5%未満

レベル1：最終(埋立)処分率1%未満

レベル2：最終(埋立)処分率5%未満

レベル3：最終(埋立)処分率10%未満

レベル4：最終(埋立)処分率20%未満

※ 最終(埋立)処分率 = 最終(埋立)処分量 / (廃棄物 + 有価物)

※ 最終(埋立)処分量とは最終処分場における埋立等による処分量

Amount of Waste (Waste plus Resources with Economic Value), Total waste used/recycled/sold, and Final landfill waste ★

廃棄物など排出量、再資源化量、最終（埋立）処分量

Unit / 単位 : t

			FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	Unit / 単位 FY Mar. 2021 2021年3月期
Amount of Waste (Waste plus Valuable Resources) 廃棄物など排出量	Waste 廃棄物	Nikon Group in Japan 国内ニコングループ	4,942	5,149	4,024	3,756	3,761
		Group manufacturing companies outside Japan 海外グループ生産会社	1,176	779	3,747	3,333	2,228
		Total / 合計	6,118	5,928	7,771	7,089	5,989
	Resources with economic value 有価物	Nikon Group in Japan 国内ニコングループ	1,373	1,207	1,444	1,096	1,248
		Group manufacturing companies outside Japan 海外グループ生産会社	0	0	0	1,169	765
		Total / 合計	1,373	1,207	1,444	2,265	2,012
Total / 合計			7,491	7,135	9,215	9,354	8,001
Recycled amount 再資源化量		Nikon Group in Japan 国内ニコングループ	6,311	6,352	5,446	4,849	5,006
		Group manufacturing companies outside Japan 海外グループ生産会社	1,166	774	1,978	3,667	2,120
		Total / 合計	7,477	7,126	7,425	8,516	7,127
Final landfill waste 最終 (埋立) 処分量		Nikon Group in Japan 国内ニコングループ	4.3	3.6	21.9	2.8	2.5
		Group manufacturing companies outside Japan 海外グループ生産会社	9.7	5.4	1,768.6	835.0	872.4
		Total / 合計	14.0	9.0	1,790.5	837.7	874.8

* Nikon (Thailand) Co., Ltd. and Nikon X-Tek Systems Ltd. have been included in the group manufacturing companies outside Japan since the fiscal year ended March 31, 2019.

* From the fiscal year ended March 31, 2020, the waste from Nikon Cell Innovation, Nikon Lao Co., Ltd., Optos Plc, and Optos, Inc., and the resources with economic value from Group manufacturing companies outside Japan are included.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 2019年3月期より、Nikon (Thailand) Co., Ltd. とNikon X-Tek Systems Ltd. の集計開始。

※ 2020年3月期より、ニコン・セル・イノベーション、Nikon Lao Co., Ltd., Optos Plc, Optos, Inc. の集計及び、海外グループ生産会社の有価物集計開始。

★: 第三者保証を受けている数値（2021年3月期のみ）。

Breakdown (by Category) of Waste (Waste plus Resources with Economic Value) Generated by Nikon Group in Japan (Fiscal Year Ended March 31, 2021)

国内ニコングループの廃棄物など(廃棄物+有価物)の種類別内訳 (2021年3月期)

	Sludge 汚泥	Metals 金属くず	Glass, Concrete, Ceramics(debris) ガラス・コンクリート・ 陶磁器くず (がれき類)	Plastics 廃プラスチック	Paper 紙類	Alkalis 廃アルカリ	Oil 廃油	Acids 廃酸	Wood 木くず	Kitchen waste 厨芥類	General refuse, Fiber 一般ごみ、繊維くず	Other その他	合計	Unit 単位
Emissions / 排出量	1,429	1,159	615	508	355	284	246	221	150	5	6	30	5,008.7	t
Percentage / 割合	28.5	23.1	12.3	10.1	7.1	5.7	4.9	4.4	3.0	0.1	0.1	0.6	100	%

Water Withdrawal ★
取水

Unit / 単位 : 1,000 m³

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Tap water 水道水	Nikon Group in Japan / 国内ニコングループ	805	821	808	762	671
	Group manufacturing companies outside Japan / 海外グループ生産会社	455	468	743	825	731
	Total / 合計	1,260	1,290	1,551	1,587	1,403
Groundwater 地下水	Nikon Group in Japan / 国内ニコングループ	1,678	2,182	2,280	2,102	1,934
	Group manufacturing companies outside Japan / 海外グループ生産会社	406	349	389	293	300
	Total / 合計	2,084	2,531	2,669	2,395	2,234
Industrial water 工業用水	Nikon Group in Japan / 国内ニコングループ	6	22	3	3	3
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0	0
	Total / 合計	6	22	3	3	3
River water / rainwater 河川水・雨水	Nikon Group in Japan / 国内ニコングループ	0	0	0	0	0
	Group manufacturing companies outside Japan / 海外グループ生産会社	12	1	1	1	0
	Total / 合計	12	1	1	1	0
Recycled water 再生水	Nikon Group in Japan / 国内ニコングループ	0	0	0	0	0
	Group manufacturing companies outside Japan / 海外グループ生産会社	26	75	0	0	0
	Total / 合計	26	75	0	0	0
Total 合計		3,388	3,919	4,224	3,985	3,640

* From the fiscal year ended March 2020, Optos Plc, Optos Inc and Nikon X-Tek Systems Ltd. are included.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 2020年3月期より、Optos Plc、Optos Inc、Nikon X-Tek Systems Ltd.の集計開始。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Water Discharge ★
排水

Unit / 単位 : 1,000 m³

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Rivers, etc. 河川等	Nikon Group in Japan / 国内ニコングループ	514	1,036	1,114	1,386	1,285
	Group manufacturing companies outside Japan / 海外グループ生産会社	26	3	0	0	0
	Total / 合計	540	1,039	1,114	1,386	1,285
Sewage 下水道	Nikon Group in Japan / 国内ニコングループ	1,469	1,394	1,434	1,272	1,190
	Group manufacturing companies outside Japan / 海外グループ生産会社	679	646	900	889	822
	Total / 合計	2,148	2,040	2,334	2,161	2,012
Total 合計		2,688	3,079	3,448	3,547	3,297

* If the amount of water discharge is unknown, the value of the amount of water withdrawal is used as the amount of water discharge.

* From the fiscal year ended March 2020, Optos Plc, Optos Inc and Nikon X-Tek Systems Ltd. are included.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 排水量が不明な場合は取水量の値を排水量としている。

※ 2020年3月期より、Optos Plc、Optos Inc、Nikon X-Tek Systems Ltd.の集計開始。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

2021 Data Index

Contents
目次Business activity
事業Environment
環境Society / Labor
社会・労働Governance
ガバナンスCorporate Citizenship
企業市民活動

Water Consumption ★

水消費量

Unit / 単位 : 1,000 m³

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon Group in Japan 国内ニコングループ	506	595	543	209	134
Group manufacturing companies outside Japan 海外グループ生産会社	194	244	232	230	209
Total 合計	700	840	775	439	343

* Water consumption is calculated by subtracting the amount of water discharge from the amount of water withdrawal.

* From the fiscal year ended March 2020, Optos Plc, Optos Inc and Nikon X-Tek Systems Ltd. are included.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 水消費量は取水量から排水量を引いた数値。

※ 2020年3月期より、Optos Plc、Optos Inc、Nikon X-Tek Systems Ltd.の集計開始。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Water Reuse ★

再利用水量

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Nikon Group in Japan 国内ニコングループ	0	36	38	31	59	Unit / 単位 : 1,000 m ³
Group manufacturing companies outside Japan 海外グループ生産会社	0	15	249	245	197	
Total 合計	0	51	287	276	256	
Reusing water rate 再利用水率	0.0	1.3	6.4	6.5	6.6	%

* Reusing water discharged from one process in another process.

* The reusing water rate is the ratio of the reusing water amount to the total of the water withdrawal amount and the reusing water amount: the reusing water rate = the reusing water amount / (water withdrawal amount + reusing water amount)

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 再利用水とは、ある工程から排出されたのち、別の工程で利用される水。

※ 再利用水率は、取水量と再利用水量の合計に対する再利用水量の割合：再利用水率=再利用水量/(取水量+再利用水量)

★: 第三者保証を受けている数値 (2021年3月期のみ)。

PRTR Survey Results

PRTR調査結果

Unit / 単位 : t

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Amount released 排出量	Air / 大気	46.8	52.6	40.9	63.5	48.2
	Surface water / 公共用水域	0.0	0.0	0.0	0.0	0.0
	Amount in on-site landfill / 事業所内埋立	0.0	0.0	0.0	0.0	0.0
	Soil / 土壌	0.0	0.0	0.0	0.0	0.0
Amount transferred 移動量	Sewage / 下水道	0.0	0.0	0.0	0.0	0.0
	Waste / 廃棄物	18.4	19.5	17.3	10.5	13.5

* Prior to the fiscal year ended March 2020, only Nikon Group in Japan is included. The group manufacturing companies outside Japan are also included from the fiscal year ended March 31, 2021.

※ 2020年3月期以前は国内ニコングループのみ対象。2021年3月期以降は海外グループ生産会社も含む。

Volatile Organic Compounds (VOCs) Emissions ★

VOC (揮発性有機化合物) 排出量

Unit / 単位 : t

	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon Group in Japan / 国内ニコングループ	149	145	129	69
Group manufacturing companies outside Japan / 海外グループ生産会社	-	475	413	381

* The group manufacturing companies outside Japan are included from the fiscal year ending March 31, 2019.

* Since the year ended March 31, 2019, Hikari Glass (Changzhou) Optics Co., Ltd., Nanjing Nikon Jiangnan Optical Instrument Co., Ltd. and Nikon (Thailand) Co., Ltd have been included as overseas group manufacturing companies. Nikon Lao Co., Ltd., Optos, Inc. and Optos Plc have been added since the fiscal year ended March 31, 2020. Nikon X-Tek Systems Ltd. has been added since the fiscal year ended March 31, 2021.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 2018年3月期は国内ニコングループのみ対象。

※ 2019年3月期にHikari Glass (Changzhou) Optics Co., Ltd., Nanjing Nikon Jiangnan Optical Instrument Co., Ltd. と Nikon (Thailand) Co., Ltd を追加。2020年3月期に Nikon Lao Co., Ltd., Optos, Inc., Optos Plc を追加。2021年3月期にはNikon X-Tek Systems Ltd.を追加。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Data on “Society / Labor” field 「社会・労働」に関するデータ

Local Procurement Rate at Production Bases (Fiscal Year Ended March 31, 2021)

生産拠点における現地調達率（2021年3月期）

Unit / 単位：％

	Local procurement rate (based on transaction amount) 現地調達率（取引金額ベース）	Regional location rate of Tier 1 suppliers (procurement partners) 調達パートナーの域内所在率
Japan / 日本	94	99
China / 中国	88	84
Southeast Asia / 東南アジア	79	78

CSR Survey and CSR Audit (Number of Target Companies)

CSR調査・CSR監査実績（対象社数）

Unit / 単位：Companies / 社

	Selection criteria 選定基準	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Tier 1 suppliers(procurement partners) 一次調達先（調達パートナー）	-	approx./ 約 3200			approx. /約 2,700	
First selection(important procurement partners) 1次選定（重要な調達パートナー）	Top 80% of transaction volume 調達金額上位80%	approx./ 約 600			approx. /約 200 ^{※1}	
CSR assessment based on second selection 2次選定によるCSR調査	Risk assessment based on multiple perspectives, including location of human rights issues, supply of key parts or non-substitutable parts, etc. 人権問題発生地域、キーパーツや代替不可などの部材条件など多様な視点からのリスク評価	214	209	208	(8) ^{※2}	211
CSR auditing based on third selection 3次選定によるCSR監査	Extra weighting given to human rights and the safeguarding of human life; transaction volume and company size, etc. taken into account 人権や人命に配慮した重み付け、調達金額・会社規模などを考慮	3	3	4	3 ^{※3}	3
Improvement plan from third selection 3次選定による改善計画	-	10	10	10	10 ^{※3}	10
Request for submission of improvement plan 改善計画書の提出要求	-	13	13	14	13 ^{※3}	13
Tier 2 supplier survey(manufacturing contractor of a trading company) 二次調達先調査(商社の製造委託先)	-	-	-	-	-	60

※1 The criteria used for first selection (i.e. selection of important procurement partners) has been changed from inclusion in the top 80% of transaction volume by business segment to 80% of transaction volume for the Nikon Group as a whole.

※2 Assessments for selecting new procurement partners, and assessments utilizing RBA system data.

※3 Implementation of auditing and improvement plans with respect to procurement partners that have had a low conformity rate over the past three years.

※1 1次選定（重要な調達パートナー）の基準を、各事業部門の取引金額上位 80%から二コングループ全体の取引金額上位 80%に変更。

※2 新規調達先選定の調査、RBAシステム上のデータを活用した調査。

※3 過去3年間の調査で遵守率が低い調達パートナーに対し監査や改善計画を実施。

Conflict Minerals Survey

紛争鉱物調査

	2016	2017	2018	2019	2020	Unit 単位
Procurement partners requiring the surveys 調査対象社数	740	771	713	773	776	Companies 社
Percentage of procurement partners who conducted the surveys 調査実施率	99	86	86	86	92	%
RMAP Conformant Smelter RMAP適合製錬所	257	252	252	235	243	Companies 社
Non-RMAP Conformant Smelter 非RMAP適合製錬所	103	139	59	64	84	Companies 社

*The figures were calculated in May of the year following the column year. ※ 翌年5月集計時点の数値。

Nikon Environmental Partner Certification

ニコングループにおける環境パートナー認定

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Procurement partners requiring environmental management system audits 環境管理システム監査対象社数	544	551	536	535	535※	companies (cumulative total) 社(累計)
Procurement partners certified as Nikon Environmental Partner 環境パートナー認定取得社数	407	450	476	498	517	companies 社
Percentage of certification 環境パートナー認定取得率	75	82	89	93	97	%

* Based on audit target standards up to the fiscal year ending March 2020. ※ 2020年3月期までの監査対象基準による。

CSR Briefing Sessions for Procurement Partners

調達パートナー向けCSR調達説明会の実績

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Participating companies 参加社数	In Japan 国内	435	398	324	772	849	companies 社
	Outside Japan 海外	255	253	192	193	212	
Participants 参加者数	In Japan 国内	441	431	356	888	1,066	persons 名
	Outside Japan 海外	403	407	322	324	389	

Annual Number of Training Days per Employee at Nikon

ニコンの一人あたりの年間研修受講日数

Unit: days / 単位: 日

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Managers / 管理職	-	-	1.7	1.3	1.1
Nonmanagers / 管理職以外	-	-	2.3	2.8	2.6
Men / 男性	-	-	2.1	2.5	2.3
Women / 女性	-	-	3.0	3.3	2.9
Total / 合計	1.6	2.1	2.3	2.6	2.4

Employee Composition

従業員構成

Unit: persons / 単位: 名

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon / ニコン	5,090	4,444	4,398	4,442	4,183
Group companies in Japan / 国内グループ会社	4,745	4,281	4,432	4,340	4,646
Group companies in Europe / 欧州グループ会社	2,040	2,017	1,863	1,816	1,836
Group companies in Americas / 米州グループ会社	1,010	989	963	995	921
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	12,146	9,298	9,261	8,597	7,862
Total / 合計	25,031	21,029	20,917	20,190	19,448

* Consolidated figures include permanent employees and nonregular staff of the Nikon Group (consolidated) and executive officers of the Group companies. Regarding regional figures, employees who are seconded to affiliates are counted as employees of the affiliates. Employees of Nikon Metrology NV and its subsidiary group companies are included in the European figures.

※ ニコングループ（連結）の正社員、嘱託およびグループ会社役員。地域別人数について、出向者は出向先の人数に含む。ただし、Nikon Metrology NVおよびその傘下のグループ会社従業員は欧州地域の人数に含まれる。

Composition Ratio by Gender/Age by Management and Employment Type of Nikon (As of May 31, 2021)

ニコンの管理職・雇用形態別の男女別／年齢別構成比（2021年3月末現在）

Unit / 単位: %

		Senior Managers 上級管理職	Managers other than senior 上級以外の管理職	Permanent employees 一般正社員	Part-time and temporary employees パート・アルバイト等	Total 合計
Gender 性別	Men / 男性	100	94	84	40	85
	Women / 女性	0	6	16	60	15
Age 年齢別	Under 30 / 30歳未満	0	0	11	0	10
	Between 30 and 49 30歳以上50歳未満	0	35	60	20	56
	Over 50 / 50歳以上	100	65	29	80	34

* Senior management is an officer ※ 上級管理職、役員。

Proportion of Management Hired from the Local Community outside Japan

海外における地元コミュニティから採用した管理職比率

Unit / 単位 : %

		FY Mar. 2019 / 2019年3月期		FY Mar. 2020 / 2020年3月期		FY Mar. 2021 / 2021年3月期	
		Senior Managers 上級管理職	Managers other than senior 上級以外の管理職	Senior Managers 上級管理職	Managers other than senior 上級以外の管理職	Senior Managers 上級管理職	Managers other than senior 上級以外の管理職
Group companies in Europe 欧州グループ会社	Men / 男性	71	94	46	92	50	91
	Women / 女性	100	99	-	100	-	100
Group companies in the Americas 米州グループ会社	Men / 男性	46	73	11	89	22	87
	Women / 女性	-	100	-	100	-	100
Group companies in Asia and Oceania アジア・オセアニアグループ会社	Men / 男性	15	86	13	72	13	78
	Women / 女性	100	96	100	98	100	99

* Senior management is a full-time officer.

* Consolidated figures include permanent employees and nonregular staff of the Nikon Group (consolidated) and executive officers of the Group companies. Regarding regional figures, employees who are seconded to affiliates are counted as employees of the affiliates. Employees of Nikon Metrology NV and its subsidiary group companies are included in the European figures.

※ 上級管理職は、常勤役員。

※ ニコングループ（連結）の正社員、嘱託およびグループ会社役員。地域別人数について、出向者は出向先の人数に含む。ただし、Nikon Metrology NV およびその傘下のグループ会社従業員は欧州地域の人数に含まれる。

Number of New Hires

新規雇用者数

Unit: persons / 単位 : 名

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	Men / 男性	108	95	116	154	178
	Women / 女性	29	29	40	35	38
	Total / 合計	137	124	156	189	216
Group companies in Japan 国内グループ会社	Men / 男性	73	65	72	86	585
	Women / 女性	17	21	16	19	73
	Total / 合計	90	86	88	105	658
Group companies in Europe 欧州グループ会社	Men / 男性	513	172	178	171	125
	Women / 女性	-	93	82	66	67
	Total / 合計	-	165	260	237	192
Group companies in the Americas 米州グループ会社	Men / 男性	-	50	76	86	66
	Women / 女性	-	41	23	24	19
	Total / 合計	-	91	99	110	85
Group companies in Asia and Oceania アジア・オセアニアグループ会社	Men / 男性	-	124	192	214	63
	Women / 女性	-	497	482	644	45
	Total / 合計	-	621	674	858	108

* Permanent employees and nonregular staff of the Nikon Group (consolidated).

* Group companies outside Japan (total of 3 regions) were 302 men, 211 women and 513 persons for a total in the fiscal year ended March 31, 2017.

* Group companies in Japan for the fiscal year ended March 31, 2021 include those who have transferred from Nikon to Nikon Nisso Prime Corporation based on the Nikon's reemployment system for retirees.

※ ニコングループ（連結）の正社員、嘱託。

※ 海外グループ会社（3地域合計）の2017年3月期の男性は302名、女性は211名、合計は513名。

※ 2021年3月期 国内グループ会社には、ニコン定年後再雇用制度に基づき、ニコンからニコン日総プライムへ転籍した者を含む。

Average Age
平均年齢

Unit: years old / 単位: 歳

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	Men / 男性	45.9	45.2	45.8	46.2	44.0
	Women / 女性	40.7	40.0	40.5	40.9	40.1
Group companies in Japan 国内グループ会社	Men / 男性	42.4	43.8	44.4	44.9	46.6
	Women / 女性	44.3	44.5	42.6	45.9	46.3
Group companies in Europe 欧州グループ会社	Men / 男性	-	44.4	44.2	45.0	44.8
	Women / 女性	-	41.8	41.5	42.4	42.4
Group companies in the Americas 米州グループ会社	Men / 男性	-	47.5	46.5	48.0	45.4
	Women / 女性	-	46.0	45.7	46.9	46.7
Group companies in Asia and Oceania アジア・オセアニアグループ会社	Men / 男性	-	36.3	36.4	37.3	37.5
	Women / 女性	-	34.4	34.6	35.5	37.1

* Permanent employees and nonregular staff of the Nikon Group (consolidated). Employees who were seconded to affiliates are counted as those of their original companies.

* Group companies outside Japan (total of 3 regions) were 39.0 years for men, 33.9 years for women in the fiscal year ended March 31, 2017.

※ ニコングループ（連結）の正社員、嘱託。関係会社への出向者は、出向元の人数に含む。

※ 海外グループ会社（3地域合計）の2017年3月期の男性は39.0歳、女性は33.9歳。

Age Group
年齢層

Unit: persons / 単位: 名

	FY Mar. 2019 / 2019年3月期			FY Mar. 2020 / 2020年3月期			FY Mar. 2021 / 2021年3月期		
	Under 30 30歳未満	Between 30 and 49 30歳以上50歳未満	Over 50 50歳以上	Under 30 30歳未満	Between 30 and 49 30歳以上50歳未満	Over 50 50歳以上	Under 30 30歳未満	Between 30 and 49 30歳以上50歳未満	Over 50 50歳以上
Nikon ニコン	411	2,328	1,659	391	2,336	1,715	409	2,354	1,420
Group companies in Japan 国内グループ会社	254	2,422	1,584	202	2,375	1,653	184	2,322	1,964
Group companies in Europe 欧州グループ会社	547	929	387	182	1,061	573	221	1,037	578
Group companies in the Americas 米州グループ会社	73	508	382	98	465	432	97	435	389
Group companies in Asia and Oceania アジア・オセアニアグループ会社	1,926	7,138	197	1,673	6,697	227	1,365	6,249	244

* Consolidated figures include permanent employees and nonregular staff of the Nikon Group (consolidated) and executive officers of the Group companies. For regional figures, employees of Nikon who are seconded to the affiliates are counted as those of the affiliates. Employees of Nikon Metrology NV and its subsidiaries are included in the figures for Europe.

※ ニコングループ（連結）の正社員、嘱託およびグループ会社役員。地域別人数について、出向者は出向先の人数に含む。ただし、Nikon Metrology NV およびその傘下のグループ会社従業員は欧州地域の人数に含まれる。

2021 Data Index

Contents
目次

Business activity
事業

Environment
環境

Society / Labor
社会・労働

Governance
ガバナンス

Corporate Citizenship
企業市民活動

Average Years of Service 平均勤続年数

Unit: years / 単位: 年

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	Men / 男性	20.8	19.7	20.0	20.2	17.0
	Women / 女性	15.9	14.9	15.1	15.4	14.1
Group companies in Japan 国内グループ会社	Men / 男性	16.0	16.4	17.3	17.0	16.2
	Women / 女性	17.2	17.7	18.7	18.2	13.8
Group companies in Europe 欧州グループ会社	Men / 男性	-	9.2	8.9	9.6	9.1
	Women / 女性	-	7.8	7.0	7.8	7.5
Group companies in the Americas 米州グループ会社	Men / 男性	-	13.6	13.3	12.8	12.8
	Women / 女性	-	11.5	10.5	11.4	11.5
Group companies in Asia and Oceania アジア・オセアニアグループ会社	Men / 男性	-	10.4	10.6	11.3	12.1
	Women / 女性	-	10.3	10.7	11.6	13.6

* Permanent employees and nonregular staff of the Nikon Group (consolidated). Employees who were seconded to affiliates are counted as those of their original companies.

* Group companies outside Japan (total of 3 regions) were 9.5 years for men, 8.7 years for women in the fiscal year ended March 31, 2017.

※ ニコングループ（連結）の正社員、嘱託。関係会社への出向者は、出向元の人数に含む。

※ 海外グループ会社（3地域合計）の2017年3月期の男性は9.5年、女性は8.7年。

Turnover 離職者数

Unit: persons / 単位: 名

		FY Mar. 2017 2017年3月期		FY Mar. 2018 2018年3月期		FY Mar. 2019 2019年3月期		FY Mar. 2020 2020年3月期		FY Mar. 2021 2021年3月期	
		Retirees 定年	Others 定年以外	Retirees 定年	Others 定年以外	Retirees 定年	Others 定年以外	Retirees 定年	Others 定年以外	Retirees 定年	Others 定年以外
Nikon ニコン	Men / 男性	27	908	3	147	9	124	16	161	453	160
	Women / 女性	1	82	0	24	2	20	1	25	9	10
Group companies in Japan 国内グループ会社	Men / 男性	31	269	4	93	4	77	9	97	10	191
	Women / 女性	4	90	0	13	1	18	0	24	1	99
Group companies in Europe 欧州グループ会社	Men / 男性	-	-	5	165	8	305	6	215	7	148
	Women / 女性	-	-	5	98	1	82	1	95	3	53
Group companies in the Americas 米州グループ会社	Men / 男性	-	-	3	68	13	59	5	64	7	72
	Women / 女性	-	-	2	33	7	26	8	24	1	34
Group companies in Asia and Oceania アジア・オセアニアグループ会社	Men / 男性	-	-	8	184	3	171	5	286	7	102
	Women / 女性	-	-	7	703	3	734	1	1,239	289	400

* Permanent employees and nonregular staff of the Nikon Group (consolidated). Employees who were seconded to affiliates are counted as those of their original companies.

* The fiscal year ended March 31, 2017 excludes Nikon (Thailand) Co., Ltd., Nikon Lao Co., Ltd., Nikon Imaging (China) Co., Ltd., Hikari Glass (Changzhou) Optics Co., Ltd. The fiscal year ended March 31, 2018 and the fiscal year ended March 31, 2019 exclude Nikon Imaging (China) Co., Ltd. only.

* The fiscal year ended March 31, 2017 includes 1,087 employees who accepted voluntary retirement.

* Group companies outside Japan (total of 3 regions) were 39 men for retirement, 465 men for nonretirement, 5 women for retirement, 261 women for nonretirement in the fiscal year ended March 31, 2017.

* Nikon's retirees for the fiscal year ended March 2021 includes those who have transferred from Nikon to Nikon Nisso Prime Corporation based on the Nikon's reemployment system for retirees.

※ ニコングループ（連結）の正社員、嘱託。関係会社への出向者は、出向元の人数に含む。

※ 2017年3月期は、Nikon (Thailand) CO., Ltd., Nikon Lao CO., Ltd., Nikon Imaging (China) Co., Ltd., Hikari Glass (Changzhou) Optics Co., Ltd.を除く。

※ 2017年3月期は、希望退職に応じて退職した1,087名を含む。

※ 海外グループ会社（3地域合計）の2017年3月期の男性は定年39名、定年以外465名、女性は定年5名、定年以外261名。

※ 2021年3月期のニコンの定年には、ニコン定年後再雇用制度に基づき、ニコンからニコン日総プライムへ転籍した者を含む。

Ratio of Female Employees
女性従業員比率

	Unit / 単位 : %				
	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	11.0	11.5	13.2	13.5	14.8
Group companies in Japan 国内グループ会社	16.8	15.5	13.5	13.3	13.2
Group companies in Europe 欧州グループ会社	65.5	24.2	24.7	27.5	26.5
Group companies in Americas 米州グループ会社		29.2	25.5	24.1	22.4
Group companies in Asia and Oceania アジア・オセアニアグループ会社		72.5	71.7	70.3	69.5
Nikon Group (total) ニコングループ (合計)	44.1	40.5	41.0	39.2	38.0

* Permanent employees and nonregular staff of the Nikon Group (consolidated). For years prior to and including the fiscal year ended March 31, 2018 those employees who were seconded to affiliates were counted as employees of their original companies. Starting from the fiscal year ended March 31, 2019, employees seconded to affiliates have been counted as employees of the affiliates.

※ ニコングループ (連結) の正社員、嘱託。2018年3月期までは、関係会社への出向者は出向元の人数に含む。2019年3月期以降は、関係会社への出向者は出向先の人数に含む。

Ratio of Females in Management Positions
管理職における女性の割合

	Unit / 単位 : %										
	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 / 2019年3月期			FY Mar. 2020 / 2020年3月期			FY Mar. 2021 / 2021年3月期		
			General manager 部長相当	Manager 課長相当	Total 合計	General manager 部長相当	Manager 課長相当	Total 合計	General manager 部長相当	Manager 課長相当	Total 合計
Nikon ニコン	5.7	5.8	4.1	5.3	5.1	3.4	7.5	6.6	4.8	6.8	6.4
Group companies in Japan 国内グループ会社	3.7	2.5	1.3	4.4	3.3	0.8	2.8	2.2	3.0	3.2	3.1
Group companies in Europe 欧州グループ会社	26.5	21.6	17.4	21.0	20.1	16.9	28.4	23.9	21.8	24.3	22.9
Group companies in Americas 米州グループ会社		31.4	16.0	24.0	21.9	14.3	38.6	29.7	29.1	28.1	28.7
Group companies in Asia and Oceania アジア・オセアニアグループ会社		29.8	6.7	28.9	21.4	14.6	26.7	22.0	11.1	31.5	23.6
Nikon Group (total) ニコングループ (合計)	-	13.1	7.2	14.0	12.1	10.2	16.9	14.8	15.2	14.8	15.0

* Permanent employees and nonregular staff of the Nikon Group (consolidated). For years prior to and including the fiscal year ended March 31, 2018 those employees who were seconded to affiliates were counted as employees of their original companies. Starting from the fiscal year ended March 31, 2019, employees seconded to affiliates have been counted as employees of the affiliates.

※ ニコングループ (連結) の正社員、嘱託。2018年3月期までは、関係会社への出向者は出向元の人数に含む。2019年3月期以降は、関係会社への出向者は出向先の人数に含む。

Part-time and Temporary employees (As of May 31, 2021)

パート・アルバイトなど（2021年3月末現在）

	Number of part-time and temporary employees パート・アルバイトなどの人数 (persons / 名)	Percentage 割合 (%)
Nikon / ニコン	5	0.1
Group companies in Japan / 国内グループ会社	850	15.5
Group companies in Europe / 欧州グループ会社	29	1.6
Group companies in Americas / 米州グループ会社	5	0.5
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	43	0.5
Nikon Group (total) / ニコングループ（合計）	932	4.6

* The percentage is based on the total number of employees including part-time and temporary employees. | ※ 割合は、従業員数にパート・アルバイトなどを含めた合計に対するもの。

Employment of People with Disabilities under Group Certification

グループ認定における障がい者雇用率

	2016	2017	2018	2019	2020
Nikon / ニコン	2.27	2.37	2.42	2.60	2.48

Unit / 単位 : %

* The rates are as of June 1 of each year.

* Includes 3 group companies (Nikon Tsubasa Inc., Nikon Systems Inc. and Nikon Business Service Co., Ltd.) under group certification.

※ 毎年6月1日時点のもの。

※ グループ認定会社3社(ニコンつばさ工房、ニコンシステム、コンビビジネス サービス)を含む。

Number of Employees Taking Childcare Leave

育児休暇取得実績

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	Men / 男性	7	11	28	42	31
	Women / 女性	35	24	30	25	24
Group companies in Japan 国内グループ会社	Men / 男性	2	2	7	12	9
	Women / 女性	19	21	18	23	13

Unit: persons / 単位 : 名

* Permanent employees and nonregular staff | ※ 正社員、嘱託

Return-to-Work Rates after Childcare Leave

育児休暇後の復職率

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期		FY Mar. 2020 2020年3月期		FY Mar. 2021 2021年3月期	
		Return-to-work rate 復職率 (%)	Return-to-work rate 復職率 (%)	Number of employees retuning to work after childcare leave 復職した社員数 (persons/名)	Return-to-work rate 復職率 (%)	Number of employees retuning to work after childcare leave 復職した社員数 (persons/名)	Return-to-work rate 復職率 (%)	Number of employees retuning to work after childcare leave 復職した社員数 (persons/名)	Return-to-work rate 復職率 (%)
Nikon ニコン	Men / 男性	90	100	31	100	42	100	31	100
	Women / 女性		98	16	88	31	100	23	100
Group companies in Japan 国内グループ会社	Men / 男性	100	100	7	100	9	100	7	100
	Women / 女性		99	14	100	14	100	19	90

* Permanent employees and nonregular staff | ※ 正社員、嘱託

Retention Rates after Childcare Leave

育児休暇後の定着率

Unit / 単位 : %

		FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	Men / 男性	100	100	100	95
	Women / 女性	86	100	100	97
Group companies in Japan 国内グループ会社	Men / 男性	100	100	100	100
	Women / 女性	83	95	92	79

* Permanent employees and nonregular staff

* The retention rate is the proportion of employees returning to work from childcare leave in the previous fiscal year that were still with the company at least 12 months after returning to work.

※ 正社員、嘱託

※ 定着率とは、前年度に育児休暇から復職した者のうち、復職後12カ月以上在籍した人数の割合。

Number of Employees Taking Family Care Leave

介護休暇取得実績

Unit: persons / 単位 : 名

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon ニコン	Men / 男性	3	2	0	2	1
	Women / 女性	2	1	0	0	0
Group companies in Japan 国内グループ会社	Men / 男性	0	2	2	3	5
	Women / 女性	0	1	3	3	3

* Permanent employees and nonregular staff ※ 正社員、嘱託

Ratio of the Total Number of Employees Represented by an Independent Labor Union (Fiscal Year Ended March 31, 2021)

独立した労働組合または労働協約にカバーされている従業員比率 (2021年3月期)

	Number of employees 従業員数 (Persons / 名)	Percentage 割合 (%)
Nikon / ニコン	4,173	79.8

* The number of employees includes employees seconded to other companies.

However, this excludes managerial positions, rehired employees, and contract workers.

※ 従業員数は他社への出向者を含む。

但し、管理職、再雇用社員、嘱託は除く。

Satisfaction of Nikon Group Employees in Their Companies (Group Employee Awareness Survey Results)

国内ニコングループ従業員の会社への満足度意識 (グループ意識調査の結果)

Unit / 単位 : %

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Satisfaction / 満足度	80.0	74.6	76.4	72.7	78.7
Response rate / 回答率	90.3	92.9	96.0	95.4	94.5

* The above figure was prepared based on the response to the following question: "Do you feel that the Company's policies and targets are conveyed clearly?"

* Targeted satisfaction rate: 100%

※ 上記数値は次の設問への回答数値をもとに作成した「会社の方向性や目標がきちんと伝達されているか」

※ 目標満足度: 100%。

Occupational Accidents Attributed/Related to Work

業務起因性・業務遂行性の高い労働災害件数

Unit: cases / 単位: 件

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Group companies in Japan / 国内ニコングループ	39	33	38	29	19

* Targets for the fiscal year ended March 31, 2021: less than 40 and carried out activities.

* There were 27 Group companies in Japan, including nonconsolidated Group companies, in the fiscal year ended March 31, 2021.

※ 2021年3月期の目標: 40件以下

※ 2021年3月期の国内グループ会社は、非連結を含む27社が対象。

Frequency Rate of Lost Time Accidents (1 or More Days)

休業災害 (1日間以上) 度数率

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
All industries in Japan (calendar year) / 日本の全産業 (暦年)	1.63	1.66	1.83	1.80	1.95
Manufacturing industry in Japan (calendar year) / 日本の製造業 (暦年)	1.15	1.02	1.20	1.20	1.21
Nikon / ニコン ★	0.17	0.40	0.78	0.20	0.19
Group companies in Japan / 国内グループ会社 ★	0.67	1.07	0.65	0.61	0.64
Group companies in Europe / 欧州グループ会社	-	1.55	1.33	1.37	0.83
Group companies in Americas / 米州グループ会社	-	0.51	0.53	1.04	0.70
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	-	0.41	0.21	0.10	0.29
Nikon Group (total) / ニコングループ (合計)	-	-	-	0.39	0.43

* Frequency rate: The number of deaths and injuries resulting from occupational accidents per million hours worked, which is used as an index for the frequency of occupational accidents.

* There were 27 Group companies in Japan, including nonconsolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies outside Japan (9 companies in the process of liquidation are excluded) in the fiscal year ended March 31, 2021. The frequency rate was calculated based on total deemed working hours.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 度数率: 100万のべ実労働時間当たりの労働災害による死傷者数で、災害発生の頻度を表す。

※ 2021年3月期の国内グループ会社は、非連結を含む27社が対象。

※ 2021年3月期の海外グループ会社は、43社が対象 (清算に向けた諸手続き中の会社など9社は除く)。度数率は、のべみなし労働時間数から概算。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Severity Rate of Lost Time Accidents (1 or More Days)

休業災害 (1日間以上) 強度率

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
All industries in Japan (calendar year) / 日本の全産業 (暦年)	0.10	0.09	0.09	0.09	0.09
Manufacturing industry in Japan (calendar year) / 日本の製造業 (暦年)	0.07	0.08	0.10	0.10	0.07
Nikon / ニコン ★	0.00	0.01	0.02	0.00	0.00
Group companies in Japan / 国内グループ会社 ★	0.01	0.01	0.02	0.01	0.01
Group companies in Europe / 欧州グループ会社	-	0.06	0.03	0.06	0.04
Group companies in Americas / 米州グループ会社	-	0.00	0.00	0.01	0.00
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	-	0.01	0.00	0.00	0.00
Nikon Group (total) / ニコングループ (合計)	-	-	-	0.01	0.01

* Severity rate: The number of work days lost per 1,000 hours worked, which is used as an index for the severity of occupational accidents.

* 0.00 indicates a rate of less than 0.005.

* There were 27 Group companies in Japan, including nonconsolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies outside Japan (9 companies in the process of liquidation are excluded) in the fiscal year ended March 31, 2021. The severity rate was calculated based on total deemed working hours.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 強度率: 1,000のべ実労働時間当たりの労働損失日数で、災害の重さの程度を表す。

※ 「0.00」は、小数点第3位において四捨五入しても小数点第2位に満たないもの。

※ 2021年3月期の国内グループ会社は、非連結を含む27社が対象。

※ 2021年3月期の海外グループ会社は、43社が対象 (清算に向けた諸手続き中の会社など9社は除く)。強度率は、のべみなし労働時間数から概算。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Occupational Accidents Requiring Time Off (1 or More Days)

休業災害 (1日間以上)

	FY Mar. 2018 2018年3月期		FY Mar. 2019 2019年3月期			FY Mar. 2020 2020年3月期			FY Mar. 2021 2021年3月期		
	Accidents requiring time off 休業災害 (persons/名)	Lost days 業務災害 労働損失日数 (days/日)	Accidents requiring time off 休業災害 (persons/名)	Lost days 業務災害 労働損失日数 (days/日)	Ratio of seriously injured 重篤者の割合 (%)	Accidents requiring time off 休業災害 (persons/名)	Lost days 業務災害 労働損失日数 (days/日)	Ratio of seriously injured 重篤者の割合 (%)	Accidents requiring time off 休業災害 (persons/名)	Lost days 業務災害 労働損失日数 (days/日)	Ratio of seriously injured 重篤者の割合 (%)
Nikon ニコン	4	83.8	8	169.5	0.0	2	27.9	0.0	2	30.4	0.0
Group companies in Japan 国内グループ会社	14	106.0	9	323.8	11.1	8	91.0	0.0	7	178.4	0.0
Group companies in Europe 欧州グループ会社	6	212.9	5	113.4	0.0	5	222.1	0.0	3	148.0	33.3
Group companies in Americas 米州グループ会社	1	7.4	1	0.8	0.0	2	24.6	0.0	2	4.1	0.0
Group companies in Asia and Oceania アジア・オセアニアグループ会社	8	103.6	4	76.4	0.0	2	15.6	0.0	5	32.9	0.0
Contractors (in Japan) ★ 請負 (国内)	-	-	1	2.4	0.0	0	0.0	0.0	0	0.0	0.0
Contractors (outside Japan) 請負 (海外)	-	-	-	-	-	0	0.0	0.0	0	0.0	0.0

* Lost days: The number of missed work days in the past multiplied by 300/365 (for the fiscal year ended March 31, 2020, multiplied by 300/366).

* There were 27 Group companies in Japan, including nonconsolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies outside Japan (9 companies in the process of liquidation are excluded) in the fiscal year ended March 31, 2021.

* Contracts are for on-site contract workers entrusted by companies outside the Nikon Group.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 損失日数: 暦日の休業日数に300/365 (2020年3月期は300/366) を乗じた日数。

※ 2021年3月期の国内グループ会社は、非連結を含む27社が対象。

※ 2021年3月期の海外グループ会社は、43社が対象 (清算に向けた諸手続き中の会社など9社は除く)。

※ 請負は、ニコングループ外の会社が受託した構内請負労働者が対象。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Fatalities 死亡者数

	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 / 2021年3月期	
	Fatalities 死亡者数 (persons/名)	Fatalities 死亡者数 (persons/名)	Fatalities 死亡者数 (persons/名)	Fatalities 死亡者数 (persons/名)	Ratio of fatalities 死亡者の割合 (%)
Nikon / ニコン	0	0	0	0	0.00
Group companies in Japan / 国内グループ会社	0	0	0	0	0.00
Group companies in Europe / 欧州グループ会社	0	0	0	0	0.00
Group companies in Americas / 米州グループ会社	0	0	0	0	0.00
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	0	0	0	0	0.00
Contractors (in Japan) / 請負 (国内) ★	-	0	0	0	0.00
Contractors (outside Japan) / 請負 (海外)	-	-	0	0	0.00

* There were 27 Group companies in Japan, including nonconsolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies outside Japan (9 companies in the process of liquidation are excluded) in the fiscal year ended March 31, 2021.

* Contracts are for on-site contract workers entrusted by companies outside the Nikon Group.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 2021年3月期の国内グループ会社は、非連結を含む27社が対象。

※ 2021年3月期の海外グループ会社は、43社が対象 (清算に向けた諸手続き中の会社など9社は除く)。

※ 請負は、ニコングループ外の会社を受託した構内請負労働者が対象。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Frequency Rate of Occupational Illnesses 職業性疾病度数率

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	
	Frequency Rate of Illnesses 疾病度数率	Frequency Rate of Illnesses 疾病度数率	Frequency Rate of Illnesses 疾病度数率	Frequency Rate of Illnesses 疾病度数率	Frequency Rate of Illnesses 疾病度数率	Fatalities 死亡者数 (persons/名)
Nikon / ニコン ★	0.00	0.00	0.00	0.00	0.00	0
Group companies in Japan / 国内グループ会社 ★	0.00	0.09	0.07	0.00	0.00	0
Group companies in Europe / 欧州グループ会社	-	-	-	0.00	0.00	0
Group companies in Americas / 米州グループ会社	-	-	-	0.00	0.00	0
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	-	-	-	0.00	0.00	0
Nikon Group (total) / ニコングループ (合計)	-	-	-	0.00	0.00	0

* There were 27 Group companies in Japan, including nonconsolidated Group companies, in the fiscal year ended March 31, 2021.

* There were 43 Group companies outside Japan (9 companies in the process of liquidation are excluded) in the fiscal year ended March 31, 2021. The severity rate was calculated based on total deemed working hours.

★: Values assured by the third party (fiscal year ended March 31, 2021).

※ 2021年3月期の国内グループ会社は、非連結を含む27社が対象。

※ 2021年3月期の海外グループ会社は、43社が対象 (清算に向けた諸手続き中の会社など9社は除く)。度数率は、のべみなし労働時間数から概算。

★: 第三者保証を受けている数値 (2021年3月期のみ)。

Types of Occupational Accident and Diseases, Injuries (Fiscal Year Ended March 31, 2021) 業務災害と疾病の傷病の種類 (2021年3月期)

Unit: persons / 単位: 名

Types / 分類	Number of injuries / 被災者数
Cut wound/fissure / 切創・裂創	18
Bruise / 打撲	13
Broken bone / 骨折・脱臼	13
Chemical inflammation etc./ 化学炎症など	7
Sprain, ligament injury, etc. / 捻挫・じん帯損傷など	6

Data on “Governance” field 「ガバナンス」に関するデータ

Use of Reporting and Consulting System 倫理ホットライン（報告相談制度）相談実績

Unit: cases / 単位：件

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Nikon Group in Japan / 国内ニコングループ	26	21	40	36	30
of which human rights-related matters (harassments, labor, etc.) うち、人権関連（ハラスメント、労働など）	22	18	33	32	27
Group companies outside Japan / 海外グループ会社	12	10	4	11	9
of which human rights-related matters (harassments, labor, etc.) うち、人権関連（ハラスメント、労働など）	6	5	3	5	4

Directors and Officers (As of March 31, 2021) 取締役・執行役員の概況（2021年3月末現在）

		Directors 取締役	Among the directors, Audit and Supervisory Committee members 取締役のうち監査等委員	Officers* 執行役員※	Unit 単位
Number of persons 人数	Internal / 社内	6	2	15	Persons 名
	External / 社外	5	3	-	
Ratio of women / 女性比率		9	20	0	%
Ratio of non-Japanese / 外国人比率		0	0	7	%
Attendance at Meetings of the Board of Directors 取締役会出席率	Internal / 社内	100	100	-	%
	External / 社外	100	98	-	
Term of office 任期		Within 1 year 1年以内	Within 2 years 2年以内	Within 1 year 1年以内	-

* Includes five Directors serving concurrently as Officer. ※ 取締役 兼 務執行役員 5 名を含む。

Number of Women and Non-Japanese Appointed as Nikon Group Directors / Officers and Corporate Auditors グループ会社の取締役・執行役員および監査役の女性、外国人の人数

Unit: persons / 単位：名

	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Women / 女性	4	3	2	3
Non-Japanese / 外国人	30	28	30	31

* Local equivalent to director, officer, and corporate auditor included in the count. Cases of directors or officers serving in concurrent posts are counted as one individual.

※ 取締役、執行役員、監査役 現地相当職をそれぞれ内数としてカウント。なお、兼務している場合は、1 とカウント。

Compensation for Directors (Fiscal Year Ended March 31, 2021)

取締役の報酬などの額 (2021年3月期)

Category 区分	Fixed compensation 固定報酬		Performance-based compensation 業績連動報酬				Stock compensation 株式報酬		Total 合計	
	Fixed monthly compensation 月例定額報酬		Bonuses 賞与		Performance-based stock remuneration 業績連動型株式報酬		Subscription rights to shares granted as stock-related compensation 株式報酬型ストックオプション			
	Number of persons 支給人数 (persons/名)	Amount of compensation 支給額 (¥1,000,000)	Number of persons 支給人数 (persons/名)	Amount of compensation 支給額 (¥1,000,000)	Number of persons 支給人数 (persons/名)	Amount of compensation 支給額 (¥1,000,000)	Number of persons 支給人数 (persons/名)	Amount of compensation 支給額 (¥1,000,000)	Number of persons 支給人数 (persons/名)	Amount of compensation 支給額 (¥1,000,000)
Directors other than those who are Audit and Supervisory Committee members (of which External Directors)監査等委員以外の取締役 (うち社外取締役)	9 (3)	265 (30)	- (-)	- (-)	- (-)	- (-)	4 (-)	60 (-)	9 (3)	324 (30)
Directors who are Audit and Supervisory Committee members (of which External Directors) 監査等委員である取締役 (うち社外取締役)	7 (5)	104 (45)	-	-	-	-	-	-	7 (5)	104 (45)
Total 合計	16 (8)	369 (75)	- (-)	- (-)	- (-)	- (-)	4 (-)	60 (-)	16 (8)	429 (75)

* The number of persons and the amount of compensation pertaining to fixed compensation/fixed monthly compensation, stock compensation/subscription rights to shares granted as stock-related compensation, and total shown above include one Director who is not an Audit and Supervisory Committee Member (who is not an External Director) who retired on May 31, 2020 due to resignation, two Directors who are not Audit and Supervisory Committee Members (of which, one External Director) and two Directors who are Audit and Supervisory Committee Members (who are External Directors) who retired at the conclusion of the 156th Annual General Shareholders' Meeting held on June 26, 2020, and the amount of compensation pertaining to the said Directors.

* The amount of subscription rights to shares granted as stock-related compensation shown above indicates the amount of compensation, etc. concerning subscription rights to shares granted to directors other than those who are Audit and Supervisory Committee members (excluding nonexecutive directors) recorded as expenses during the fiscal year.

※ 上記のうち、固定報酬/月例定額報酬、株式報酬/株式報酬型ストックオプション及び合計に係る支給人数・支給額には、2020年5月31日に辞任により退任した監査等委員以外の取締役1名(うち、社外取締役0名)、2020年6月26日開催の第156期定時株主総会終結の時をもって退任した監査等委員以外の取締役2名(うち、社外取締役1名)、監査等委員である取締役2名(うち、社外取締役2名)及び当該取締役に係る支給額を含んでおります。

※ 上記の株式報酬型ストックオプションの支給額は、監査等委員以外の取締役 (非業務執行取締役を除く) に付与した新株予約権に関する報酬等の額の当事業年度の費用計上額です。

Compensation Amount for Each Director (Fiscal Year Ended March 31, 2021)

役員ごとの報酬額 (2021年3月期)

Unit / 単位 : ¥1,000,000

Name 氏名	Total amount of compensation on a consolidated basis 連結報酬等の総額	Officer category 役員区分	Fixed compensation 固定報酬	Performance-based compensation 業績連動報酬		Stock compensation 株式報酬
			Fixed monthly compensation 月例定額報酬	Bonuses 賞与	Performance-based stock remuneration 業績連動型株式報酬	Subscription rights to shares granted as stock-related compensation 株式報酬型ストックオプション
Toshikazu Umatate 馬立 稔和	103	Director 取締役	68	0	4	32

* Only persons with total compensation, etc., over 100 million yen are shown. ※ 1億円以上である者のみ記載しています。

Ratio of Basic Salary and Remuneration of Women to Men (Fiscal Year Ended March 31, 2021)

基本給と報酬総額の男女比 (2021年3月期)

		Women : Men 女性 : 男性
Basic salary 基本給	Managers other than senior / 上級以外の管理職	100:102
	Permanent employees / 一般正社員	100:119
Total Compensation Amount 報酬総額	Managers other than senior / 上級以外の管理職	100:103
	Permanent employees / 一般正社員	100:125

* Nikon uses a wage system that adopts equal pay for men and women. Differences are accounted for based on age and rank, etc.
 ※ 給与体系は、男女で同一の体系を適用。差は年齢構成・等級構成などによる。

Compensation of President and Average Annual Salary of Employees

社長執行役員と従業員平均年間給与比

	FY Mar. 2021 2021年3月期	Unit 単位
Average annual salary of employees 従業員平均年間給与	7,386,888	¥
Ratio (employees' salary : president's salary) 比率 (従業員給与 : 社長執行役員給与)	1:14	

Number of Meetings of the Board of Directors and Committees (Fiscal Year Ended March 31, 2021)

取締役会および委員会開催回数 (2021年3月期)

Unit : Times / 単位 : 回

	Number of times held
Board of directors / 取締役会	15
Audit and supervisory committee / 監査等委員会	12
Nominating committee / 指名審議委員会	6
Compensation committee / 報酬委員会	4
Executive committee / 経営委員会	33

Tax Payment by Region (Fiscal Year Ended March 31, 2020)

地域別納税額 (2020年3月期)

Unit / 単位 : ¥1,000,000

	Japan 日本	USA 米国	Europe 欧州	China 中国	Other Areas その他	Total 合計
Tax payment 納税額	10,083	896	1,532	740	1,661	14,912

Data on "Corporate Citizenship"

「企業市民活動」に関するデータ

Expenses of Corporate Citizenship and Breakdown by field

企業市民活動費と分野別の内訳

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期	Unit 単位
Expenses / 支出		803,874	707,435	686,984	522,115	280,890	¥1,000
Breakdown by field 分野別内訳	Environment / 環境	3.0	2.4	1.9	3.5	2.6	%
	Education / 教育	12.3	10.7	5.4	10.9	20.6	%
	Art and science / 芸術・科学	63.4	68.3	79.8	69.7	58.2	%
	Health / 健康	6.7	8.1	3.1	3.5	5.5	%
	Disaster Relief Assistance / 災害支援	10.5	4.8	4.1	6.1	5.7	%
	Other / その他	4.0	5.7	5.8	6.4	7.4	%

How to Contribute Corporate Citizenship Expenses

企業市民活動費の拠出方法

Unit / 単位 : ¥1,000,000

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Cash contributions 現金寄付	284	224	176	180	235
Time contributions (the cost of the paid working hours contributed by employees to community activities) 時間の寄付 (コミュニティの活動で従業員が貢献した有給労働時間の費用)	21	22	98	24	5
In-kind contributions of product, property or services 現物寄付 (製品、資産、サービスによる)	439	401	389	297	31
Management costs (overheads) マネジメント・コスト (諸経費)	60	60	24	21	9

Types of Corporate Citizenship Expenses

企業市民活動費の種類

Unit / 単位 : ¥1,000,000

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Charitable Donations / 慈善寄付 (公益団体への資金や物資の提供)	35	28	28	21	60
Community Investments / コミュニティ投資 (地域の長期的な発展を支えるための支出)	306	404	130	99	80
Commercial Initiatives / コマーシャル・イニシアチブ (事業と関連のある活動による支出)	462	275	528	402	140

Number of Employees Participating in Corporate Citizenship Activities (Total)

企業市民活動への従業員参加人数（のべ）

Unit: persons / 単位：名

	FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Employee participants / 従業員参加者	3,302	3,591	3,629	3,310	1,888

Number of Thai/Laos Scholarship Students supported by Nikon (Total)

ニコンが支援したタイ・ラオスの奨学生（のべ）

Unit: persons / 単位：名

		FY Mar. 2017 2017年3月期	FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期	FY Mar. 2021 2021年3月期
Thai タイ	Junior and high school students / 中高生	150	150	150	150	150
	University students / 大学生	26	25	23	22	21
	Total / 合計	176	175	173	172	171
Lao ラオス	Junior school students / 中学生	100	100	100	100	100
	University students / 大学生	40	40	40	40	40
	Total / 合計	140	140	140	140	140

Independent Practitioner's Assurance

第三者保証

The Nikon Group obtains independent practitioner's assurance in order to increase the reliability of reported information.

ニコングループでは、情報の信頼性を高めるため、第三者による保証を受けています。

Assurance Scope / 保証対象

	Item 項目	Scope 対象
Promoting a decarbonized society 脱炭素化の推進	Scope 3 (Category 11) CO ₂ Emissions Scope3 (カテゴリ11) CO ₂ 排出量	Imaging Products Business and Precision Equipment Business 映像事業、精機事業
	Energy Consumption and Energy Consumption per Unit of Sales エネルギー使用量、売上高原単位	Nikon, Group companies in Japan, and Group manufacturing companies outside Japan ニコン、国内グループ会社、海外グループ生産会社
	CO ₂ Emissions from Energy Consumption and Emissions per Unit of Sales エネルギー起源CO ₂ 排出量、売上高原単位	
	CO ₂ from Nonenergy Consumption and Other Greenhouse Gases Emissions 非エネルギー起源CO ₂ およびその他の温室効果ガス排出量	
	Breakdown of Greenhouse Gas Emissions 温室効果ガス内訳	
	Amount of Waste (Waste plus Resources with Economic Value), Total waste used/recycled/sold, Final landfill waste 廃棄物など排出量、再資源化量、最終（埋立）処分量	
Promoting resource circulation 資源循環の推進	Water Withdrawal 取水量	
	Water Discharge 排水量	
	Water consumption 水消費量	
	Water Reuse 再利用水量	
Preventing pollution and conserving ecosystems 汚染防止と 生態系への配慮	Volatile Organic Compounds (VOCs) Emissions VOC (揮発性有機化合物) 排出量	
Employees' health and safety 従業員の 健康と安全	Frequency Rates of Lost Time Accidents and Severity Rate 労働災害度数率、強度率	Nikon and Group Companies in Japan (27 companies including nonconsolidated Group companies) ニコン、国内グループ会社（非連結を含む27社）
	Frequency Rate of Occupational Illnesses 職業性疾病度数率	
	Number of contractors for accidents requiring time off and Fatalities 請負の労働災害による死傷者数	

Target period / 対象期間

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021) / 2021年3月期 (2020年4月1日～2021年3月31日)

Independent Practitioner's Assurance Report



Independent Practitioner's Assurance Report

To the Representative Director and President of Nikon Corporation

We have undertaken a limited assurance engagement of the Data on "Environment" and "Society/Labor" field indicated with ★ for the year ended March 31, 2021 (the "Sustainability Information") included in the "NIKON SUSTAINABILITY REPORT 2021 Data Index" of Nikon Corporation (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Sustainability Information). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

Deloitte Tohmatsu Sustainability Co., Ltd.
Deloitte Tohmatsu Sustainability Co., Ltd.
Tokyo, Japan
June 25, 2021

Member of
Deloitte Touche Tohmatsu Limited

* International Standard on Assurance Engagements (ISAE) 3000 and 3410

These assurance engagement standards were developed by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). ISAE 3000 deals with "assurance engagements other than audits or reviews of historical financial information of entities," which encompass assurance engagements on environmental information and information about social aspects. ISAE 3410 determines procedures for assurance engagements concerning greenhouse gas statements based on ISAE 3000. Compliance with ISAE 3410 necessitates that the requirements of ISAE 3000 also be fulfilled.

* Inherent uncertainty

Uncertainty is inherent in the calculation of the amount of greenhouse gases. This uncertainty is unavoidable for any entity that performs the calculations, because the global warming potential values and other elements used in the calculations are based on current scientific hypotheses and errors generated by measuring equipment and other sources are inevitable. This uncertainty does not mean that the calculated values are inapplicable. The ISAE 3410 stipulates that reported information can be assured as long as the hypotheses are reasonable and sufficient disclosure is provided regarding their content.

2021

GRI Content Index

GRI Content Index

Nikon's "Sustainability Report 2021" was drafted in compliance with the Core option of the GRI Sustainability Reporting Standards and the report contains standard information for disclosure items.

The cells colored in marked a requirement for the Core option of the GRI Sustainability Reporting Standards.

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
102 GENERAL DISCLOSURES				
GRI 102 General Disclosures 2016				
1 Organizational profile				
102-1 Name of the organization	Nikon Group Profile	p.6		
102-2 Activities, brands, products, and services	Nikon Group Profile Securities Report (in Japanese)	p.6		
102-3 Location of headquarters	Nikon Group Profile	p.6		
102-4 Location of operations	Nikon Group Companies [Web Page]	https://www.nikon.com/about/corporate/pr/ofile/group/		
102-5 Ownership and legal form	Nikon Group Profile	p.6		
102-6 Markets served	Nikon Group Profile Stakeholder Engagement Securities Report (in Japanese)	p.6 p.11-12		
102-7 Scale of the organization	Nikon Group Profile	p.6		
102-8 Information on employees and other workers	—		Employee Composition [Data Index] Composition Ratio by Gender/Age by Management and Employment Type of Nikon [Data Index] Part-time and Temporary employees [Data Index]	D-17 D-17 D-22
102-9 Supply chain	Nikon's Supply Chain Management	p.74-76		
102-10 Significant changes to the organization and its supply chain	Securities Report (in Japanese)			
102-11 Precautionary Principle or approach	Ensuring Quality and Safety Environmental Management System Risk Management	p.28-31 p.45-46 p.106-107		
102-12 External initiatives	Participation in International Initiatives Participation in Environmental Initiatives	p.10 p.42		
102-13 Membership of associations	List of Main Affiliated Organizations Related to CSR	p.12		
2 Strategy				
102-14 Statement from senior decision-maker	Message from the President	p.3-5		
102-15 Key impacts, risks, and opportunities	Risk Management Risk Management for Information Assets and Cybersecurity	p.106-107 p.108-110		
3 Ethics and integrity				
102-16 Values, principles, standards, and norms of behavior	Our Philosophy / Our Vision Nikon Code of Conduct	p.6 p.8		

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
102-17	Mechanisms for advice and concerns about ethics	Organizational System of Human Rights Initiatives Code of Conduct Hotline (Reporting and Consulting System)	p.84 p.99–100	
4	Governance			
102-18	Governance structure	Corporate Governance	p.103	
102-19	Delegating authority	Nikon Group's Sustainability Promotion System Corporate Governance Organization [Web Page]	p.9 https://www.nikon.com/about/ir/governance/organization/	Corporate Governance p.103
102-20	Executive-level responsibility for economic, environmental, and social topics	Nikon Group's Sustainability Promotion System Ensuring Trustworthiness by Maintaining and Increasing Quality Environment Strengthening Supply Chain Management Respecting Human Rights Diversity and Inclusion Employees' Health and Safety Thorough Compliance Strengthening Corporate Governance Strengthening Risk Management	p.9 p.25 p.37 p.73 p.83 p.87 p.94 p.98 p.102 p.105	Quality Management System Environmental Governance Nikon's Supply Chain Management System Organizational System of Human Rights Initiatives Health and Safety Management System Compliance Promotion System Corporate Governance Risk Management System Information Management System p.28 p.44 p.76 p.84 p.95 p.99 p.103 p.106 p.108
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	p.11–12	
102-22	Composition of the highest governance body and its committees	Corporate Governance [Web Page] Directors, Officers and Executive Fellows [Web Page]	https://www.nikon.com/about/ir/governance/ https://www.nikon.com/about/corporate/profile/management/	Directors and Officers [Data Index] D-27
102-23	Chair of the highest governance body	Corporate Governance Organization [Web Page]	https://www.nikon.com/about/ir/governance/organization/	
102-24	Nominating and selecting the highest governance body	Corporate Governance Guideline [Web Page]	https://www.nikon.com/about/ir/governance/organization/guideline/	
102-25	Conflicts of interest	Corporate Governance Guideline [Web Page]	https://www.nikon.com/about/ir/governance/organization/guideline/	
102-26	Role of highest governance body in setting purpose, values, and strategy	Nikon Group's Sustainability Promotion System Process for Identifying CSR Priority Issues Corporate Governance	p.9 p.14 p.103	
102-27	Collective knowledge of highest governance body	Nikon Group's Sustainability Promotion System Human Rights Training	p.9 p.85–86	Corporate Governance Guideline [Web Page] https://www.nikon.com/about/ir/governance/organization/guideline/
102-28	Evaluating the highest governance body's performance	Corporate Governance Organization > Evaluation of the Board of Directors' Effectiveness [Web Page]	https://www.nikon.com/about/ir/governance/organization/	

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
102-29	Identifying and managing economic, environmental, and social impacts	Process for Identifying CSR Priority Issues Risk Management System	p.14 p.106	
102-30	Effectiveness of risk management processes	Risk Management System	p.106	
102-31	Review of economic, environmental, and social topics	Nikon Group's Sustainability Promotion System Risk Management System	p.9 p.106	
102-32	Highest governance body's role in sustainability reporting	Nikon Group's Sustainability Promotion System	p.9	
102-33	Communicating critical concerns	Corporate Governance Risk Management	p.103 p.106-107	
102-34	Nature and total number of critical concerns	—	*Not disclosed because it is confidential information.	
102-35	Remuneration policies	Corporate Governance Organization > Compensation of Directors and Officers [Web Page]	https://www.nikon.com/about/ir/governance/organization/	
102-36	Process for determining remuneration	Corporate Governance Organization > Compensation of Directors and Officers [Web Page]	https://www.nikon.com/about/ir/governance/organization/	
102-37	Stakeholders' involvement in remuneration	*Article 27, Chapter 4 of Nikon's Articles of Incorporation state, "The compensation, bonuses and other financial benefits received from the Company as consideration for the execution of the duties of Directors shall be determined by resolution of the General Shareholders' Meeting, while making distinction between Directors who are Audit and Supervisory Committee Members and other Directors."		
102-38	Annual total compensation ratio	Compensation of President and Average Annual Salary of Employees [Data Index]	D-29	
102-39	Percentage increase in annual total compensation ratio	—		
5 Stakeholder engagement				
102-40	List of stakeholder groups	Stakeholder Engagement	p.11-12	
102-41	Collective bargaining agreements	—	Labor Relations	p.86
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	p.11-12	
102-43	Approach to stakeholder engagement	Stakeholder Engagement	p.11-12	
102-44	Key topics and concerns raised	Engagement with Shareholders and Investors	p.12	
102-45	Entities included in the consolidated financial statements	Securities Report (in Japanese)		
102-46	Defining report content and topic Boundaries	About Sustainability Report 2021 Process for Identifying CSR Priority Issues	p.2 p.14	
102-47	List of material topics	CSR Priority Issues - Targets and Results	p.16-21	

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
102-48	Restatements of information	*Partial changes made to past data due to the expansion of the boundary and changes to definitions.		
102-49	Changes in reporting	Sustainability Priority Issues	p.14	
102-50	Reporting period	About Sustainability Report 2021	p.2	
102-51	Date of most recent report	About Sustainability Report 2021	p.2	
102-52	Reporting cycle	About Sustainability Report 2021	p.2	
102-53	Contact point for questions regarding the report	About Sustainability Report 2021	p.2	
102-54	Claims of reporting in accordance with the GRI Standards	This report is prepared in compliance with the Core option of the GRI Standards.		
102-55	GRI content index	The GRI Content Index of the Sustainability Report 2021		
102-56	External assurance	Independent Practitioner's Assurance [Data Index]	D-32, 33	
103 Management Approach				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Sustainability Priority Issues	p.14-15	
103-2	The management approach and its components	<p>Targets, results, and self-assessment for all material items: CSR Priority Issues - Targets and Results</p> <p>■ Business activity Creating Social Value through Core Technologies Ensuring Trustworthiness by Maintaining and Increasing Quality</p> <p>■ Environment Environmental Strategy Environmental Management Promotion System</p> <p>■ Society/Labor Strengthening Supply Chain Management Respecting Human Rights Diversity and Inclusion Employees' Health and Safety</p> <p>■ Governance Thorough Compliance Strengthening Corporate Governance Strengthening Risk Management</p>	<p>p.16-21</p> <p>p.22-23</p> <p>p.25-28</p> <p>p.37-41</p> <p>p.44-46</p> <p>p.73-76</p> <p>p.83-84</p> <p>p.87</p> <p>p.94-95</p> <p>p.98-100</p> <p>p.102-103</p> <p>p.105-106,108</p>	
103-3	Evaluation of the management approach	Sustainability Priority Issues	p.14-15	
200 Economic				
GRI 201 Economic Performance 2016				
201-1	Direct economic value generated and distributed	Securities Report (in Japanese) Main Financial Data	p.6	

2021

GRI Content Index

GRI Guidelines		Corresponding items	page/url	Reference/Reasons for omission	page/url
201-2	Financial implications and other risks and opportunities due to climate change	Environment-related Risk Management System Disclosures in Line with TCFD's Recommendations	p.46-47 p.56-58		
201-3	Defined benefit plan obligations and other retirement plans	Securities Report (in Japanese)			
201-4	Financial assistance received from government	Securities Report (in Japanese)			
GRI 202 Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Recruitment Information > Application Requirements of Clerical Staffs for New Graduates in 2022 (in only Japanese) [Web Page] Recruitment Information > Application Requirements of Technical Staffs for New Graduates in 2022 (in only Japanese) [Web Page]	https://www.nikon.co.jp/recruitment/newgraduates/clerical.htm https://www.nikon.co.jp/recruitment/newgraduates/tech.htm		
202-2	Proportion of senior management hired from the local community	Proportion of Management Hired from the Local Community outside Japan [Data Index]	D-18		
GRI 203 Indirect Economic Impacts 2016					
203-1	Infrastructure investments and services supported	—		Corporate Citizenship Activities Corporate Citizenship Activities [Web Pages]	p.112-113 https://www.nikon.com/about/sustainability/citizenship/
203-2	Significant indirect economic impacts	—		Corporate Citizenship Activities Corporate Citizenship Activities [Web Pages] Data on "Corporate Citizenship" [Data Index]	p.112-113 https://www.nikon.com/about/sustainability/citizenship/ D-30, 31
GRI 204 Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	Nikon Group's Supply Chain	p.74		
GRI 205 Anti-corruption 2016					
205-1	Operations assessed for risks related to corruption	Efforts to Prevent Bribery	p.101		
205-2	Communication and training about anti-corruption policies and procedures	Compliance Promotion Activities Efforts to Prevent Bribery	p.100 p.101		
205-3	Confirmed incidents of corruption and actions taken	Efforts to Prevent Bribery *Not applicable	p.101		
GRI 206 Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Efforts to Prevent Competition Law Violations *Not applicable	p.101		
GRI 207 Tax 2019					
207-1	Approach to tax	Taxation	p.104		
207-2	Tax governance, control, and risk management	Taxation	p.104		

2021

GRI Content Index

GRI Guidelines		Corresponding items	page/url	Reference/Reasons for omission	page/url
207-3	Stakeholder engagement and management of concerns related to tax	Global Tax Policy	https://www.nikon.com/about/sustainability/governance/risk-management/tax_policy.pdf	Taxation	p.104
207-4	Country-by-country reporting	Tax Payments by Region	p.104		
300 Environmental					
GRI 301 Materials 2016					
301-1	Materials used by weight or volume	Business Activities and the Environment	p.47		
301-2	Recycled input materials used	–		Eco-friendly Products Development 3R Initiatives for Products and Packaging	p.48 p.59–61
301-3	Reclaimed products and their packaging materials	3R Initiatives for Products and Packaging Sales Trends of Refurbished Semiconductor Lithography Systems (for IC) [Data Index]	p.59–61 D-10		
GRI 302 Energy 2016					
302-1	Energy consumption within the organization	Utilizing Renewable Energy Energy Consumption [Data Index] Ratio of Renewable Energy to Electricity Consumption [Data Index]	p.53 D-5, 6 D-7		
302-2	Energy consumption outside of the organization	–		Changes in CO ₂ Emissions from Energy Consumption and in Energy Consumption	p.52
302-3	Energy intensity	Changes in CO ₂ Emissions from Energy Consumption and in Energy Consumption Energy Consumption [Data Index]	p.52 D-5, 6		
302-4	Reduction of energy consumption	Changes in CO ₂ Emissions from Energy Consumption and in Energy Consumption Energy Consumption [Data Index]	p.52 D-5, 6	Greenhouse Gas Reduction Measures at Business Facilities	p.53–54
302-5	Reductions in energy requirements of products and services	–		Initiatives to Reduce Greenhouse Gas Emissions in Products	p.51
GRI 303 Water and Effluents 2018					
303-1	Interactions with water as a shared resource	Water Resource Conservation Measures Water Risk Assessments Water Withdrawal and Discharge Water Reuse Measures Water Withdrawal, Water Discharge [Data Index] Water Consumption, Water Reuse [Data Index]	p.64 p.64 p.64–65 p.65 D-12 D-13		
303-2	Management of water discharge-related impacts	Prevention of Air, Water and Soil Pollution	p.69	Environmental Governance	p.44
303-3	Water withdrawal	Water Withdrawal and Discharge Water Withdrawal [Data Index]	p.64–65 D-12		
303-4	Water discharge	Water Withdrawal and Discharge Water Discharge [Data Index]	p.64–65 D-12		

2021

GRI Content Index

GRI Guidelines		Corresponding items	page/url	Reference/Reasons for omission	page/url
303-5	Water consumption	Water Withdrawal and Discharge Water Consumption [Data Index]	p.64-65 D-13		
GRI 304 Biodiversity 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—		Approach to Biodiversity	p.70
304-2	Significant impacts of activities, products, and services on biodiversity	Approach to Biodiversity	p.70		
304-3	Habitats protected or restored	Support for Biodiversity Conservation and Restoration	p.72		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—			
GRI 305 Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	Promoting a Decarbonized Society CO ₂ Emissions List Breakdown by Scope and Category [Data Index] CO ₂ Emissions from Energy Consumption [Data Index] Breakdown of Greenhouse Gas Emissions [Data Index] CO ₂ from Nonenergy Consumption and Other Greenhouse Gases Emissions [Data Index]	p.50-58 D-4 D-7 D-8 D-9		
305-2	Energy indirect (Scope 2) GHG emissions	Promoting a Decarbonized Society CO ₂ Emissions List Breakdown by Scope and Category [Data Index] CO ₂ Emissions from Energy Consumption [Data Index] Breakdown of Greenhouse Gas Emissions [Data Index] CO ₂ Emissions Reduction through the Use of Renewable Energy [Data Index]	p.50-58 D-4 D-7 D-8 D-9		
305-3	Other indirect (Scope 3) GHG emissions	Promoting a Decarbonized Society CO ₂ Emissions List Breakdown by Scope and Category [Data Index] CO ₂ Emissions from Distribution in Japan, International Shipment and Distribution outside Japan [Data Index]	p.50-58 D-4 D-9		
305-4	GHG emissions intensity	Initiatives to Reduce Greenhouse Gas Emissions at its Business Facilities CO ₂ Emissions from Energy Consumption [Data Index]	p.52 D-7		

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
305-5	Reduction of GHG emissions	Promoting a Decarbonized Society CO ₂ Emissions List Breakdown by Scope and Category [Data Index] CO ₂ Emissions from Energy Consumption [Data Index] Breakdown of Greenhouse Gas Emissions [Data Index] CO ₂ Emissions Reduction through the Use of Renewable Energy [Data Index] CO ₂ Emissions from Distribution in Japan, International Shipment and Distribution outside Japan [Data Index]	p.50-58 D-4 D-7 D-8 D-9 D-9	
305-6	Emissions of ozone-depleting substances (ODS)	Abolition of All Ozone-layerdepleting Substances	p.66	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Nikon Group's PRTR and VOCs PRTR Survey Results [Data Index] Volatile Organic Compounds (VOCs) Emissions [Data Index]	p.68-69 D-14 D-14	
GRI 306 Waste 2020				
306-1	Waste generation and significant waste-related impacts	Initiatives Aimed at Reducing Waste, etc.	p.62-63	
306-2	Management of significant waste-related impacts	Waste Reduction and Resource Circulation Measures	p.63	
306-3	Waste generated	Waste Reduction Performance Amount of Waste (Waste plus Resources with Economic Value), Total waste used/recycled/sold, and Final landfill waste [Data Index] Breakdown (by Category) of Waste (Waste plus Resources with Economic Value) Generated by Nikon Group in Japan [Data Index]	p.62 D-11 D-11	
306-4	Waste diverted from disposal	Amount of Waste (Waste plus Resources with Economic Value), Total waste used/recycled/sold, and Final landfill waste [Data Index]	D-11	
306-5	Waste directed to disposal	Amount of Waste (Waste plus Resources with Economic Value), Total waste used/recycled/sold, and Final landfill waste [Data Index]	D-11	
GRI 307 Environmental Compliance 2016				
307-1	Non-compliance with environmental laws and regulations	Environmental Governance > Legal Violations *Not applicable	p.44	

2021

GRI Content Index

GRI Guidelines		Corresponding items	page/url	Reference/Reasons for omission	page/url
GRI 308 Supplier Environmental Assessment 2016					
308-1	New suppliers that were screened using environmental criteria	Auditing of Procurement Partners' Environmental Management Systems, and Nikon Environmental Partner Certification *With the contract requirement to follow Nikon Environment Standards, all new suppliers meets the environmental standards.	p.81-82		
308-2	Negative environmental impacts in the supply chain and actions taken	Reduction of Greenhouse Gases in the Supply Chain Initiatives to Reduce Greenhouse Gas Emissions in Products	p.50 p.51		
400 Social					
GRI 401 Employment 2016					
401-1	New employee hires and employee turnover	Number of New Hires [Data Index] Turnover [Data Index]	D-18 D-20		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–		Creating an Employee-friendly Working Environment	p.90
401-3	Parental leave	Childcare and Long-Term Care Support Number of Employees Taking Childcare Leave [Data Index] Return-to-Work Rates after Childcare Leave [Data Index] Retention Rates after Childcare Leave [Data Index]	p.90 D-22 D-22 D-23		
GRI 402 Labor/Management Relations 2016					
402-1	Minimum notice periods regarding operational changes	Labor Relations	p.86		
GRI 403 Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	Health and Safety Management System	p.95		
403-2	Hazard identification, risk assessment, and incident investigation	Raising Health and Safety Management Standards	p.95-96		
403-3	Occupational health services	Raising Health and Safety Management Standards	p.95-96		
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety Management System	p.95	Labor Relations	p.86
403-5	Worker training on occupational health and safety	Raising Health and Safety Management Standards	p.95-96		
403-6	Promotion of worker health	Maintaining and Improving Employee Health	p.97		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Raising Health and Safety Management Standards	p.95-96		
403-8	Workers covered by an occupational health and safety management system	All Nikon group employees		Employees' Health and Safety	p.95-97

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
403-9	Work-related injuries	Raising Health and Safety Management Standards Occupational Accidents Attributed/Related to Work [Data Index] Frequency Rate of Lost Time Accidents (1 or More Days) [Data Index] Severity Rate of Lost Time Accidents (1 or More Days) [Data Index] Occupational Accidents Requiring Time Off (1 or More Days) [Data Index] Fatalities [Data Index] Types of Occupational Accident and Diseases, Injuries [Data Index]	p.95-96 D-24 D-24 D-24 D-25 D-26 D-26	
403-10	Work-related ill health	Raising Health and Safety Management Standards Occupational Accidents Attributed/Related to Work [Data Index] Fatalities [Data Index] Frequency Rate of Occupational Illnesses [Data Index] Types of Occupational Accident and Diseases, Injuries [Data Index]	p.95-96 D-24 D-26 D-26 D-26	
GRI 404 Training and Education 2016				
404-1	Average hours of training per year per employee	Nikon's Human Resource Development Annual Number of Training Days per Employee at Nikon [Data Index]	p.92 D-17	
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development	p.92-93	
404-3	Percentage of employees receiving regular performance and career development reviews	*Nikon conducts target assessment interviews of all employees biannually and there is no difference in evaluations based on gender.	Fair Treatment	p.91
GRI 405 Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Promoting Advancement of Women in the Workplace Directors and Officers [Data Index] Number of Women and NonJapanese Appointed as Nikon Group Directors/Officers and Corporate Auditors [Data Index]	p.88-89 D-27 D-27	
405-2	Ratio of basic salary and remuneration of women to men	Ratio of Basic Salary and Remuneration of Women to Men [Data Index]	D-29	
GRI 406 Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	—	Code of Conduct Hotline (Reporting and Consulting System)	p.99-100

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
GRI 407 Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	Supply Chain Materiality Initiatives for Preventing Human Rights Violations	p.75 p.85
GRI 408 Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Initiatives for Preventing Human Rights Violations Promoting CSR Procurement	p.85 p.77-80	
GRI 409 Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Initiatives for Preventing Human Rights Violations Promoting CSR Procurement	p.85 p.77-80	
GRI 410 Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	—		
GRI 411 Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	—		
GRI 412 Human Rights Assessment 2016				
412-1	Operations that have been subject to human rights reviews or impact assessments	Initiatives for Preventing Human Rights Violations	p.85	Participation in International Initiatives p.10
412-2	Employee training on human rights policies or procedures	Human Rights Training	p.85-86	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—		
GRI 413 Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	—	Corporate Citizenship Activities Corporate Citizenship Activities [Web Pages]	p.112-113 https://www.nikon.com/about/sustainability/citizenship/
413-2	Operations with significant actual and potential negative impacts on local communities	—		
GRI 414 Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	*When selecting new suppliers, we conduct a CSR assessment in advance to confirm they meet our management standard, and we do not enter into contracts with suppliers that do not meet our management standard.	Promoting CSR Procurement	p.77-80
414-2	Negative social impacts in the supply chain and actions taken	Nikon's Supply Chain Management Promoting CSR Procurement	p.74-76 p.77-80	
GRI 415 Public Policy 2016				
415-1	Political contributions	0 Yen		

2021

GRI Content Index

GRI Guidelines	Corresponding items	page/url	Reference/Reasons for omission	page/url
GRI 416 Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	Ensuring Safety of Products and Services	p.30-31	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ensuring Safety of Products and Services	p.30-31	
GRI 417 Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	Information Provision for Using Our Products Safely Reducing Hazardous Chemical Substances in Products	p.31 p.66-67	
417-2	Incidents of non-compliance concerning product and service information and labeling	Information Provision for Using Our Products Safely	p.31	
417-3	Incidents of non-compliance concerning marketing communications	*Not applicable		
GRI 418 Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*Not applicable (Nikon group had no regulatory violations that were accompanied by fines against the China's Cyber Security Law, the Singapore's Personal Data Protection Act and the General Data Protection Regulation in the EU.) Results for the Fiscal Year Ended March 31, 2021	Protection of Personal Information	p.109
GRI 419 Socioeconomic Compliance 2016				
419-1	Non-compliance with laws and regulations in the social and economic area	*Not applicable		

About the Cover Photographs

The photographs used for the cover page were the winners of the Awards of first and second places in the 2021 Nikon Environmental Photo Contest, held as one of the activities in Nikon Environment Month (June of each year). The criteria for entries to the Competition were that the photographs should embody environment-related Sustainable Development Goals (SDGs).



First Place

Entry title: Litter collection on the beach

Relevant SDG: Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Photographer: Andreas Brunner [Nikon Europe B.V.]

Competition jury's evaluation:
It's not a beautiful view, but this photo sends us a compelling message on environmental issues. We may wonder why a Swiss resident collects rubbish on a Mexican beach during his vacation. But only people who have done the same can understand this sense of accomplishment.



Second Place

Entry title: Extinct or Alive

Relevant SDG: Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Photographer: Jira Kosittawan [Nikon (Thailand) Co., Ltd.]

Competition jury's evaluation:

The mystery of life can be found in its evolution. Gold, white, black, red, and gray—each colour in the feathers probably has its own meaning. And lives will continue to evolve. These should not be distorted by egoism of human race. We all should have been aware ...



Second Place

Entry title: Human Right

Relevant SDG: Goal 6: Ensure availability and sustainable management of water and sanitation for all

Photographer: Shibashis Mukherjee [Nikon India Private Limited]

Competition jury's evaluation:

Angle and framing are very important in a photograph. It is effective that the photographer took an angle from a level even lower than the child in front as if looking up from the ground. Initially I wished that I could see the expression on the face more clearly, but I realized that the finely falling well water is the main character in this photo.



Second Place

Entry title: Heart of Earth is Heart of Life

Relevant SDG: Goal 13: Take urgent action to combat climate change and its impacts

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Photographer: Khajonrat Kopatta [Nikon (Thailand) Co., Ltd.]

Competition jury's evaluation:

In this magnificent scenery, the contrast between the man-made desolate land and the giant tree that looks like a heart gives me a special feeling. I find this like a cheering song that we shouldn't give up hope in any environment. The light from sunset adds more to it.



NIKON CORPORATION

Shinagawa Intercity Tower C, 2-15-3, Konan, Minato-ku, Tokyo 108-6290, Japan
www.nikon.com



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.