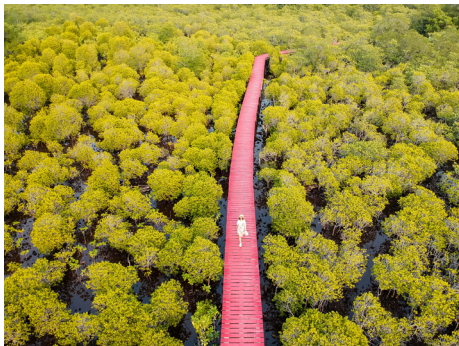




# NIKON SUSTAINABILITY REPORT

# 2020





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# About Sustainability Report 2020

## 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 2020 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 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 2020 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).

- \* This PDF file uses indexing to enhance searchability. Be sure to utilize this useful function.
- \* For information regarding the various policies on sustainability and other matters, please visit our company website.
- \* Nikon's company website contains additional information on corporate citizenship activities that does not appear in this report.

### ■ Reporting Period and Boundary

#### Reporting Period

April 1, 2019 to March 31, 2020  
(Information includes some activities in April 2020 and afterwards)

#### Boundary

Nikon: Refers to Nikon brand or Nikon Corporation only  
Group companies: Nikon's 82 consolidated subsidiaries  
Nikon Group: Nikon Corporation and its consolidated subsidiaries

- \* The boundary for environmental data is defined on P40 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.

### ■ 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 Section,  
Corporate Strategy Division, 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](mailto:Csr.Info@nikon.com)

## Sustainability Report Positioning



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>Message from the President



**The relationship between Nikon's business activities and society**

The fiscal year ended March 31, 2020 was the first year of implementation of Nikon's Medium-Term Management Plan (covering the period from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022), the aim of which is to build a foundation for growth, so that we can achieve sustainable improvements in enterprise value. While we were in the process of implementing the various measures included in the Medium-Term Management Plan, the COVID-19 epidemic began to spread throughout the world, and this has had a major impact on our business operations. Faced with this situation, our first priority has been the health and safety of Nikon Group employees and their

families, our business partners, and our customers, etc. We have been carrying out our business activities while responding flexibly to constantly changing circumstances. Despite the impact of these factors, Nikon's Medium-Term Management Plan remains unchanged. In fact, as I see it, the future is likely to arrive even earlier than originally expected. For example, with the development of high-level, high-speed network technology, there is growing demand for image-based recognition and analysis systems and for robots that are capable of collaborating and coordinating their operations with humans. This in turn will lead to an increase in remote operations and less need for direct contact between people. In Vision Systems / Robotics, one of Nikon's long-term growth areas, we are providing products and services that can make a major contribution

towards meeting these needs, with the aim of building a future in which both daily life and industrial activities are more convenient and more efficient.

I believe that the new living and working styles that we are required to adapt in the current situation embody the need for speedy realization of our vision of the future. With this in mind, we will be doing our utmost to generate new businesses in sectors with long-term growth potential.

**Activities based on Nikon's Medium-Term CSR Plan**

When looking at society as a whole, it is clear that social issues are becoming more pressing, and that it is becoming ever more important for each individual throughout the world to recognize their responsibilities and to work together with one another to realize the U.N. Sustainable



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>Message from the President

Development Goals (SDGs) and the objectives of the Paris Agreement on Climate Change. For a business enterprise, it is vitally important to further strengthen corporate social responsibility (CSR) focused ideas and to address the issues that the company and society face in a systematic manner, from a long-term perspective.

At the Nikon Group, we believe that it is extremely important for us to work steadily towards the achievement of the targets set for the CSR Priority Issues outlined in our Medium-Term CSR Plan.

Regarding the progress made in terms of the implementation of the Medium-Term CSR Plan in the fiscal year ended March 31, 2020, in order to strengthen awareness within the Nikon Group of the Nikon Human Rights Policy which was formulated in April 2019 and to promote appropriate action based on this Policy, we have conducted related educational activities for company officers and employees throughout the Group. In the future, we will continue our efforts to identify human rights issues relevant to our business activities, and to realize improvements in relation to these issues, or resolve them, in line with social trends in society as a whole. With regard to the strengthening of our Supply Chain Management System, we have adopted a system for centralized management of supplier data. Besides helping us to implement CSR procurement, this new system will also help to strengthen business continuity management (BCM) throughout the supply chain.

In regard to corporate governance, we have established a Nominating Committee, and we have revised the succession plan and the election and removal criteria for the President and Directors. We have also been focusing on achieving greater diversity among the Board of Directors, and June 2020 saw the appointment of two new External Directors (one of them female), raising the share of seats on the Board that are held by External Directors.

Regarding measures being taken in response to climate change, Nikon shares the goals of the Task Force on

Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) and, recognizing the need for ambitious initiatives based on a long-term perspective, starting from this year we have replaced “realizing a low-carbon society” which is one of the key pillars of Nikon Long-Term Environmental Vision with “realizing a decarbonized society.” In relation to the achievement of our greenhouse gas reduction targets, for which we obtained Science Based Targets (SBT) certification in November 2019, we aim to further strengthen our measures in this area, with a view to active adoption of renewable energy, etc.

We will also be contributing towards the realization of the “decarbonized society” by proactively utilizing the technological capabilities that we have built up over the years and our strategic alliances to provide new products and services not only in the Material Processing Business (which is a business area that we are focusing on in line with the central theme of our Medium-Term Plan) but also in our existing business areas.

### Three Key Perspectives for Nikon’s Business Operations

Since taking up the position of President at Nikon, I have focused on the three key areas of Innovation, Profitability and Sustainability as being particularly important, and I have sought to spread awareness of the importance of these concepts to all Nikon employees, for example through the holding of President’s Town-hall Meetings at which I engage in direct dialog with Nikon Group employees.

One thing that is clear from looking back over Nikon’s history is that, through innovation, we have been able to create products and services that provide society with new value. At the same time, making a profit is of course a key goal for any business enterprise. It is vitally important for an enterprise to utilize its human talent and capital efficiently so that it can generate profit from products and

services that will in turn enable it to lay the groundwork for further innovation. As for sustainability, this is an important precondition for an enterprise to be able to continue to exist in harmony with society, and it is also a wellspring of innovation.

Today, faced with the need to develop solutions for social issues that are appropriate for the new values that will apply in the “Post-COVID-19” era, I believe that our approach to sustainability can help us to clarify the logic underpinning our vision of the future, the issues that need to be overcome, and the action that should be taken to address these issues.

By getting all Nikon Group employees working together to implement our current Medium-Term Management Plan and Medium-Term CSR Plan, we will be pursuing Innovation, Profitability and Sustainability as the main focus of our management strategy. In providing the kind of value that only Nikon can deliver, we will contribute towards the building of a sustainable society and continue to be an enterprise that is of real value to society.

I will be doing my utmost to live up to the expectations of our stakeholders, and I hope that you will continue to support us in our endeavors.

>Nikon Group Profile

## 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, 2020)  
**Revenue** Consolidated: ¥591,012 million  
 (for the fiscal year ended March 31, 2020,  
 International Financial Reporting Standards (IFRS))  
**Employees** Consolidated: 20,190 (as of March 31, 2020)  
 \* Permanent and non-regular employees of the Nikon Group,  
 director of Group companies  
 Non-consolidated: 4,442 (as of March 31, 2020)  
 \* 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, 2020)  
 Japan (excluding Nikon): 21 companies  
 Europe: 24 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 cameras, film 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

#### Industrial Metrology Business and Others

Industrial Metrology Business: Industrial microscopes, Measuring instruments, X-ray inspection systems

Digital Solutions Business: Optical components, Encoders, Optical processing machine

Customized Products Business: Customized equipment

Glass Business: Photomask substrates for FPD

### Our Philosophy

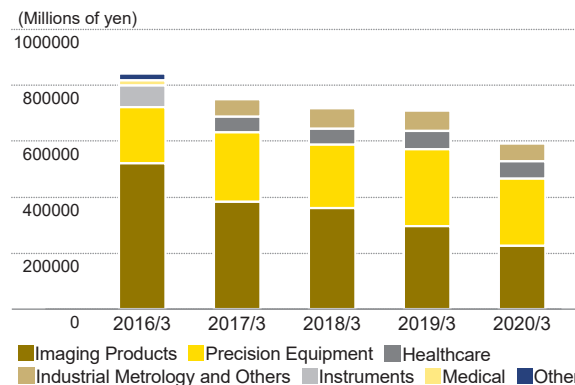
**Trustworthiness and Creativity**

### Our Vision

**Unlock the future with the power of light**

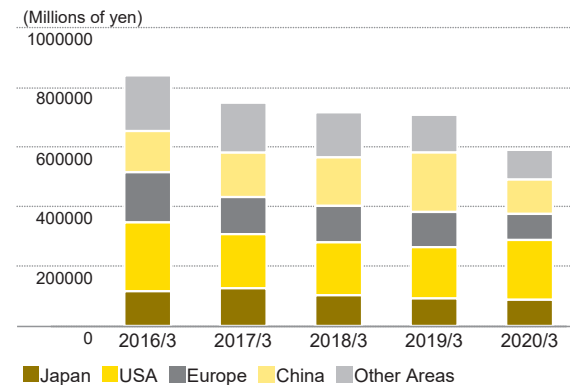
### Main Financial Data

#### Revenue by Industry Segment (Consolidated)



\* Revenue by industry segment comprise revenue for outside customers.  
 \* Figures are prepared in accordance with IFRS.  
 \* Business segments have been changed from June 29, 2017.

#### Revenue in Japan and Export Revenue by Region (Consolidated)



\* Figures are prepared in accordance with IFRS.

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<a href="#">&gt;Our Approach to Sustainability</a>		>CSR Promotion System	>Stakeholder Engagement	>CSR Priority Issues			

# Nikon CSR

## Our Approach to Sustainability

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

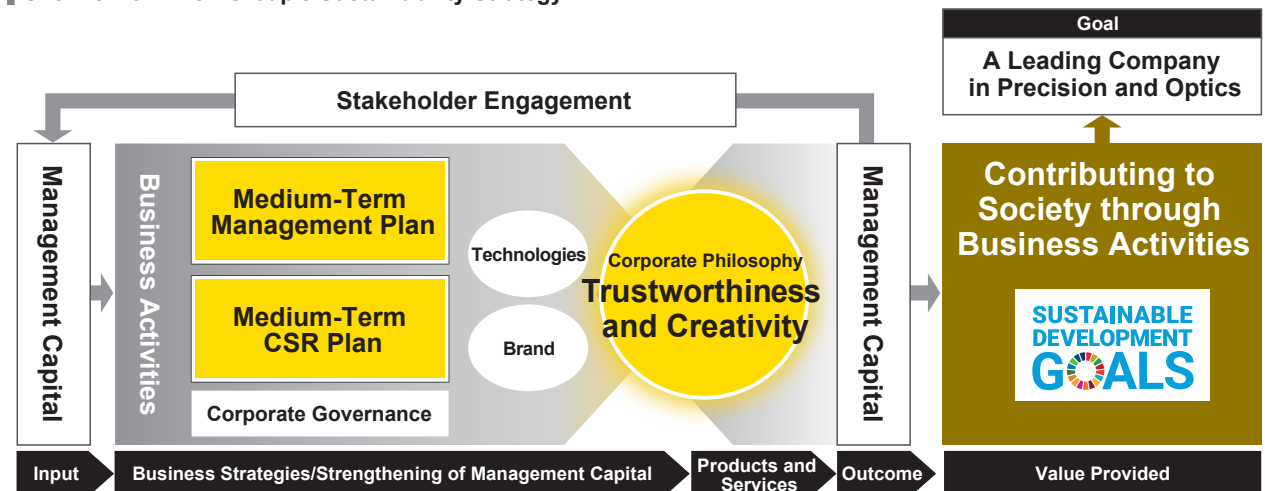
### Nikon CSR and Sustainability

The Nikon Group’s corporate social responsibility (CSR) is making its 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, the Nikon Group has drawn up the Sustainability Strategy. Under this Sustainability Strategy, which is based on the Medium-Term Management Plan and Medium-Term CSR Plan, we will create Nikon’s unique products and services by continuing to develop our business with our proven technologies and brand. 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 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.

- [▶Contributing to Society through Business Activities \(P21\)](#)
- [▶CSR Priority Issues and the Medium-Term CSR Plan \(P14\)](#)
- [▶Stakeholder Engagement \(P10\)](#)

### Overview of Nikon Group’s Sustainability Strategy







>Our Approach to Sustainability >CSR Promotion System >Stakeholder Engagement >CSR Priority Issues

## Nikon Code of Conduct

The Nikon Group has established the Nikon Code of Conduct which embodied Nikon's basic approach to CSR and laid down standards for employees to follow based on the approach. In January 2018, we revised the content and positioning of the Nikon Code of Conduct with the aim of aligning it with Our Vision that was established to mark the 100th anniversary of the founding of Nikon in addition to responding to the rising demands from stakeholders in the global community.

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

▶ [Compliance \(P88\)](#)

### 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.

## CSR Promotion System

The Nikon Group is carrying out initiatives to achieve a sustainable society by striving to foster collaboration between each organization, including affiliated committees and subcommittees, using a system centered on the CSR Committee.

### Nikon Group's CSR Promotion System

The Nikon Group established the CSR Committee and appointed the Representative Director and President as the chair in an effort to pursue management with a high degree of integrity and transparency that is able to earn the trust of stakeholders from a CSR perspective. 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. The CSR Committee convenes twice a year to set goals relating to CSR priority issues, receive progress reports on activities, issue directions for improvement as required, and make overarching decisions about sustainability activities. The lecture events which are held on the same dates as meetings of the CSR Committee feature lectures by experts and discussion sessions, with the aim of enhancing the expertise of Committee members in relation to sustainability.

The Business Conduct Committee, the Environmental Committee, 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 corporate social responsibility (CSR) related measures from a managerial standpoint.

#### CSR Promotion 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 oversees and conducts comprehensive promotion of CSR activities within their jurisdiction. CSR Committees consisting of Group company directors are established in each region, and CSR Communication Meetings are held with participants consisting of CSR coordinators at each company.

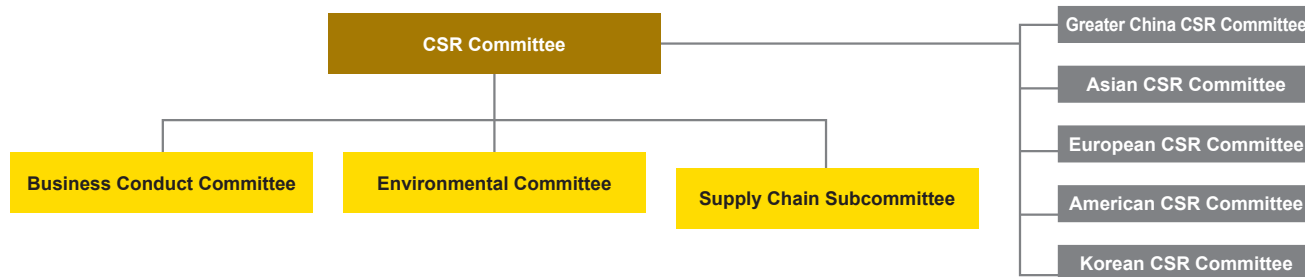
In addition, a CSR Global Communication Meeting is held once a year, with participants representing the CSR department of each regional holding company. This Meeting brings together representatives of the CSR departments in each regional holding company to share information about and discuss social trends in each region, the progress made in CSR activities, issues that need to be addressed, etc.

#### Raising Employees' Awareness About CSR

The Nikon Group publishes a quarterly CSR newsletter to raise the level of employees' CSR awareness. The newsletter is published in 16 languages, providing Nikon Group employees all over the world with information about activities related to the SDGs and about the latest CSR news, both within and outside the Nikon Group. In the fiscal year ended March 31, 2020, as in the previous year, the Group actively disseminated information on events that employees could partake in, such as an environmental photo contest, etc.

In addition, a CSR page has been established in the Nikon Group's 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, 2020, a particular effort was made to provide explanations about climate change, decarbonization, human rights, and the SDGs, and to provide information about important social trends.

#### CSR Promotion System (As of March 31, 2020)



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The CSR page on the Nikon Group's portal site (in Japanese), and Nikon's CSR Newsletter

## Participation in International Initiatives

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.

### 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, 2020 in Relation to the Ten Principles of the UN Global Compact

	Principle	Policy	Jurisdiction	Achievements
Human rights/ Labor	1·2/ 3·4·5·6	Nikon Human Rights Policy	CSR Committee	Began implementing human rights education sequentially throughout the Nikon Group. In addition, implemented RBA self-assessment at Group manufacturing companies outside Japan.
		Nikon CSR Procurement Standards	Supply Chain Subcommittee	Based on the results of CSR assessments conducted over the previous three years, with regard to those procurement partners that failed to meet the compliance rate specified in the Nikon CSR Procurement Standards, we conducted CSR audits at 3 companies, and requested submission of improvement plans from 10 companies. In addition, we provided support for improvements by procurement partners that were asked to implement improvements in the previous year, and verified the results of improvement efforts.
		Responsible Minerals Sourcing Policy		Conducted surveys on conflict minerals covering procurement partners, and disclosed our conflict minerals report along with a list of RMAP conformant smelters.
Environment	7·8·9	Nikon Long-Term Environmental Vision	Environmental Committee	Revised the Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals. 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. Also, revised the European version of this policy.

### 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, 2020, we carried out the RBA's self-assessment at eight Group manufacturing companies outside Japan, following on from the previous year's implementation of self-assessment at Nikon plants and the Group manufacturing companies in Japan. We realized that, although overall there were no serious risks, there were several issues, such as a need for further

strengthening of management systems. In the future, we intend to implement measures to address these issues in collaboration with the relevant departments and the Group manufacturing companies outside Japan, so as to realize improvements and achieve solutions.

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 the RBA's online self-assessment and make effective use of relevant educational materials.

#### [Promoting CSR Procurement \(P68\)](#)

\* Responsible Business Alliance (RBA)  
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's 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.



## Stakeholder Engagement

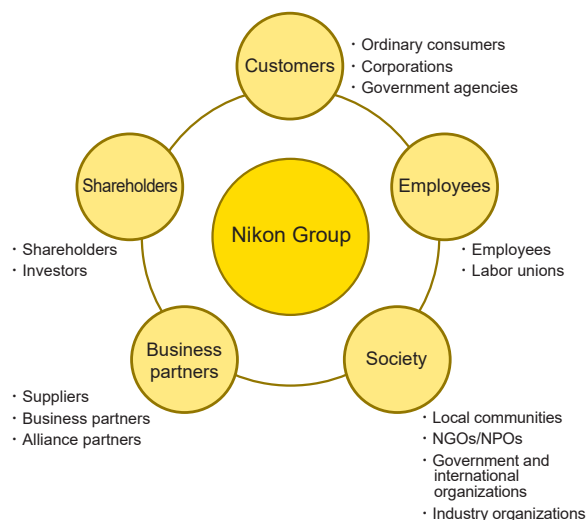
The Nikon Group is endeavoring to foster reciprocal communication with its stakeholders through various methods and opportunities.

### Approach to Communication

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 works to maintain and develop healthy relationships with them, through a variety of opportunities and methods.

#### Nikon Group's Main Stakeholders



### Nikon Group's Main Stakeholders

- Column: Reciprocal Communication with Customers Focused on Experience Creation (P32)
- Vision Sharing (P68)

#### Main Forms of Engagement with Stakeholders

Main Stakeholder	Methods of engagement	Objectives
Customers	<ul style="list-style-type: none"> <li>Call centers and service counters (as required)</li> <li>Responses to customers by departments in charge of sales/services (as required)</li> <li>Sharing of information via the website and other methods (as required)</li> <li>Exhibitions / events (several times a year)</li> <li>News releases via the mass media and other methods (as required) , etc.</li> </ul>	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"> <li>General meetings of shareholders (once a year)</li> <li>Announcements (as required)</li> <li>Publishing of various types of printed materials including NIKON REPORT, and interim / annual reports (once a year/twice a year)</li> <li>Sharing of information via the website and other methods (as required)</li> <li>Financial Results Conference (four times a year)</li> <li>Responding to ESG investment (as required) , etc.</li> </ul>	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"> <li>Sharing of information via company newsletters, the intranet, and other methods (as required)</li> <li>Labor and management conferences, and conferences with employee-elected representatives (as required)</li> <li>Reporting and Consulting System (as required)</li> <li>Conducting human rights and labor standards surveys at the Group companies (once a year)</li> <li>Conducting employee awareness surveys (once every one to two years)</li> <li>President's Town-hall Meetings (as required) , etc.</li> </ul>	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"> <li>Dialog through everyday business activities (as required)</li> <li>Meetings with procurement partners (once a year)</li> <li>Briefing sessions for, and surveys and audits of, procurement partners in relation to CSR procurement (once a year)</li> <li>Confirming the establishment of environmental management systems (surveys/audits) (once every three years) , etc.</li> </ul>	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"> <li>Participation in local events (as required)</li> <li>Collaboration with NGOs / NPOs in corporate citizenship (as required)</li> <li>Participation in economic and industry organizations (as required)</li> <li>Consultations with governmental agencies, academic societies/research organizations (as required) , etc.</li> </ul>	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

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>Our Approach to Sustainability >CSR Promotion System >Stakeholder Engagement >CSR Priority Issues

### List of Main Affiliated Organizations Related to CSR (As of March 31, 2020)

Organization Name
Business Ethics Research Center (BERC)
Council for Better Corporate Citizenship (CBC)
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

The Nikon Group believes that it is very important for every employee to share the company's vision and to be committed to the company's policies and plans. With this in mind, in the fiscal year ended March 31, 2020 we held President's Town-hall Meetings at 14 Nikon business facilities, both within and outside Japan, with the aim of realizing dialog with as many employees as possible. A total of around 6,600 employees took part in

these events. Besides getting across the message of our dedication to "Innovation, Profitability and Sustainability," the meetings also provided a venue at which the President was able to explain the Nikon's management policies and current situation directly to employees in his own words, and a venue for the active exchange of views between the President and employees.

In addition, in order to realize more intensive communication in smaller groups, President's Lunch Meetings are held around twice a month, with participants including employees who have applied to take part or been recommended by their workplace. While eating lunch together in a relaxed atmosphere, the President and the five or so employees taking part exchange views and engage in a lively discussion regarding company policies and plans.

### Engagement with Shareholders and Investors

Nikon set a goal of "capital market-oriented management" and has been focusing on investor relations activities that emphasize dialogue 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 receive feedback 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. In the fiscal year ended March 31, 2020 we announced our new Medium-Term Management Plan and worked actively to create opportunities to hear the opinions of shareholders, institutional investors and analysts directly through interviews with Nikon's President and CFO.

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 and deepening our business management, by sharing them with the Board of Directors and the Executive Committee on a regular basis. In the fiscal year ended March 31, 2020, we also held briefings for individual investors. By explaining Nikon's management philosophy and strategy in an easy-to-understand way, we have been striving to further expand the scale of our engagement with individual investors. Going forward, Nikon aims to enhance engagement with shareholders and investors in terms of both quality and quantity. We will listen carefully to stakeholders' hopes and expectations, and will make effective use of what we have learned to improve our business management.



Briefing for individual investors

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>Our Approach to Sustainability >CSR Promotion System >Stakeholder Engagement >CSR Priority Issues

## External Evaluation

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

### Inclusion in ESG Investment Indexes (As of June 30, 2020)



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 ECPI	Selected: Since 2011 ECPI is a company based in Italy and Luxembourg, and produces research, ratings and indices on companies' ESG performance.
 SOMPO JAPAN SNAM Sustainability Index 2020 Sompo Sustainability Index	Selected: Since 2013 The SOMPO JAPAN SNAM 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.
 MSCI ESG Leaders Indexes* <sup>2</sup> MSCI ESG Leaders Indexes Constituent	Selected: Since 2014 The MSCI ESG Leaders Indexes comprise companies with high ESG ratings in their industry sectors.
 FTSE Blossom Japan Index* <sup>1</sup> FTSE Blossom Japan	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* <sup>1*2</sup> 2020 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 <b>Dow Jones Sustainability Indices</b> In Collaboration with RobecoSAM	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* <sup>1</sup>	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, with the main indices in Japan as its universe.
MSCI Japan Empowering Women Index* <sup>1*2</sup> 2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	Selected: In 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 4, 2020)

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.
SAM Industry Mover 2020 	SAM Industry Mover is a designation given to those firms ranking in the top 15% in each industry sector in S&P Global's SAM Corporate Sustainability Assessment (CSM) that have demonstrated the highest rate of improvement compared to the previous year's score.



## CSR Priority Issues

The Nikon Group selects CSR priority issues, establishes medium-term and yearly targets for each priority issue, and promotes and manages Group-wide CSR activities based on this selection.

### Selection of CSR Priority Issues

The Nikon Group identifies CSR priority issues to focus on, in order to ensure the efficient, steady implementation of CSR measures. We set CSR medium-term and yearly targets for each priority issue, and the responsible departments and their employees take actions to achieve the targets.

Management deliberates on and confirms the targets and achievements based on the CSR priority issues every six months through high-level management committees, including the CSR Committee, which is chaired by the President. In this way, the Nikon Group is able to monitor the progress made in CSR activities and the results achieved, implementing a PDCA (Plan – Do – Check – Act) cycle that ensures that necessary action is taken.

### Process for Identifying Priority Issues

The Nikon Group uses the following process to identify CSR priority issues.

#### Step 1: Identification of social issues

Significant social issues are identified from the GRI Standards, ISO 26000, the United Nations Global Compact, the Sustainable Development Goals (SDGs), etc. Those issues that are of particular relevance to the Nikon Group are then extracted, on the basis of value chain analysis.

#### Step 2: Assessment of importance from a stakeholder perspective

The Nikon Group assesses the relative importance of the identified social issues from a stakeholder perspective, by examining the issues that ESG investment evaluation organizations 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: Assessment of priority order from the Nikon Group's point of view

The Nikon Group evaluates which issues the Group needs to address, and what priority order these should be placed in, on the basis of the Group's vision and business strategy, etc.

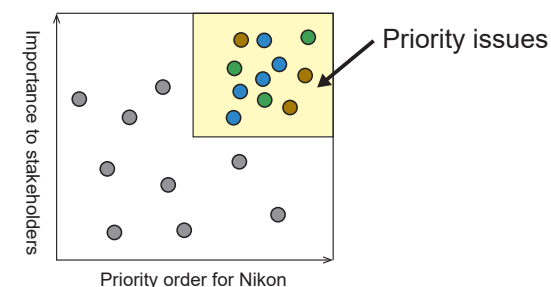
#### Step 4: Identification and determination of priority issues

In addition to Step 3, on the basis of the results of review by those departments for which each issue is particularly relevant, the Nikon Group identifies the CSR priority issues, with the final review and determination being made by the CSR Committee.

#### Step 5: Setting of targets for each priority issue

For each of the CSR priority issues that has been selected, the Nikon Group sets medium-term and yearly targets, which then serve as goals for the related departments.

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



## CSR Priority Issues and the Medium-Term CSR Plan

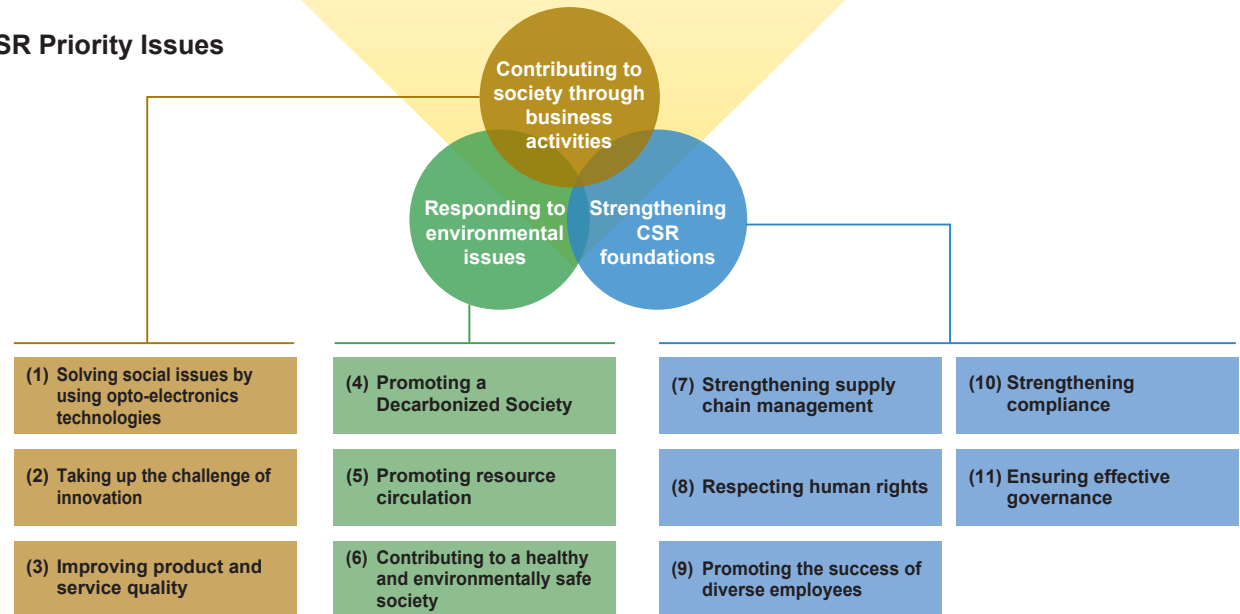
In line with the process for identifying priority issues, the Nikon Group identified 11 CSR priority issues falling within the three key areas of “Contributing to society through business activities,” “Responding to environmental issues,” and “Strengthening CSR foundations.” “Responding to environmental issues” takes as its foundations the three pillars of the Nikon Long-Term Environmental Vision. In regard to “Strengthening CSR foundations,” we will continue to implement and develop activities that underpin the CSR management that we have already been emphasizing and implementing, including human rights and labor practices compliance, responsible procurement, etc. In the area of “Contributing to society through business activities,” taking as a foundation a managerial vision that incorporates our determination to “Unlock the future with the power of light,” we have set ourselves the goal of addressing social issues using Nikon’s technology, which has opto-electronics and precision technologies as its core technologies. The Nikon Group has formulated a Medium-Term CSR Plan, which specifies our vision for each CSR priority issue, along with medium-term targets looking ahead at least three years into the future, together with yearly targets, to realize this vision. In addition, the Nikon Group has identified six themes with particular priority from among these targets, which the Nikon Group is actively promoting in relation to the SDGs.

### Overview of the Medium-Term CSR Plan

#### Priority Themes of the Medium-Term CSR Plan



#### CSR Priority Issues



## CSR Priority Issues – Targets 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, 2020 [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, 2020		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 Goal 9 of the SDGs	Allocate resources according to the role played within the overall business portfolio	Nikon Group	Implemented reorganization and resource transfers to speed up the establishment of the Material Processing Business and the Vision Systems / Robotics Business, which have been positioned as Nikon's key growth areas.	○	<a href="#">P21</a>
	Issue 2 Taking up the challenge of innovation	Effective R&D	Implement analysis of factors affecting quality across the entire production process	Nikon Group	Implemented analysis and verification of factors affecting quality across the entire production process, and completed the identification of key issues.	○	<a href="#">P23</a>
		Creation of new businesses with faster launch speed through open innovation	Improve the framework for new business creation projects that was in use up until the fiscal year ended March 31, 2019, and provide support for exit (commercialization) for three projects	Nikon Group	Disseminated a focus on start-up business investment throughout the entire company as a method for supporting new business creation. The Nikon-SBI Innovation Fund implemented one new investment project and three follow-up investment projects, while individual business units implemented three direct investment projects. In the Materials Processing field, a comprehensive business-tie up arrangement was concluded with DMG MORI Co., Ltd. for business development purposes, and investment was also made in XTIA Ltd. for technology development purposes. In the Imaging Products field, Nikon invested in and began collaborative development with wrnc Inc. In the Healthcare field, Nikon established the Nikon Bioluminescence Lab in Boston to provide support for drug discovery research. Exit (commercialization) was achieved for three start-up projects, including the establishment of two spin-out companies and the transfer of one project to an existing business unit.	○	
		Creating new businesses	Establish, and optimize the operation of, a framework for new business evaluation and cultivation	Nikon	Formulated a draft proposal for a framework for new business evaluation and cultivation. In addition, reorganization was implemented with the aim of consolidating Nikon's new business cultivation programs. The Next Generation Project Division completed grand design formulation, and drew up implementation plans for individual businesses.	○	
	Issue 3 Improving product and service quality	Ensuring product and service quality for customers through effective utilization of IoT/AI technology	Formulate product security standards	Nikon Group in Japan	Issued technical standards for product security countermeasures, and implemented training of relevant personnel to strengthen product security awareness.	○	<a href="#">P28</a>
Realization of high-level quality optimization determination		Implement surveys of leading-edge case studies and social trends	Nikon Group in Japan	Identified key issues in relation to the realization of comprehensive quality information management.	○	<a href="#">P26</a>	
Responding to environmental issues (Issues 4-6)	See Environmental Action Plan					<a href="#">P36</a>	

**Results for the Fiscal Year Ended March 31, 2020 [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, 2020		Annual Results	Self-evaluation	Corresponding Page	
		Achievement Indicator	Scope				
Strengthening CSR foundations	Issue 7 Strengthening supply chain management	Integrated management of the supply chain	Establish procurement data foundations (Commence full-scale operation of a centralized management system)	Nikon Group / Procurement partners	Began system utilization (completed system adoption, and commenced collection of procurement partner data).	○	<a href="#">▶P66</a>
		Responding to important issues affecting the supply chain	Undertake a survey of RBA certification status based on Nikon Group procurement partner data	Nikon Group / Procurement partners	Surveyed procurement partners' RBA certification status.	○	<a href="#">▶P70</a>
			Implement CSR assessments as part of the selection process for new procurement partners		Began full-scale implementation of CSR assessments as part of the selection process for new procurement partners.	○	<a href="#">▶P69</a>
		Implementation of surveys and due diligence in relation to conflict minerals	Establish a conflict minerals survey framework in the business units and subsidiaries that have not conducted the surveys	Nikon Group / Procurement partners	Established a survey framework in the FPD Lithography Business Unit, Optos Plc, and the Precision Components & Modules Business Unit, and began trial surveys.	○	<a href="#">▶P71</a>
	Automate the data aggregation of the conflict minerals survey results		Completed the establishment of the survey request submission and data aggregation system.		○		
	Issue 8 Respecting human rights	Minimization of human rights risk through steady implementation of human rights policy	Conduct human rights training in all Group companies	Nikon Group	Implemented training to foster understanding of human rights and awareness of the Nikon Human Rights Policy, both at Nikon and all of the Group companies in and outside Japan.	○	<a href="#">▶P76</a>
			Conduct RBA Self-Assessment Questionnaire (SAQ) at overseas manufacturing sites and examine any gaps with the RBA Code of Conduct to consider appropriate measures if necessary		Distributed the RBA Self-Assessment Questionnaire (SAQ) to the Group manufacturing companies outside Japan, and conducted a gap analysis between the responses obtained from each company and the RBA Code of Conduct. Follow-up actions to mitigate the gaps will be discussed together with related administrative departments in the HQs and business units in the next fiscal year.	○	
	Issue 9 Promoting the success of diverse employees	Cultivation of engineers with a broad outlook	Establish an engineer basic training system (for engineers who have been working at the company for three or four years) able to cultivate engineers with a broad outlook	Nikon	Completed necessary preparations – including establishment of a training system for young engineers, the training curriculum, individual training content, and the establishment of the "Technical College program" framework for implementation of the above – for implementation to commence starting from the fiscal year ending March 31, 2021.	○	<a href="#">▶P80</a>
		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 number of female managers by 6%	Nikon	Increased the number of female managers by 27% to 38, as of March 31, 2020.	○	<a href="#">▶P82</a>
			Increase the ratio of females recruited through the regular annual recruitment process to at least 25%		Increased the ratio of females recruited through the regular annual recruitment process to 28%.	○	
		Promotion of the employment of people with disabilities, and provision of support to help employees with disabilities maximize their potential	Achieve the statutorily required number of employees with disabilities	Nikon Group in Japan	Achieved the statutorily required number of employees with disabilities at 14 out of 18 Nikon Group companies in Japan (including Special Subsidiary Nikon Tsubasa Inc.).	△	<a href="#">▶P83</a>
		Realization of a working environment in which employees can work safely and healthily	Formulate a Nikon Group Health and Safety Activities Policy, the scope of which includes the Group companies outside Japan	Nikon Group	Formulated the Nikon Group Health and Safety Activities Policy, the scope of which included the Group companies outside Japan.	○	<a href="#">▶P85</a>
Reduce the incidence of occupational accidents in the Nikon Group in Japan that are attributable to or related to work to 40 or less per year	Nikon Group in Japan		Reduced the annual incidence of occupational accidents in the Nikon Group in Japan that are attributable to or related to work to 29 accidents.	○			



Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	Strengthening CSR Foundations	Corporate Citizenship Activities
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>Our Approach to Sustainability >CSR Promotion System >Stakeholder Engagement >[CSR Priority Issues](#)

**Results for the Fiscal Year Ended March 31, 2020 [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, 2020		Annual Results	Self-evaluation	Corresponding Page	
		Achievement Indicator	Scope				
Strengthening CSR foundations	Issue 10 Strengthening compliance	Sustained compliance with the Nikon Code of Conduct	Continue to implement training on a global scale to instill awareness of the Nikon Code of Conduct	Nikon Group	Implemented training in each region regarding human rights and the reporting and consulting system in order to instill awareness of the Nikon Code of Conduct.	○	<a href="#">P89</a>
	Issue 11 Ensuring effective governance	Strengthening of the effectiveness of the Board of Directors	Establish a Nominating Committee in May 2019, and have it commence operation	Nikon	Established a Nominating Committee in May 2019, and established criteria for the election and removal of directors and officers and a succession plan for the President.	○	<a href="#">P91</a>
		Reduction of the incidence and impact of risk	Conduct interviews about the measures for addressing the top priority risks of the latest risk identification survey by the Risk Management Committee	Nikon Group	Identified the most important risks based on a risk map of Nikon's five main business units, held discussions with each business unit regarding countermeasures and the current state of implementation of these measures, and reported on the above matters at the 15th and 16th Meetings of the Risk Management Committee (held in August 2019 and February 2020 respectively).	○	<a href="#">P93</a>
		Realization of the appropriate management of personal data through an advanced information security management system	Maintain compliance with the GDPR, and put in place a system for preventing, in advance, any violations that would be accompanied by fines	Nikon Group	Achieved a record of zero GDPR violations that are accompanied by fines, and implemented measures to avoid any such violations in the future through adjustments to employee education and the incident response process.	○	<a href="#">P94</a>

**Targets for the Medium-term and the Year Ending March 31, 2021**

Priority Issue	What We Intend to Achieve	Medium-term Targets [Target year]		Targets for the Year Ending March 31, 2021		Related SDGs	
		Indicator	Scope	Achievement Indicator	Scope		
Contributing to society through business activities	Issue 1 Solving social issues by using opto-electronics technologies	Contribution to realizing the SDGs	Provide products and services that embody digital manufacturing, and contribute to a <i>monodzukuri</i> (manufacturing) reform [by the fiscal year ending March 31, 2024]	Nikon Group	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	3.4/8.2/ 9.1/9.4/ 9.5
	Issue 2 Taking up the challenge of innovation	Effective R&D	Complete the development of autonomous process optimization functionality for all production process systems, from product design through manufacturing to quality assurance [by the fiscal year ending March 31, 2024]	Nikon Group	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	8.2/9.4/ 9.5
		Creation of new businesses with faster launch speed through open innovation	Establish a framework to enable Group-wide start-up investment, coordination and commercialization incubation, and establish concepts for new business development [by the fiscal year ending March 31, 2022]	Nikon Group	<ul style="list-style-type: none"> <li>Implement a framework to create new value by effectively integrating company-wide development technologies</li> <li>Conduct technological surveys on leading start-up businesses, identify ones that have a high compatibility with Nikon, and promote collaboration</li> </ul>	Nikon Group	
		Creating new businesses	Create several new businesses that can serve as new drivers of revenue growth [by the fiscal year ending March 31, 2024]	Nikon	<ul style="list-style-type: none"> <li>Work together as a company to develop customers for new businesses and narrow down the scope of business domains to focus on</li> <li>Expand the scope of the optical processing machine field, and accelerate business development to make this field an important new growth driver</li> </ul>	Nikon Group	

Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	Strengthening CSR Foundations	Corporate Citizenship Activities
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**Targets for the Medium-term and the Year Ending March 31, 2021**

Priority Issue			What We Intend to Achieve	Medium-term Targets [Target year]		Targets for the Year Ending March 31, 2021		Related SDGs
				Indicator	Scope	Achievement Indicator	Scope	
Contributing to society through business activities	Issue 3	Improving product and service quality	Ensuring product and service quality for customers through effective utilization of IoT/AI technology	Overhaul relevant systems with the aim of strengthening quality management for products and services that make effective use of IoT or AI technology [by the fiscal year ending March 31, 2026]	Nikon Group in Japan	Formulate standards that conform to the latest wireless communications regulations and technologies	Nikon Group in Japan	12.4/12.5/ 12.6
			Realization of high-level quality optimization determination	Establish a system for comprehensive management of internal and external information such as manufacturing information and customer data [by the fiscal year ending March 31, 2026]	Nikon Group in Japan	Identify information that can effectively facilitate advance prevention of quality issues that could damage corporate value	Nikon Group in Japan	
Responding to environmental issues (Issues 4-6)			See Environmental Action Plan <a href="#">P37</a>					
Strengthening CSR foundations	Issue 7	Strengthening supply chain management	Integrated management of the supply chain	Establish procurement data foundations [by the fiscal year ending March 31, 2021] · Create a procurement partner database · Establish business continuity planning (BCP) functionality	Nikon Group / Procurement partners	· Realize stable database operation and begin rollout in Europe · Begin supply chain information management which utilizes database BCP functionality, both under ordinary circumstances and in emergencies	Nikon Group / Procurement partners	8.7/8.8/ 12.4/12.7/ 12.a
			Responding to important issues affecting the supply chain	Increase the number of CSR assessments and audits beyond the current level through effective utilization of the RBA framework [by the fiscal year ending March 31, 2021] Include tier 2 suppliers within CSR procurement partners management [by the fiscal year ending March 31, 2023]	Nikon Group / Procurement partners	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 Identify high-priority tier 2 suppliers, establish the survey framework and begin implementing CSR assessments	Nikon Group / Procurement partners	
			Implementation of surveys and due diligence in relation to conflict minerals	Implement conflict minerals surveys of all products that are subject to EU regulations [by the fiscal year ending March 31, 2022] Make due diligence more efficient through the systematization of survey and data aggregation operations [by the fiscal year ending March 31, 2022]	Nikon Group / Procurement partners	Implement surveys of conformity with EU regulations by using the new Conflict Minerals Reporting Template that was distributed by RMI in May 2020 Ensure that procurement partners are familiar with how to use the system, and improve operational efficiency by 20% compared to the previous year	Nikon Group / Procurement partners	
	Maintaining and managing the Environmental Management System in the supply chain	Have all procurement partners that are subject to auditing obtain environmental partner certification [by the fiscal year ending March 31, 2022]	Nikon Group / Procurement partners	Increase the environmental partner certification rate for all procurement partners that are subject to auditing to at least 97%	Nikon Group / Procurement partners	12.4		
Issue 8	Respecting human rights	Minimization of human rights risk through steady implementation of human rights policy	Establish a framework for identifying emerging human rights risk, and implement improvements appropriate to the issues [by the fiscal year ending March 31, 2022]	Nikon Group	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	10.2/16.1/ 16.2	

**Targets for the Medium-term and the Year Ending March 31, 2021**

Priority Issue	What We Intend to Achieve	Medium-term Targets [Target year]		Targets for the Year Ending March 31, 2021		Related SDGs	
		Indicator	Scope	Achievement Indicator	Scope		
Strengthening CSR foundations	Issue 9 Promoting the success of diverse employees	Cultivation of engineers with a broad outlook	Produce numbers of "graduates" from the new engineer basic training system [by the fiscal year ending March 31, 2024]	Nikon	Begin training using the new engineer basic training system (with the implementation of at least 110 seminars)	Nikon	5.1/5.5/ 8.5
		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 7.5% [by the fiscal year ending March 31, 2023] Maintain the ratio of females recruited through the regular annual recruitment process at 25% or higher [by the fiscal year ending March 31, 2022]	Nikon	Increase the ratio of all managers who are female to at least 6.9% Increase the ratio of females recruited through the regular annual recruitment process to at least 25%	Nikon	
		Promotion of the employment of people with disabilities, and provision of support to help employees with disabilities maximize their potential	Increase the employment of people with disabilities rate for the Nikon Group in Japan to at least 2.3% [by the fiscal year ending March 31, 2022]	Nikon Group in Japan	Ensure that all Nikon Group in Japan that do not currently employ any people with disabilities employ at least one person with disabilities	Nikon Group in Japan	
		Realization of a working environment in which employees can work safely and healthily	Strengthen safety management systems, including systems at the Group manufacturing companies outside Japan [by the fiscal year ending March 31, 2024]	Nikon Group in Japan / Group manufacturing companies outside Japan	Reduce the annual incidence of occupational accidents that are attributable to or related to work to 40 or less 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	Nikon Group in Japan Group manufacturing companies outside Japan	
	Issue 10 Strengthening compliance	Sustained compliance with the Nikon Code of Conduct	Provide annual training based on the Nikon Code of Conduct, to raise the dissemination of training activities, as reflected in the latest awareness survey [by the fiscal year ending March 31, 2023]	Nikon Group	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	16.3/16.5
Issue 11 Ensuring effective governance	Strengthening of the effectiveness of the Board of Directors	Implement period evaluation of the effectiveness of the Board of Directors, and establish a cycle of identifying key issues and implementing related improvement strategies with the aim of strengthening the effectiveness of the Board of Directors [by the fiscal year ending March 31, 2022]	Nikon	· 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	—	
	Reduction of the incidence and impact of risk	Overhaul the procedures and management system used by the Risk Management Committee, at every stage from risk identification to improvement measures, so as to strengthen risk awareness and risk management [by the fiscal year ending March 31, 2022]	Nikon Group	Prevent the reoccurrence 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 important risks	Nikon Group		
	Realization of the appropriate management of personal data through an advanced information security management system	Put in place a system for preventing, in advance, regulatory violations that are accompanied by fines, by ensuring compliance with not only the General Data Protection Regulation (GDPR) in the EU, but also China's Cyber Security Law and personal data protection laws, etc. in other countries [by the fiscal year ending March 31, 2024]	Nikon Group	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	Nikon Group		

## Contributing to Society through Business Activities

### [Priority Issues]

- 1 Solving Social Issues by Using Opto-electronics Technologies [▶P20](#)
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## Priority Issue 1 Solving Social Issues by Using Opto-electronics Technologies

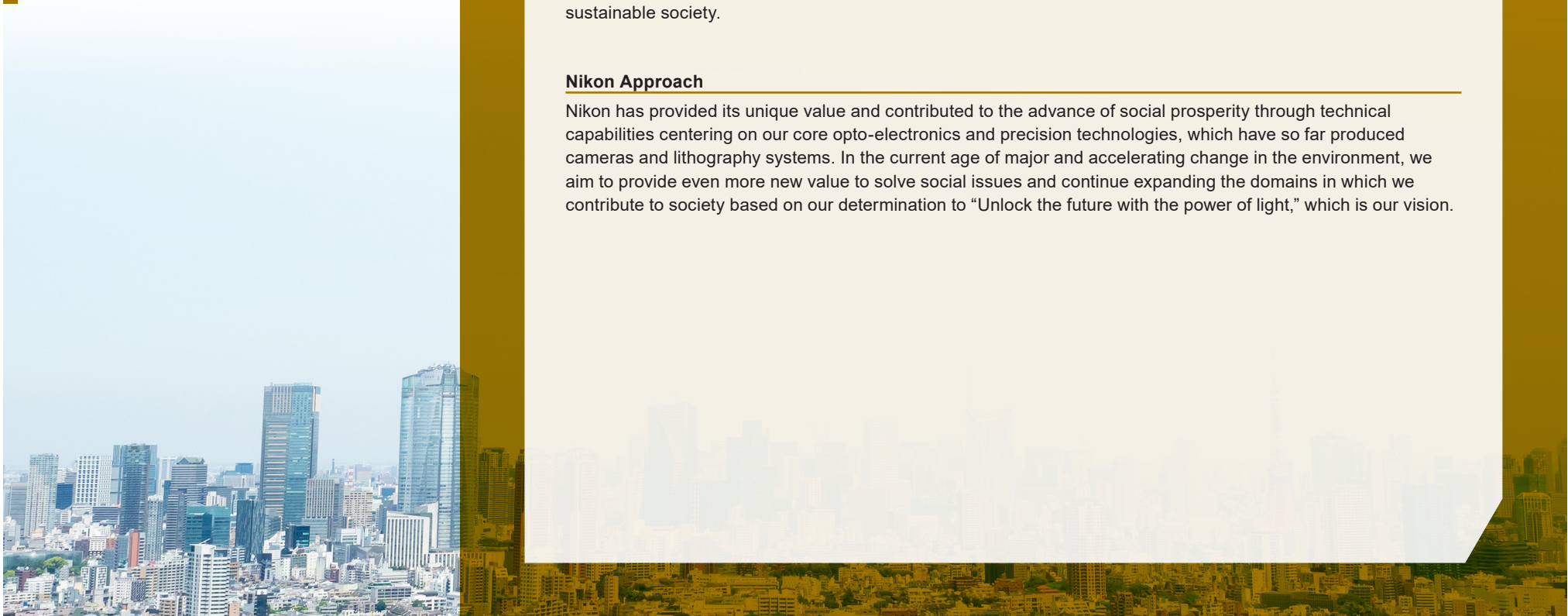


### Reason for Priority

Companies are considered public institutions and have a responsibility to develop in partnership with society through transparent and fair activities. Moreover, in recent years, amid the emergence of global level social issues, companies are required to solve these issues through business and contribute to the realization of a sustainable society.

### Nikon Approach

Nikon has provided its unique value and contributed to the advance of social prosperity through technical capabilities centering on our core opto-electronics and precision technologies, which have so far produced cameras and lithography systems. In the current age of major and accelerating change in the environment, we aim to provide even more new value to solve social issues and continue expanding the domains in which we contribute to society based on our determination to “Unlock the future with the power of light,” which is our vision.





## Contributing to Society through Value Provision based on Core Technologies

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

Based on our corporate philosophy of “Trustworthiness and Creativity,” the Nikon Group has brought our “creativity” to new values for society and built “trustworthiness” by creating products and services that meet customer expectations.

Our vision, established for the 100th anniversary of our founding, also encompasses the idea that we will continue to provide new value that is unique to Nikon through our business activities going forward.

Opto-electronics and precision technologies, Nikon’s two core technologies, which form the center of our technical capabilities, are the embodiment of this idea.

Looking back on our history, Nikon has used our technical capabilities to provide cameras with a high level of trustworthiness to a wide range of users from professionals to ordinary people, contributing to the development of an imaging culture. We have also realized high precision and high resolution for devices such as semiconductors and FPDs through semiconductor lithography systems and FPD lithography systems, contributing to the development of new technologies and industries. Furthermore, we have been contributing to the advancement of science for nearly a century with microscopes aimed at providing more support for high resolution live cell imaging.

The Nikon Group has developed by utilizing the technical capabilities which are our strength to provide society with new value. Going forward, the challenges will continue. In our Medium-Term Management Plan announced in May 2019, we conducted analysis and

evaluation based on social issues and needs, and set out “Digital Manufacturing,” “Vision Systems / Robotics,” and “Healthcare” as areas of long-term growth. Through our business activities, including these new areas, Nikon will aim to provide new value by innovating *monodzukuri* (manufacturing) processes, making a better society through imaging and sensing technologies and contributing to people’s health and quality of life. We believe that the future envisaged by Nikon is compatible with achieving the multiple goals of the SDGs, including SDGs Goal 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation,” and with the actions of the international community, such as the Paris Agreement, and will contribute to solving social issues.

In order to continue having value for society, the Nikon Group will bring about innovation in diverse industries based on products and services that utilize opto-electronics and precision technologies with the aim of becoming “A Leading Company in Precision and Optics” that realizes a materially and spiritually rich world.

\* Please see NIKON REPORT 2020 for more details on Nikon’s value creation model.

### Value Provided in Business and the SDGs

**Goal**

**A Leading Company in Precision and Optics**

**Value Provided by Business**

**Provision of Nikon’s distinctive value to society**

#### Innovating *monodzukuri* (manufacturing) processes

- Development of efficient production systems with fewer resources and less energy
- Realization of higher quality and precision manufacturing through a high level of manufacturing technologies
- Promotion of further automation and efficiency at factories and energy savings

#### Making a better society through imaging and sensing technologies

- Coexistence of humans and robots  
Achievement of sophisticated and safe manufacturing facilities
- Presentation of more vibrant imaging experiences

#### Contributing to people’s health and quality of life

- Support for drug discovery and realization of regenerative medicines to overcome intractable diseases
- Contribution to early detection of diseases
- Provision of new diagnosis technologies



## Priority Issue 2 Taking Up the Challenge of Innovation



### Reason for Priority

Social issues are becoming more profound and complex, and it has been acknowledged that we cannot maintain society as it is in the future. Therefore, innovation is needed to transform social systems and lifestyles. Corporations are expected to establish innovation management and take on the challenge of solving social issues in partnership with society.

### Commitment

Under our corporate philosophy of “Trustworthiness and Creativity,” the Nikon Group will address a variety of social issues and needs, leveraging opto-electronics and precision technologies, our core technologies. Under our Medium-Term Management Plan announced in May 2019, we set out “Digital Manufacturing,” “Vision Systems / Robotics,” and “Healthcare” as the areas of long-term growth for the Nikon Group, and we identified the Material Processing Business within the Digital Manufacturing area as a central theme during the period of the Medium-Term Management Plan. In recent years, the environment surrounding the manufacturing industry has changed significantly, including the transformation of manufacturing due to AI and IoT and labor shortages and the accompanying increasing need for automation due to the return of production to developed countries. In addition, there are mounting expectations about robots that will cooperate and collaborate with human beings in a post-COVID-19 society. In this environment, the Nikon Group will further enhance the value of the technology that we have cultivated in the past through research and development. We will also actively embrace technologies and ideas from inside and outside the company through such means as open innovation to bring about innovation that creates new value.

Toshikazu Umatate  
Representative Director and President  
Chairperson of the Technology Strategy Committee

### System

- Technology Strategy Committee



>Solving Social Issues by Using Opto-electronics Technologies   >Taking Up the Challenge of Innovation   >Improving Product and Service Quality

## Innovation that Creates New Value

The Nikon Group will provide new value for society and enhance our corporate value through continuous innovation.

### Our Basic Approach to Innovation

For the Nikon Group, generating continued innovation by making effective use of our core technologies – opto-electronics and precision technologies – enables us to contribute towards the resolution of social issues, while also being an important strategy for enhancing corporate value.

The Nikon Group views R&D and open innovation as key foundations for stimulating innovation on an ongoing basis.

#### Foundations for Fostering Innovation

- **Using our core technologies as the basis for undertaking R&D across a wide range of fields**

Taking our long-term technology strategy as the foundation for R&D on new technologies and application and conversion of technologies that we have cultivated

- **Using open innovation to explore new ideas and concepts**

Framework which promotes collaboration with partners including those both inside and outside the company to provide a wide range of new products and services, and which accelerates new product development and new business establishment

### Our Framework for Driving Innovation

Within the Nikon Group, individual business units and individual Group companies coordinate their efforts to engage in creating innovation.

In the area of R&D, the Technology Strategy Committee develops new areas that Nikon should focus on given future social and market trends and a technology strategy that will help improve competitiveness in existing business as well as R&D plans in order to achieve the strategy. In the Material Processing Business and Vision Systems / Robotics-related businesses, which are positioned as growth strategies, the Next Generation Project Division, which was newly established in July 2019, and the Digital Solutions Business Unit, which was newly established in April 2020, have been working together to make business areas more specific and to accelerate the launch of businesses. In addition, the Research & Development Division is responsible for R&D of technologies shared by business units and future technologies.

Our framework for driving open innovation includes not only corporate venture capital (CVC) investment, but also direct investment in start-up firms through the establishment of a private fund. We are continuing to put in place new arrangements for providing support and incubation for start-ups and employees that have developed technologies or ideas that have potential. By realizing company-wide open innovation, we will build systems with the ability to strongly promote R&D in order to achieve our growth strategy.

### Creating New Businesses to Provide New Value

The probability of new business themes resulting in commercialization is said to be extremely low. Achieving commercialization requires the development of targeted internal and external frameworks and prompt investment of resources.

The Nikon Group is proactively engaged in open innovation, which resulted in the launch of collaborations with a variety of companies in the fiscal year ended March 31, 2020. Specifically, in the Material Processing Business, which is involved in Digital Manufacturing, we concluded a comprehensive business alliance with DMG MORI CO., LTD. in order to accelerate business development. We also invested in XTIA, Ltd. to develop optical processing machines. In the Imaging Products Business, we invested in wrnch, Inc., which is involved in computer vision and deep learning. In the Healthcare Business, we established “Nikon BioImaging Lab” in Boston to provide support for drug discovery research. We will continuously create businesses that can satisfy new markets and customer needs by accelerating our open innovation initiatives in addition to further strengthening the core technologies of the Nikon Group.



## Priority Issue 3

# Improving Product and Service 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 the sustainable social development. 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 – 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, in order to be able to respond effectively to customer needs, which are becoming diversified and more demanding, 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 realize customer-focused *monodzukuri* (manufacturing) that can provide the products and services that the world needs.

Nobuyuki Ishizuka  
Corporate Vice President  
General Manager of Production Technology Division

### Activity Policies

- Basic Quality Policy

### 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

The Nikon Group aims to contribute to the affluence and convenience of customers' daily lives with manufacturing based upon Customer Focus and Quality First. With a constant awareness of this foundation, besides optimizing production systems from a company-wide perspective to fit with the changing business environment, we think carefully about every stage in the manufacturing process from product development and design onward in our efforts to enhance productivity. Moreover, we set out "Enhancing *Monodzukuri* (Manufacturing) Foundation" as part of Nikon's Medium-Term Management Plan, which was announced in May 2019, and we are implementing *Monodzukuri* reforms. *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

The Nikon Group is aiming to build mass customization into its *monodzukuri* in order to meet more diverse and sophisticated customer needs. We believe that digital manufacturing that seeks optimal *monodzukuri* solutions using IoT and AI will be indispensable for achieving this. The Nikon Group is building a "*Monodzukuri* System" based on digital manufacturing and is working on five main reforms.

#### Production System Reform

The Nikon Group is working to create synergies between production processes and technology by strengthening collaboration between business units and consolidating production sites. We are also reviewing conventional production processes and standardizing new production processes that also incorporate external cooperation. In addition, we will build and develop production lines that meet the demand for short delivery times.

#### *Monodzukuri* Technology Reform

While continuing with development to achieve business plans, we are also accelerating development of technology aimed at developing new businesses and products.

#### Procurement Reform

We are working to establish and strengthen the procurement management system through a cross-business unit project.

[▶Nikon's Supply Chain Management \(P66\)](#)

#### Quality Management Reform

We have established a goal of preventing the occurrence of quality accidents, and are striving to reduce quality loss cost.

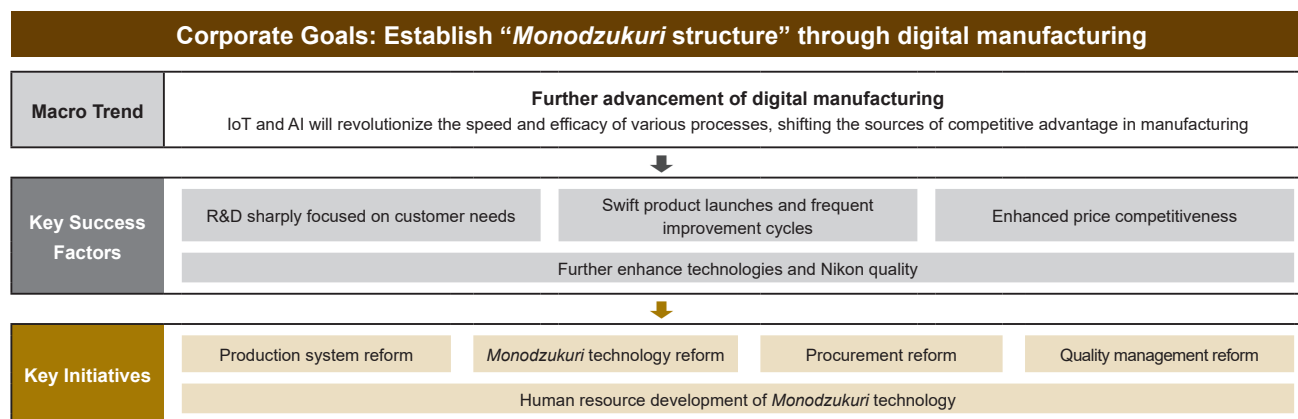
[▶Ensuring Quality and Safety \(P26\)](#)

#### Human Resource Development of *Monodzukuri* Technology

We are building training programs for a broad range of employees from new hires to managers, and are continually striving to develop human resources for *monodzukuri* technology.

[▶Development of High Level \*Monodzukuri\* Capabilities \(P80\)](#)

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





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## 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.

### Product Quality Control

#### Our Policy on Quality Control

The Nikon Group has established a Basic Quality Policy with the idea to contribute to the healthy development of society by supplying goods (products and services) that go beyond our customers' expectations. Additionally, in order to carry through on this policy we have drawn up a Quality Control Directive (QCD). For each business unit (including the Group companies), we have created a Quality Manual (QM) based on the QCD. This QCD 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 in the world. The Nikon Group has obtained ISO 9001 accreditation, primarily at Group production companies, and the rate of accreditation acquisition at Nikon and the Group manufacturing companies is approximately 58% (percentage of number of companies). Each business unit prepares a quality manual (QM) that is suitable for the individual unit while maintaining consistency with the QCD and ISO 9001.

\* 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.

#### Basic Quality Policy

Based on its corporate philosophy of "Trustworthiness and Creativity," Nikon has established the following Basic Quality Policy. It aims to provide products that exceed the expectations of customers and contribute to the healthy development of society.

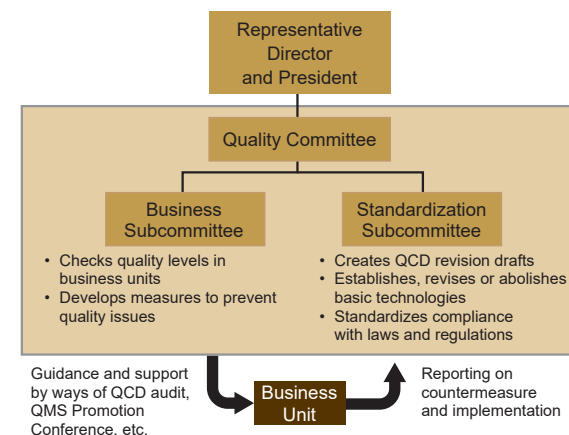
- (1) Through creative and efficient *Monodzukuri* (manufacturing), enhance brand value and provide high-quality distinctive products to the market in a timely manner.
- (2) Provide safe and environmentally-friendly products to earn the trust of customers and society.

#### Quality Management System

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 a Representative Director and Executive Vice President, with division managers from each business unit serving as standing committee members. There are two organizations under the Quality Committee: the Business Subcommittee and the Standardization Subcommittee. The purpose of these subcommittees is to strengthen the functions of the Quality Committee in preventing quality issues, compliance with regulations, and ensuring security. 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.

#### Image Diagram of Quality Management System



#### Frameworks to Comprehensively Manage Quality

The Nikon Group works to improve quality by establishing frameworks to comprehensively manage Nikon Group internal and external information, such as production information and customer information. In the fiscal year ended March 31, 2020, we interviewed in-house IT maintenance and operation departments about the possibilities and problems of system integration from a technical perspective and began to identify the problems. We also searched external information on

Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	<b>Contributing to Society through Business Activities</b>	Responding to Environmental Issues	Strengthening CSR Foundations	Corporate Citizenship Activities
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information visualization and aggregation and analysis automation tools. Moreover, we launched a survey on technical and operational aspects of internal departments from the user perspective and operational perspective and confirmed that our frameworks are effective in ensuring quality, which encompasses the safety and environmental friendliness of products and services, from a company-wide perspective.

In the fiscal year ending March 31, 2021, we will continue building frameworks that identify and comprehensively manage information that is effective for preventing the development of quality issues that damage corporate value.

### ■ 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 the fiscal year ended March 31, 2020, we partially revised the Basic Agreement and Quality Assurance Agreement in light of agreement negotiations with subcontractors in each department and changes in social and economic conditions.

### ■ 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. These types of activities have continued for many years and have become embedded within the Nikon Group. In the fiscal year ended March 31, 2020, about 860 groups and 6,500 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. In the fiscal year ended March 31, 2020, around 140 employees participated in these meetings, giving some wonderful presentations and presenting ideas to improve activities in every region.



Nikon Group Selective Small Group Activity Presentation Meeting in progress

### ■ 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. In addition, in the fiscal year ended March 31, 2019, Nikon revised its training program related to QC for preventing quality issues and quality engineering, and organized it into an educational program that enables comprehensive learning on general statistical methods. In the implementation of this new training program in the fiscal year ended March 31, 2020, we

decided on the details of the individual curriculums; various types of training that are compulsory for all employees falling within the scope of supervision of the Human Resources Development Department, Human Resources & Administration Division were provided for 580 employees, and specialist training programs for engineering staff falling within the scope of supervision of the Production Technology Division's Quality Management Section were provided for 164 employees. It is anticipated that the content of the compulsory training on quality control to be undertaken by the fourth year after joining the company as part of training at the Nikon's Technical College program will be significantly expanded in the fiscal year ending March 31, 2021. Furthermore, every year in November (Quality Month, organized by the Union of Japanese Scientists and Engineers), Nikon hosts the Quality Month Lecture where it invites lecturers who are knowledgeable about quality. In the fiscal year ended March 31 2020, Professor Atsushi Osanai of Waseda University Graduate School gave a very useful talk on the topic of Changes in the Business Environment and the Trap of Outstanding Technology, suggesting that planning staff with technical skills and engineers with business sense play major roles in the changes in the business environment associated with entering new business fields. The lecture was attended by 78 Nikon Group officers and employees and 39 representatives of Nikon business partners, and many commented that it will be helpful in future activities.

[▶Development of High Level Monodzukuri Capabilities \(P80\)](#)



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

- Training programs that are compulsory for all employees
  - “Basic Quality Control Training” for new employees
  - “TQM and SQC Training” for managers
  - “Quality Management Training” for senior managers
- Compulsory training for engineering staff
  - “Introduction to Statistical Methods” for mid-career engineering staff
- Specialist training for engineers
  - Basic Quality Control Course: Methods for using the seven basic quality control tools
  - Quality Improvement Activity Course: Leadership training for small group activities
  - Applied Quality Management Course: Control charts, experiment planning methods, multivariate analysis and other statistical methods, reliability engineering, etc.

### Implementation of Quality Control Audits

The Nikon Group conducts a QCD audit, which is a company-wide quality control audit based on the QCD, and investigates, confirms and evaluates the operational status of quality management throughout the entire group. These audits are overseen by the Quality Committee’s Business 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, 2020, the Nikon Group conducted an audit of four Nikon departments and five major Group companies 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.

## Ensuring Safety of Products and Services

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. The number of serious product accidents relating to safety\* for the fiscal year ended March 31, 2020 was 0.

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

### Views Regarding Safety of 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 QCD and regulations of every business unit and fully adhered to.

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” which are based on international standards, etc., we are carrying out safety designs to pin point and eliminate any potential risks and dangers. 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 rapid advances 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, 2020, we worked to formulate standards on product security and issued the Product Security Countermeasure Standards which is the technical basis. Additionally, we held training sessions at three business facilities in order to roll out this technical standard at production sites.

In the fiscal year ending March 31, 2021, we plan to prepare standards that correspond to the latest laws, regulations, and technologies for wireless communications with the aim of further strengthening security.

### 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 Production Technology Division’s Quality Management Section. Approximately 10 specialized training programs are regularly held throughout the year consisting of Safety Design Principles (General, EMC, and Laser Radiation), Product Liability Law, and Electrical Appliance and Material Safety Law, etc. Participants’ level of understanding is tested through questionnaires, etc., and we are constantly updating and improving the content of these specialized training programs while making efforts to incorporate specific case studies.

100 employees from the Nikon Group in Japan participated in the specialized training programs in the fiscal year ended March 31, 2020.

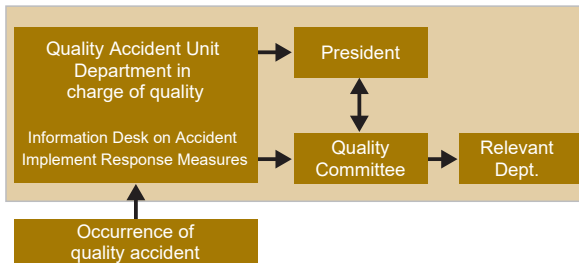
In addition, each business unit also conducts training on safety rules and regulations, and encourages participation in external training courses on safety design technology.



## ■ 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 unlikely event that a safety-related problem should occur, we would immediately collaborate with relevant departments to confirm the facts. We would then promptly take necessary measures in line with the response procedure and disclose all information to prevent any similar incidents from reappearing.

### ■ Flowchart Outlining Communication after Accidents Occur



## ■ Information Provision for Using Our Products Safely

The Nikon Group carries out various initiatives to ensure that customers 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 “Safety Design Principles,” 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. all comply with national safety regulations.

In the fiscal year ended March 31, 2020, 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

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.

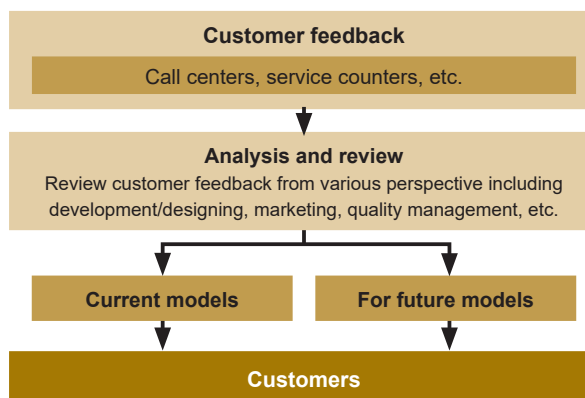
### Initiatives for Customer Satisfaction

#### Initiatives to Improve Services in the Imaging Products Business

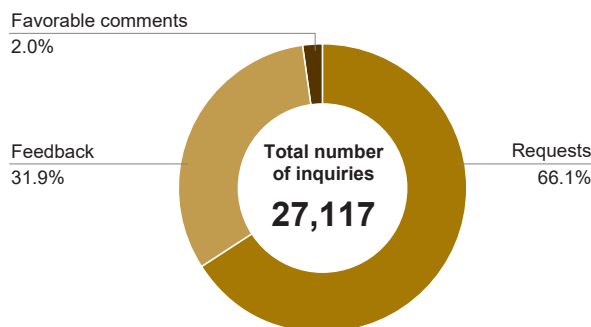
In the Nikon Imaging Products Business, feedback is received from general and professional users as well as users who use photographic equipment in business worldwide through call centers, service counters and NPS\* staff. After careful analysis, customer feedback is examined from a range of different 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  
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, 2020)



\* This breakdown is the number of inquiries received, out of a total number of about 100,000 inquiries to the call center, used for analysis and review in product development.

#### Customer Satisfaction Survey Results

	2016/3	2017/3	2018/3	2019/3	2020/3
Customer satisfaction (%)	84.7	83.2	85.8	87.9	86.6

\* 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.)

#### Responding to Requests for Additional Functions

Nikon is receptive to requests from customers worldwide after the launch of products. We strive to satisfy customers by reflecting the latest functions requested by them in our products.

For example, we provided the following post-launch additional functions for our “Z 7” and “Z 6” mirrorless cameras released in 2018.

- (1) Support for Eye-Detection AF
- (2) Support for RAW video output
- (3) Support for CFexpress (Type B) memory cards
- (4) Addition of dogs and cats to subjects supported by Face- and Eye-Detection AF

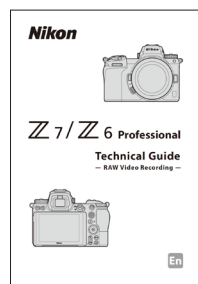
All of the functions have received good reviews from many customers.



How the image appears when using Animal-Detection AF

### Responding to Requests for Features Description

In the fiscal year ended March 31, 2020, Nikon's "Z 7" and "Z 6" mirrorless cameras were the first Nikon cameras to incorporate "N-Log" for video recording, and we also provided "3D LUT for N-log," which we released as the "Technical Guide (N-Log 3D LUT Edition) for Z 7 / Z 6" to provide descriptions on how to use the "N-log" function. We also newly provided support for "RAW video output." Since we received many requests from customers on how to use this feature, we released the "Technical Guide (RAW Video Recording Edition)." 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 7 / Z 6 Professional Technical Guide  
- RAW Video Recording -

### 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 an 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 2020, we have an organization that can provide consistent service quality to more than 270 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 stores, including local distributors and authorized repair service providers, in those countries and regions where Nikon does not have its own directly-run 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

In order to constantly improve our level of service, Nikon holds service management meetings where service managers from various places around the world meet to engage in discussions each year. Common tasks and progress on measures, as well as all the latest information are shared at these meetings. To enhance customer satisfaction, we also provide training on product knowledge that makes effective use of e-learning and hold annual online technical training sessions using web conferencing systems for employees involved in service provision. In the fiscal year ended March 31, 2020, all targeted service providers completed training courses.

In addition, the Imaging Business Unit is promoting efforts to collect customer feedback, collate this data at the Service Division headquarters, and share the information worldwide in order to strengthen understanding of product concepts by the individual staff involved in service so they are to provide customers with advice regarding the optimal camera settings for capturing the type of images that they want to achieve. In this way, we are working actively not only to sell our products but also to provide added value.



Service management meeting held in June 2019

Column

## Reciprocal Communication with Customers Focused on Experience Creation

Due to smartphones having become commonplace, we have entered an era in which everyone has their own camera, and anyone is able to easily take beautiful photos. The Imaging Business Unit considers the “experiences” that can be derived from our products and services as the value we can provide our customers, rather than just the products and services themselves. For example, at “CES 2020,” the world’s largest electronic equipment expo held in the U.S. in January 2020, we set up a “POP UP STUDIO” to provide engaging experiences that people would want to talk about, instead of a one-sided setup where you simply touch and try out Nikon products. Additionally, we connected the venue with the world via livestream and responded in real-time to questions from people who did not attend the venue. Additionally, we actively host photography events aimed at promoting interaction between users of Nikon products and support the development of communities, with the intention of providing, more than ever before, new experience value that allows deep reciprocal communication with each customer. The Nikon Group will continue to listen to customers’ voices for future product development and the improvement of service provision.



“POP UP STUDIO” at CES 2020



Live streaming at CES 2020

## Establishment of Design Center

In July 2019, Nikon reorganized the internal structure of the Imaging Business Unit and established the Design Center, which is directly under the control of the President. In addition to promptly reflecting our corporate philosophy and vision into the products and concepts of each unit, the Design Center will aim to enhance value provided to customers.

### Providing an Integrated User Experience

The Design Center is navigating the design concepts of each Nikon business unit in order to provide a user experience that is integrated from upstream to downstream in a more strategic manner. Specifically, the Design Center conducts interviews with users and concept-making workshops encompassing employees responsible for planning and development so as to more deeply understand the thinking and behavior of customers. The Design Center also works to design highly satisfying products that are aligned with customer needs through such means as carrying out repeated confirmation and revision using sketches and mock up from the initial stages of development.

The Design Center implemented these kinds of design-thinking initiatives for the “Lasermeister 100A” optical processing machine released in April 2019 prior to the structural reorganization. The Center offered an integrated user experience with customer touch points that included not only the product but also extended to catalogs, a product experience booth, expo panels, and promotional items.

### Initiatives for Enhancing Future Brand Value

The Design Center provides a variety of experiences for children not only to support the growth of children who will unlock the future but also to engage in activities that will translate into an enhancement in value for the Nikon brand in the future. For example, the Design Center held a designer experience class called “Kids’ Design Workshop” at the TOKYO MIDTOWN KIDS WEEKS in August 2019. We also produced a prototype “Tanken (exploration) camera” to stimulate spirit of inquiry and thinking skills through observation of insects and exhibited it as a sample product at Maker Faire Tokyo 2019 in August 2019.

Going forward, we will continue contributing to the creation of opportunities for children to think for themselves, make things, and expand their own potential through initiatives that fully utilize the unique perspective of the Design Center.

Encouraging the Next Generation to Build the Future  
<https://www.nikon.com/about/sustainability/citizenship/encourage-next-generation/>



Kids’ design workshop



# Responding to Environmental Issues

## [Priority Issues]

4 Promoting a Decarbonized Society [▶P44](#)

5 Promoting Resource Circulation [▶P52](#)

6 Contributing to a Healthy and Environmentally  
Safe Society [▶P58](#)

### Reason for Priority

With the increasing effects of climate change becoming apparent such as with more frequent occurrences of abnormal weather, Intergovernmental Panel on Climate Change (IPCC) published a special report, Global Warming of 1.5°C, which sets out more challenging goals. Businesses are expected to develop long-term strategies and take more innovative initiatives to address climate change. Due also to the depletion of natural resources and problems with waste disposal, a circular economy which implements resource circulation is garnering attention, as opposed to an economy that simply consumes resources. In contrast, for the chemical substances contained in products, legally regulated substances and applicable areas are steadily on the rise which means companies need to respond appropriately and reliably in their business activities.

### Commitment

In recognizing the critical situation our planet faces, Nikon has revised its Long-Term Environmental Vision and Medium-Term Environmental Goals. The Long-Term Environmental Vision contains the keyword decarbonize, with a resolve to accelerate countermeasures to address climate change. Nikon is committed to not only reducing greenhouse gas emissions within its supply chain, but also helping reduce these emissions in all aspects of society through its businesses.

Moreover, Nikon aims to achieve its Science Based Targets (SBTs) approved in November 2019. Nikon will strive to grasp the risks and opportunities related to climate change and respond to stakeholders' requests for information disclosure following the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which Nikon has been supporting since 2018.

Furthermore, Nikon aims to minimize environmental impacts and achieve a resource circulating, healthy and safe society through new businesses and innovation, in addition to our existing environmental activities.

Satoshi Hagiwara  
Senior Vice President  
General Manager of Corporate Strategy Division  
Chairperson of the Environmental Committee

#### 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

- Environmental Committee

#### Management System

- ISO 14001

## Environmental Goals

The Nikon Group has formulated the Nikon Long-Term Environmental Vision, the Medium-Term Environmental Goals and the Environmental Action Plan, and systematically conducts environmental activities to contribute to the development of a sustainable society.

### Formulation of Long-Term Environmental Vision and Medium-Term Goals

To proactively address environmental risks and regulations, we formulated the Nikon Long-Term Environmental Vision, which looks ahead to the next several decades. 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.

As our planet faces a critical situation in recent years such as climate change, the world is moving toward a sustainable society, and therefore businesses bear an ever increasing role toward this end. Given this, the Nikon Group has updated its Long-Term Environmental Vision and Medium-Term Environmental Goals in the fiscal year ended March 31, 2020.

### Medium-Term Environmental Goals and Strategy

The Nikon Group has established Medium-Term Environmental Goals for the fiscal year ending March 31, 2031 for realizing the Nikon Long-Term Environmental Vision. The Medium-Term Environmental Goals, targets and strategy are presented on the next page.

### SBT Validation and Progress

The Nikon Group has established the following targets to determine achievement of the Medium-Term Environmental Goal concerning to realize a decarbonized society, a part of the Nikon Environmental Long-Term Vision.

- Reduce greenhouse gas emissions in Scope 1 and Scope 2 by 26% compared to the fiscal year ended March 31, 2014
- Reduce greenhouse gas emissions in 3 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

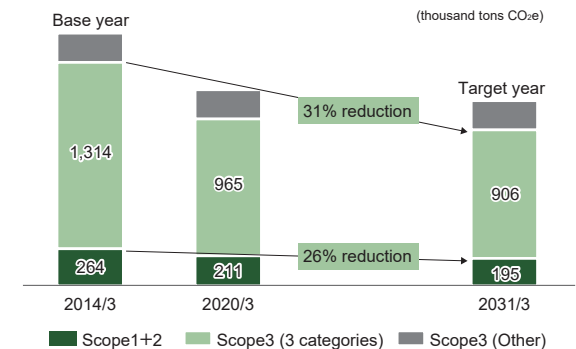
transportation and distribution," and "Use of sold products," by 31% compared to the fiscal year ended March 31, 2014

These targets were approved as Science Based Targets by the Science Based Targets initiative (SBTi)\* in November 2019.

\* 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 CO<sub>2</sub> emission reduction targets of companies that are in line with emissions reduction scenarios based on scientific facts.

### Progress on Measures to Achieve Science Based Targets (SBTs)



\*Scope1 Direct greenhouse gas emissions due to the use of fuel on site.

\*Scope2 Indirect greenhouse gas emissions from consumption of purchased electricity heat or steam.

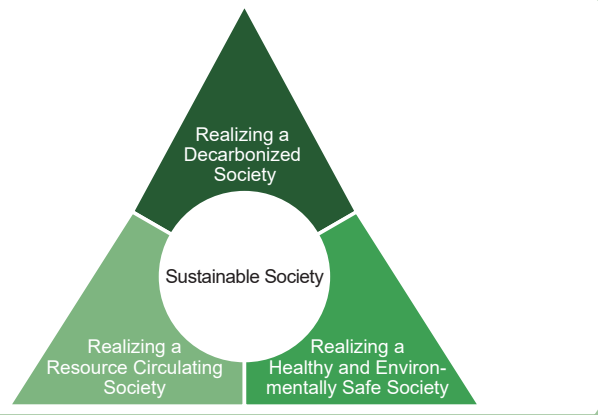
\*Scope3 Indirect greenhouse gas emissions related to business activities in the supply chain (excluding emissions already included in Scope 1 and 2).

### 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.



Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	Strengthening CSR Foundations	Corporate Citizenship Activities
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>Environmental Goals >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

### Medium-Term Environmental Goals, Targets & Strategy

Medium-Term Environmental Goals	Targets	Strategy
Realizing a decarbonized society	<ul style="list-style-type: none"> <li>(1) Improve manufacturing facilities and production processes and promote decarbonization</li> <li>(2) Promote eco-office and diverse work styles to achieve a decarbonized work style</li> <li>(3) Visualize the environmental impact in each process of products' lifecycle and implement new environmental initiatives harnessing expertise</li> <li>(4) Downsize cargo, promote modal shift and establish a transportation system requiring only minimal energy</li> <li>(5) Require procurement partners to establish CO<sub>2</sub> reduction targets and achieve them</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce GHG emissions (scope 1 and 2) by 26%* compared to the fiscal year ended March 31, 2014</li> <li>• Reduce GHG emissions (in three of 15 scope 3 categories—purchased goods and services, upstream transportation &amp; distribution, and use of sold products) by 31%* compared to the fiscal year ended March 31, 2014</li> </ul> <p>In order to reduce Scope 1 and Scope 2 greenhouse gas emissions, the Nikon Group is working on boosting the efficiency of production and development processes using technology and on increasing our use of renewable energy. More than 80% of all Scope 3 greenhouse gas emissions of the Nikon Group comprise "Purchased goods and services," "Use of sold product," and other sources. For this reason, the Nikon Group is working to create even more Eco-friendly Products by focusing on lowering the carbon footprint, which involves more compact designs, lighter weight, and reduced power consumption. In addition, we request that our procurement partners set CO<sub>2</sub> emissions reduction targets. Progress toward these targets is confirmed by the Nikon Group to promote reductions in greenhouse gas emissions by these partners.</p>
Realizing a resource circulating society	<ul style="list-style-type: none"> <li>(1) Reduce waste through streamlining process from development to manufacturing</li> <li>(2) Promote the 3Rs of water (reduce water consumption, and recycle and reuse water)</li> <li>(3) Take into account the impacts that products have on the environment from the initial planning phase onwards and promote the 3Rs throughout the product lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve zero emissions level 1 (final landfill disposal rate of below 1.0%) or better at all manufacturing companies</li> <li>• Reduce total amount of waste by 10% or more compared to the fiscal year ended March 31, 2019</li> <li>• Keep the annual new water input at a level lower than the previous fiscal year</li> <li>• 70% or above rate of reusing abrasive agents</li> <li>• Expand 3R products</li> </ul> <p>The Nikon Group will contribute to achieve a resource-circulating society throughout the product lifecycle. In particular, we are working on reusing and recycling products and parts along with promoting the reduction and reuse of waste. Also, we are promoting measures to foster the cyclical utilization of water resources that are suited to local needs.</p>
Realizing a healthy and environmentally safe society	<ul style="list-style-type: none"> <li>(1) 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 our own voluntary targets</li> <li>(2) Aim to maintain the natural environment of communities and provide a comfortable living environment</li> </ul>	<ul style="list-style-type: none"> <li>• Zero usage of hazardous chemical substances in manufacturing processes</li> <li>• Zero hazardous chemical substances contained in products</li> <li>• Continue preservation of surrounding environment through community activities</li> <li>• Use FSC-certified paper for all paper items bearing Nikon logo</li> </ul> <p>The Nikon Group aims to minimize the environmental impacts caused by business activities and provide a comfortable living environment through its products. Toward this end, we appropriately reduce and manage chemical substances used in the product manufacturing process and chemical substances contained in products throughout the supply chain. Also, we are carrying out biodiversity conservation activities.</p>

### Environmental Action Plan

In order to achieve the Group's 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 Committee deliberates the self-evaluation of the performance and then approves them. We review our action plans for the following years based on the issues that are identified by the Committee.

[Nikon Environmental Activity Policy](https://www.nikon.com/about/sustainability/environment/environment_policy.pdf)  
[https://www.nikon.com/about/sustainability/environment/environment\\_policy.pdf](https://www.nikon.com/about/sustainability/environment/environment_policy.pdf)

\* Validated Science Based Targets (SBT)





>Environmental Goals >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

**Environmental Action Plan Results for the Fiscal Year Ended March 31, 2020 [Summary]**

Self-evaluation ○: Achieved

Priority Activity Themes	Targets for the Fiscal Year Ended March 31, 2020	Annual Results	Self-evaluation	Corresponding Page	
Low-carbon society	<b>Greenhouse gas reduction</b>	<ul style="list-style-type: none"> <li>Reduced CO<sub>2</sub> emissions from energy consumption by at least 1.0% compared to the fiscal year ended March 31, 2019</li> <li>Create plan and implement measures for renewable energy</li> <li>Submit SBT for validation</li> </ul>	<ul style="list-style-type: none"> <li>Reduced to 10.1% compared to the previous year by month</li> <li>Introduced Aqua Premium, electricity generated using water power at six Nikon locations</li> <li>Submitted SBT for validation in September 2019 and received approval in November</li> </ul>	○	<a href="#">P46</a>
	<b>Reduction of the environmental impact from products (Improvement of resource efficiency)</b>	<ul style="list-style-type: none"> <li>Promote environmental impact assessment that uses the LCA methodology</li> <li>Create Eco-friendly Products</li> </ul>	<ul style="list-style-type: none"> <li>Expanded the range of product models to calculate LCA methodology</li> <li>Certified approximately 80% of new products as Eco-friendly Products</li> </ul>	○	<a href="#">P42</a>
	<b>Reducing the environmental impact of transportation</b>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 2.7% compared to the fiscal year ended March 31, 2019</li> <li>Improve the loading ratio of international logistics and promote modal shifts</li> <li>Increase the efficiency of logistics routes in Japan</li> </ul>	<ul style="list-style-type: none"> <li>Reduced to 8.6%</li> <li>Improved loading ratio by minimizing products sizes and standardizing boxes. Implemented modal shift from air to sea.</li> <li>Continued implementing high efficiency logistics in Japan</li> </ul>	○	<a href="#">P49</a>
Resource circulating society	<b>Zero emissions</b>	<ul style="list-style-type: none"> <li>Nikon and Group manufacturing companies in Japan: Maintain level S</li> <li>Group manufacturing companies in China: Maintain level 1</li> <li>Group manufacturing companies outside Japan: Implement initiatives in line with conditions of country</li> </ul>	<ul style="list-style-type: none"> <li>Nikon and Group manufacturing companies in Japan: Achieved level S (0.06% rate of disposal by landfill)</li> <li>Group manufacturing companies in China: Achieved level 1 (0.77% rate of disposal by landfill)</li> <li>Group manufacturing companies outside Japan: Ascertained conditions of each location and country. Began quantifying rate of disposal by landfill.</li> </ul>	○	
	<b>Waste reduction impacts during business activities (excluding valuable resources)</b>	<ul style="list-style-type: none"> <li>Nikon Group in Japan: Less than emissions of the fiscal year ended March 31, 2019</li> <li>Group manufacturing companies outside Japan: Examine emission reduction measures</li> <li>Nikon and Group manufacturing companies in and outside Japan: Implement measures to recycle chemical substances</li> </ul>	<ul style="list-style-type: none"> <li>Nikon Group in Japan: Reduced to 6.6%</li> <li>Group manufacturing companies outside Japan: Determined the following reduction measures Thailand and Laos: Increasing first-pass rate and waste monetization by sorting Europe and the United States: Began assessment and analysis of quantity and types</li> <li>Nikon and Group manufacturing companies in and outside Japan: Confirmed ultrasonic/centrifugal separation technique as the best way of recycling cerium oxide-based abrasives. Conducted information session for relevant departments. Plan to roll out this recycling method at other departments</li> </ul>	○	<a href="#">P54</a>
	<b>Promoting the appropriate use and effective utilization of water</b>	<ul style="list-style-type: none"> <li>Manufacturing facilities: Decide on measures to improve water use efficiency</li> <li>The entire Nikon Group: Start water risk survey</li> </ul>	<ul style="list-style-type: none"> <li>Nikon Shonan Branch of Sagami-hara Plant: Began reusing waste water from the cleaning process</li> <li>The entire Nikon Group: Prepared wide area water risk survey encompassing risks in operation to climate change related risks, and distributed to each location</li> </ul>	○	<a href="#">P56</a>
	<b>Promotion of reduce, reuse and recycling</b>	<ul style="list-style-type: none"> <li>Promote the reuse and recycling of products, parts and materials</li> </ul>	Continued sales of used semiconductor lithography systems	○	<a href="#">P52</a>
Healthy and environmentally safe society	<b>Activities to reduce the environmental impact of chemical substances</b>	<ul style="list-style-type: none"> <li>Comply with Nikon Group Chemical Substance Management Guideline</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the following in order to promote abolishment of halogenated solvents, which are guideline-prohibited substances HFCs: Substitutes chosen. Complete switch over in the year ending March 31, 2021 HFCs, dichloromethane: Testing substitute substances. Confirm substitution in the fiscal year ending March 31, 2022, and complete switch over in the fiscal year ending March 31, 2023</li> </ul>	○	<a href="#">P60</a>
	<b>Regional activities, etc.</b>	<ul style="list-style-type: none"> <li>Implement activities that make a contribution to the local community, taking into account biodiversity in line with business activities and local needs</li> </ul>	<ul style="list-style-type: none"> <li>Nikon: Implemented 21 community contribution activities including biodiversity education and neighborhood clean ups</li> </ul>	○	<a href="#">P64</a>
	<b>Reduction of hazardous chemical substances, etc.</b>	<ul style="list-style-type: none"> <li>Maintain compliance with the hazardous chemical substances laws and regulations of each country (RoHS, REACH, etc.)</li> <li>Continue the operation of chemSHERPA</li> </ul>	<ul style="list-style-type: none"> <li>Complied with the hazardous chemical substances laws and regulations of each country (RoHS, REACH, etc.)</li> <li>Continued operation of chemSHEPRA at all departments</li> </ul>	○	<a href="#">P58</a>
	<b>Implementation of activities aimed at biodiversity conservation</b>	<ul style="list-style-type: none"> <li>Promote FSC-certified paper use for newly-printed paper items with Nikon logo</li> </ul>	<ul style="list-style-type: none"> <li>Printed 99% or more of newly ordered product catalogs for use in Japan, North America and Europe on FSC-certified paper, excluding special paper types</li> <li>Packaging boxes: Used FSC-certified paper for digital SLR Camera D6 after binoculars</li> </ul>	○	<a href="#">P63</a>
	<b>Green procurement</b>	<ul style="list-style-type: none"> <li>Decide on measures for Company-own outsourced parts</li> </ul>	<ul style="list-style-type: none"> <li>Determined protocol for proprietary procurement and reflected it in the Nikon Green Procurement Standards</li> </ul>	○	<a href="#">P73</a>



**Environmental Action Plan Targets for the Fiscal Year Ending March 31, 2021 [Summary]**

Priority Activity Themes		Targets for the Fiscal Year Ending March 31, 2021
Decarbonized society	Greenhouse gas reduction	<ul style="list-style-type: none"> <li>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</li> <li>Create new plans for introducing renewable energy</li> </ul>
	Reduction of the environmental impact from products (Improvement of resource efficiency)	<ul style="list-style-type: none"> <li>Promote environmental impact assessment that uses the LCA methodology</li> <li>Create Eco-friendly Products</li> </ul>
	Reducing the environmental impact of transportation	<ul style="list-style-type: none"> <li>Reduce GHG emissions in distribution by 2.7% compared to the fiscal year ended March 31, 2020 through modal shifts and improving efficiency of storage warehouses</li> </ul>
	Engagement with procurement partners	<ul style="list-style-type: none"> <li>Request establishment of and account for results of CO<sub>2</sub> 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</li> </ul>
Resource circulating society	Zero emissions	<ul style="list-style-type: none"> <li>Nikon and Group manufacturing companies in Japan: Maintain level S</li> <li>Group manufacturing companies in China: Maintain level 1</li> <li>Group manufacturing companies outside Japan: Implement initiatives in line with conditions of country</li> </ul>
	Waste reduction	<ul style="list-style-type: none"> <li>Reduce total waste emissions from business processes by 1% or more from the previous fiscal year</li> </ul>
	Promoting the appropriate use and effective utilization of water	<ul style="list-style-type: none"> <li>Confirm water risk measures based on survey result</li> <li>Reduce water withdrawal compared to the previous fiscal year</li> <li>Improve water recycling rate from the previous fiscal year</li> </ul>
	Promotion of reduce, reuse and recycling	<ul style="list-style-type: none"> <li>Deliberate measures for reducing airborne emission volume of solvent-type detergents</li> <li>Determine abrasives to be reused</li> <li>Promote the reuse and recycling of products, parts and materials</li> </ul>
Healthy and environmentally safe society	Reduction of hazardous chemical substances, etc.	<ul style="list-style-type: none"> <li>Promote substitution for restricted halogenated substances based on the Hazardous Chemical Substances Guideline</li> <li>Comply with the hazardous chemical substances laws and regulations of each country (RoHS, REACH, etc.)</li> <li>Promote operation of chemSHEPRA</li> </ul>
	Implementation of activities aimed at biodiversity conservation	<ul style="list-style-type: none"> <li>Implement environmental conservation activities with consideration for business activities and local needs</li> <li>Promote printing Nikon logo-bearing documents on FSC-certified paper</li> </ul>

## 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

#### Management Role

The Nikon Group has established a policy on CSR 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 is 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. Established under the CSR Committee, the Environmental Committee and the Supply Chain Subcommittee each convene twice a year. Chaired by a Senior Vice President, the Environmental Committee reports, deliberates and decides on detailed matters including environmental issues the Nikon Group faces and the policies, targets and results of environmental activities. The Supply Chain Subcommittee, on the other hand, promotes sustainable procurement, including addressing environmental issues, together with procurement partners. Details from the Environmental Committee and the Supply Chain Subcommittee are reported to the CSR Committee twice a year.

[▶Nikon's Supply Chain Management System \(P67\)](#)

[▶CSR Promotion System \(P8\)](#)

#### Supervision System of the Board of Directors

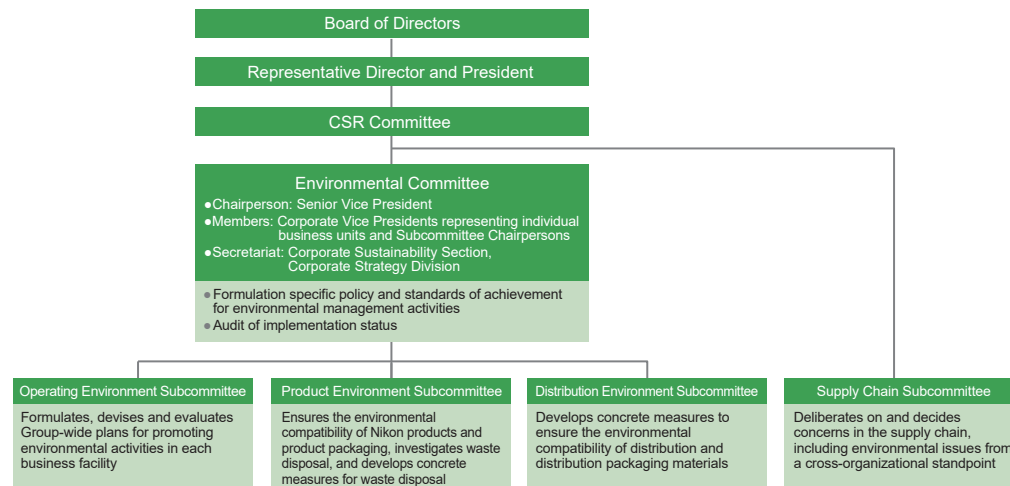
Details from the CSR Committee are reported to the Board of Directors once a year. The Board oversees and manages the effectiveness of ESG-related initiatives from a management perspective and incorporates these initiatives into the Group's overall strategy. Moreover, the Audit and Supervisory Committee, which comprise of five directors, including three external directors, conducts operational audits on sustainability-related operations, including the

environment, in an effort to verify sustainability is taken into consideration in management.

#### Legal Violations

In the fiscal year ended March 31, 2020, 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 Organization Chart (As of June 26, 2020)**





>Environmental Goals >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

## Environmental Management System

The Nikon Group has rolled out its environmental management system 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 the fiscal year ended March 31, 2020, Nikon Metrology UK Ltd. (UK) became a non-manufacturing business site as a result of reorganization within the Group, and has been removed from certification. Manufacturing operations of the company have been relocated to Nikon X-Tek Systems Ltd. (UK), which has carried over ISO 14001 certification. 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

The Nikon Group conducts internal audits, at least once a year, to verify conformity with ISO 14001, and improvements in performance, etc., for each subcommittee and department, while organizations receiving recommendations are to implement improvement measures.

The Nikon Group conducts a training program four times per year with the purpose of cultivating internal auditors to maintain and improve the quality of internal audits. In the fiscal year ended March 31, 2020, a total of 78 employees took part in this training program. Internal audits of the company are carried out by employees who have completed the training program.

We also conduct training twice a year on laws and regulations related to the environment. In the fiscal year ended March 31, 2020, 51 employees participated. These courses are given by qualified in-house lecturers with EMS auditor certifications from IRCA\*1 and 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 5 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 in use		Mainly manufacturing facilities and certain non-manufacturing facilities, etc. determined to require obtaining ISO 14001 certification	Relatively large non-manufacturing facilities, etc.	Small non-manufacturing facilities, etc.
Details of activities	<ul style="list-style-type: none"> <li>• Environmental impact assessment</li> <li>• Compliance assessment</li> <li>• Internal audits</li> <li>• Corrective actions</li> <li>• Preventive actions</li> <li>• Management review , etc.</li> </ul>	✓	—	—
	<ul style="list-style-type: none"> <li>• Setting of environmental targets</li> <li>• PDCA</li> </ul>	✓	✓	—
	<ul style="list-style-type: none"> <li>• Environmental education activities</li> <li>• Collection of environmental impact data</li> </ul>	✓	✓	✓



>Environmental Goals >[Environmental Management Promotion System](#) >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

**Data Categories and ISO 14001 Acquisition Status (Fiscal year ended March 31, 2020)**

✓ : 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*3	Nikon Tec Corporation	✓
	Nikon Instech Co., Ltd.	✓
	Nikon Systems Inc.	✓
	Nikon Business Service Co., Ltd.	✓
	Nikon Staff Service Corporation*2	✓
	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*3	58 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%.  
 \* Nikon Imaging (China) Co., Ltd. ended operations in October 2017; thus, it is now excluded from the scope, but data prior to this date is still included.  
 \* Since the manufacturing function of Nikon Metrology UK Ltd. has been relocated, the company now conducts non-manufacturing operations only. It is counted as a Group non-manufacturing company outside Japan as of April 2019.  
 \* Partial changes have been made to past environmental performance data due to the expansion of the boundary.  
 \* The data figures are rounded off, which may result in a discrepancy between the breakdown and total.  
 \*1 Introduced the Nikon Eco Program  
 \*2 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.  
 \*3 Four Group non-manufacturing companies in Japan that have very minimal environmental impact and have not obtained ISO 14001 are included.

**Environment-related Risk Management 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.

Top-down risk assessment involves the Executive Committee identifying risks and opportunities related to the environment from the standpoint of management strategy. 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 on Nikon's departments and the Group companies both in and outside of Japan. In turn, a risk map is compiled based on the results of this survey.

The Environmental Committee determines how to address the identified risks and opportunities within the structure of the environmental management system, which are then addressed with concrete measures.

Measures with high priority are reflected in the Group's environmental goals. Nikon also regularly verifies and follows up on the progress.

From the standpoint of management strategy, we identify the two main environmental risks of risk deriving from climate change and risk deriving from environmental regulation and address these risks.

**Risk Deriving from Climate Change and Nikon's Response**

When environmental disasters such as floods and droughts that are caused by climate change bring serious damage to the R&D and manufacturing facilities of the Nikon Group and of our suppliers, this can 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 taking steps to achieve greater dispersion in terms of the locations of its manufacturing facilities and suppliers, etc.

### 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 and revises relevant internal rules, works to strengthen the Group's management systems, and implements education and training for relevant employees, etc. In addition, we are working to prevent environmental pollution by establishing voluntary, self-directed standards that are more rigorous than each region's statutory requirements.

### Business Activities and the Environment

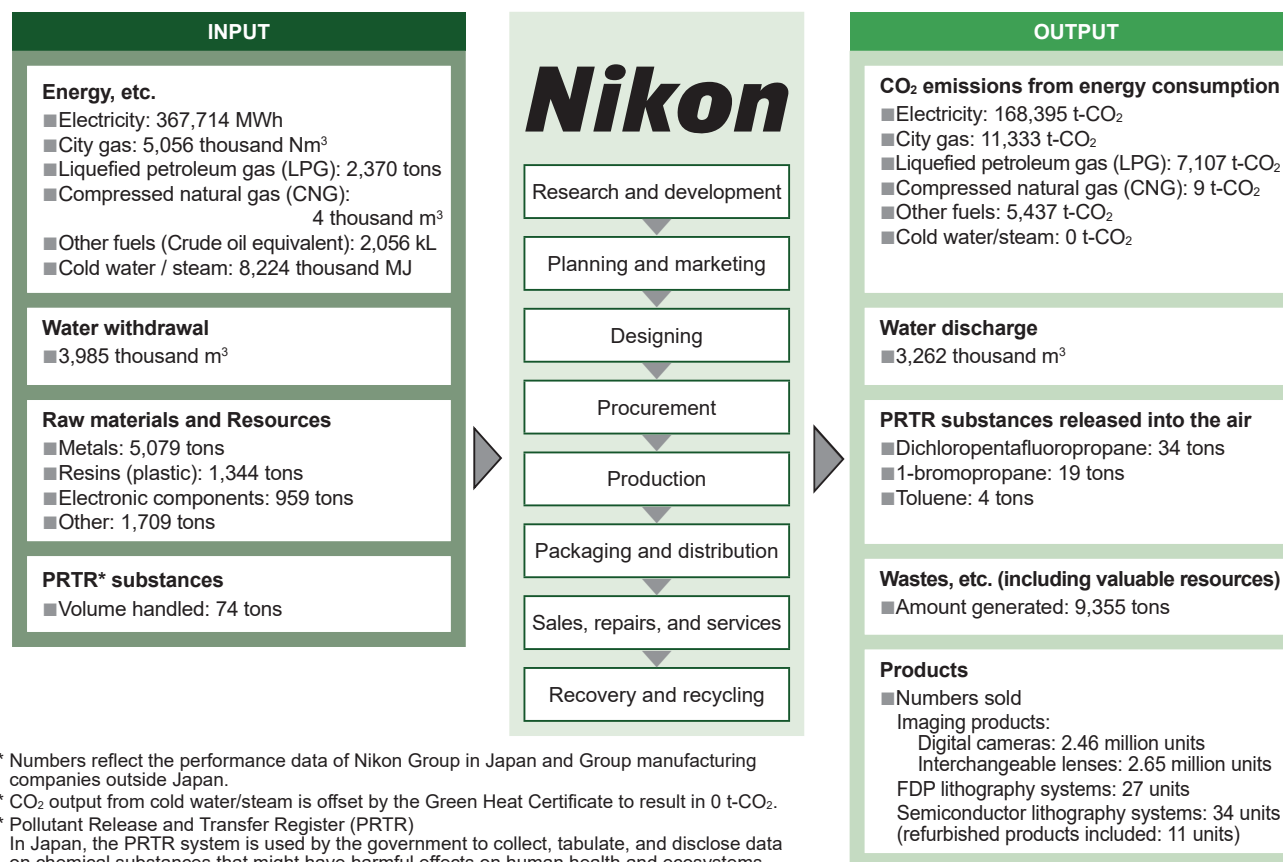
The Nikon Group aspires to be a company that contributes to the sustainable development of society. We clarify the relationship between the environment and our business activities in order to make an accurate assessment of the impacts and risks posed to the environment. We attach great importance to 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.

### Eco-friendly Products Development

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 next page.

#### Relationship between Nikon Group Businesses and the Environment

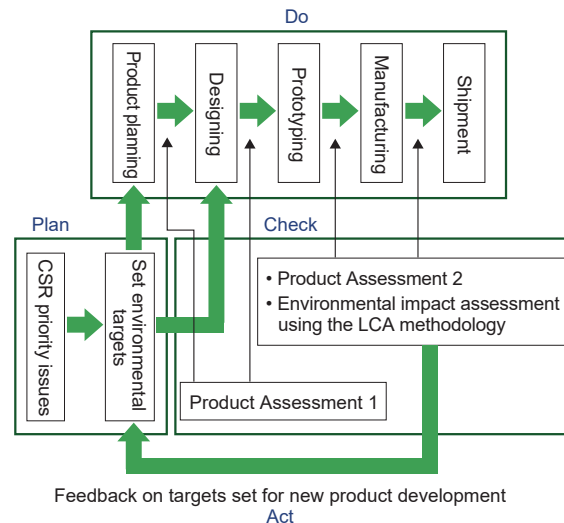


\* Numbers reflect the performance data of Nikon Group in Japan and Group manufacturing companies outside Japan.  
 \* CO<sub>2</sub> output from cold water/steam is offset by the Green Heat Certificate to result in 0 t-CO<sub>2</sub>.  
 \* Pollutant Release and Transfer Register (PRTR)  
 In Japan, 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.

### █ 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

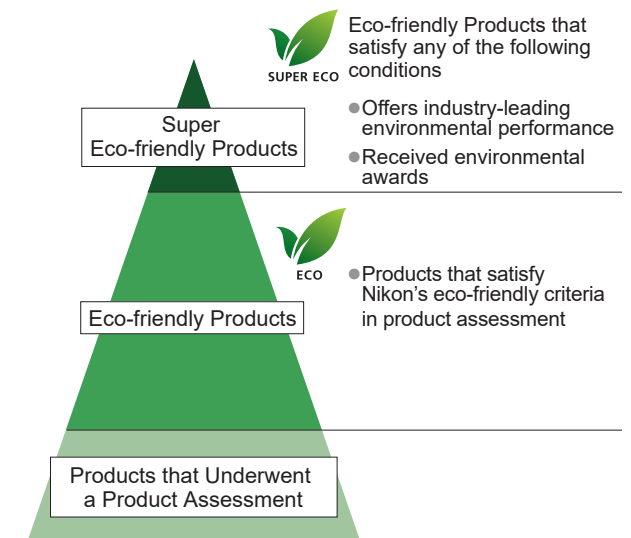
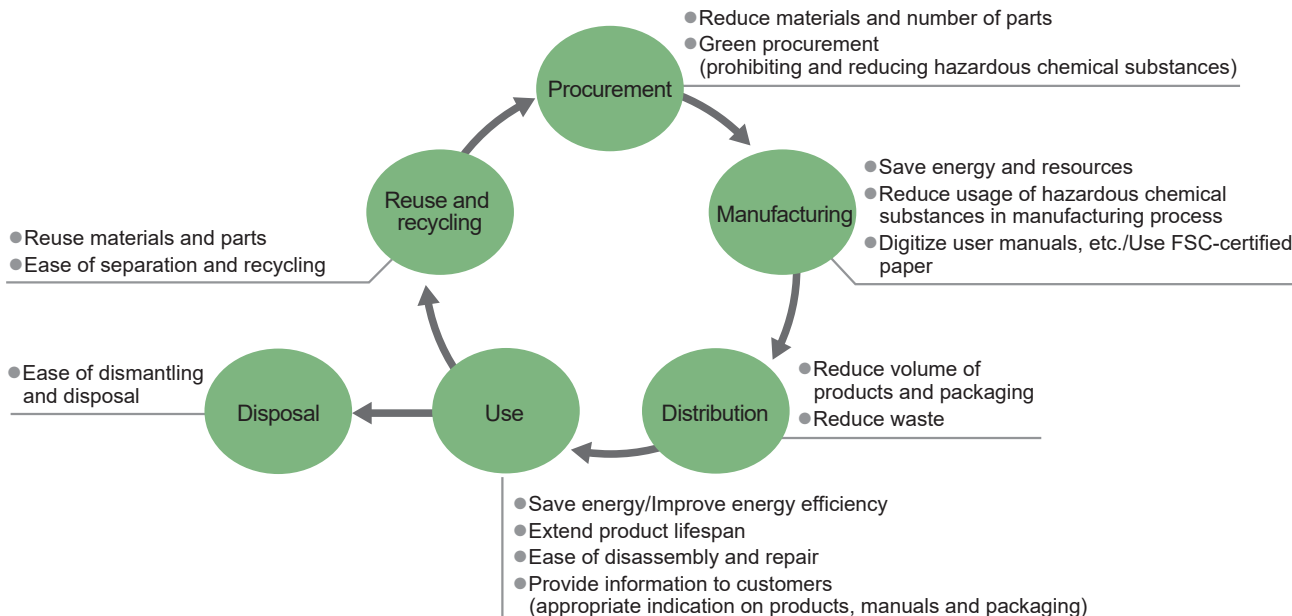


### █ Eco-friendly Products System Diagram

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 (Eco-friendly Products and Super Eco-friendly Products). In the fiscal year ended March 31, 2020, approximately 79% of new products were classed as Eco-friendly Products.

▶Eco-friendly Products classed as of the end of March 2020  
[https://www.nikon.com/about/sustainability/environment/eco\\_product\\_en2020.pdf](https://www.nikon.com/about/sustainability/environment/eco_product_en2020.pdf)

### █ Assessment Items of Nikon Product/Packaging Assessment



\*1 The above environmental marks are used only for Nikon products recognized as Eco-friendly Products based on our own standards of environmental consideration.

\*2 The above environmental marks are not affiliated with any other environmental organizations.

## Environmental Education and Awareness Raising Activities for Employees

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 the environmental management system.

#### Environmental Training (Fiscal year ended March 31, 2020)

(persons)

Details	Participants	
	Nikon Corporation	Group companies in and outside Japan
Training on environmental objectives and environmental laws	206	1,314
Training on internal environmental audits	193	201
Other environmental training	20	899

### Environmental Awareness

The Nikon Group conducts various environmental awareness raising activities among employees mostly in the month of June, which is designated as Nikon Environment Month.



Environmental Commendation ceremony

#### Environmental Awareness Activities Result (Fiscal year ended March 31, 2020)

Main environmental awareness raising activities		Targets	Results
Nikon Environment Month (June)	Environmental photo contest	Nikon Group	Contest entries: 151
	Environmental Commendation Program	Nikon Group	Contest entries: 19
	Nikon Environment Month Seminar	Nikon Group in Japan	Participants: 80
Environmental e-Learning (Hosted by CSR-related section at Nikon Corporation in November)		Nikon Group in Japan	Attendance rate: 88%
Earth Hour* (March)	Lights off for billboards and in offices, photo entries on SNS, etc.	Nikon Group	Companies participated: 57

\* Earth Hour

A worldwide environmental campaign organized by the World Wildlife Fund (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

#### Participating in Earth Hour

The Nikon Group has participated in Earth Hour every year since 2010. This event provides an opportunity to raise environmental awareness by actively encouraging employees in each region around the world to participate. In the fiscal year ended March 31, 2020, 324 employees at Nikon (Thailand) Co., Ltd. signed up to participate in Earth Hour, during which time they turned off lights and electronics for an hour from 8:30 p.m. on March 28. Participants shared their photos taken during this hour on the company website. This event prompted us to consider what are some of the things we can do to address climate change that is showing increasing impact on our daily lives.



Participants in Earth Hour

Priority Issue 4

# 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.

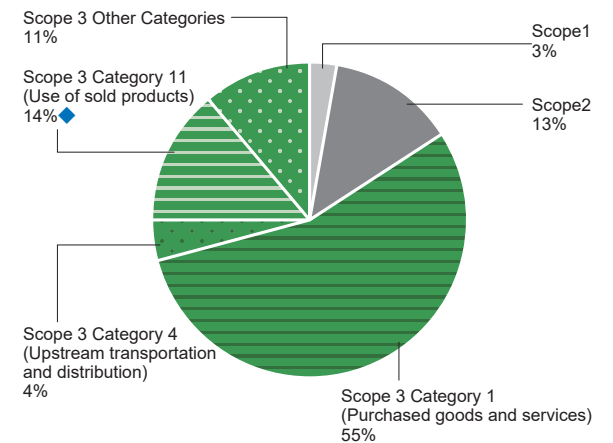
### Greenhouse Gas Emissions in the Entire Supply Chain

The Nikon Group calculates greenhouse gas emissions in the entire supply chain in accordance with the GHG Protocol. Emissions for the fiscal year ended March 31, 2020 were 37,051 t-CO<sub>2</sub>e for Scope 1, 174,202 t-CO<sub>2</sub>e for Scope 2, and 1,111,380 t-CO<sub>2</sub>e for Scope 3. More than 80% of greenhouse gas emissions in Nikon's entire supply chain are Scope 3\* emissions. Of these, Category 1 (purchased goods and services), Category 11 (use of sold products), and Category 4 (upstream transportation and distribution) account for a large proportion. For this reason, the Nikon Group has set specific numerical targets for Scope 3, as well as Scope 1 and 2\*, in its Medium-Term Environmental Goals in an effort to reduce greenhouse gas emissions throughout the entire supply chain.

\* See P34 for more information on Scope 1, 2 and 3.

- ▶ [Medium-Term Environmental Goals and Strategy \(Scope 1, 2, 3\) \(P34\)](#)
- ▶ [Initiatives to Reduce Greenhouse Gases in Products \(Scope 3\) \(P45\)](#)
- ▶ [Initiatives to Reduce Greenhouse Gases at its Business Facilities \(Scope 1, 2\) \(P46\)](#)
- ▶ [Initiatives to Reduce Greenhouse Gas Emissions in Distribution \(Scope 3\) \(P49\)](#)

Percentage of Greenhouse Gas Emissions in the Entire Supply Chain (Fiscal year ended March 31, 2020)



◆: Applicable emissions in Data Index assured by third party



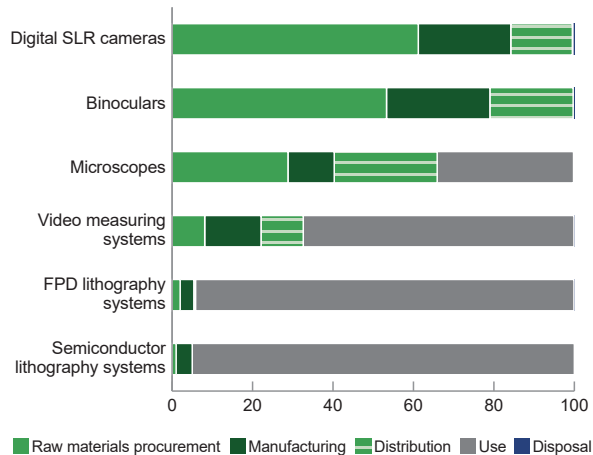
## Initiatives to Reduce Greenhouse Gases in Products

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

Nikon calculates CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> Emission throughout the Product Lifecycle for Major Nikon Products



### CO<sub>2</sub> Reduction Measures for Products

For imaging products, Nikon has the highest amount of CO<sub>2</sub> 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. As an example, the Z 50 mirrorless camera uses an image sensor that is slightly smaller than the full size. Parts, such as the shutter and battery, have been reduced in size, and with a smarter layout the body has become smaller and thinner. As a result, compared with the D7500 digital SLR camera, the Z 50's body weight has been reduced by about 38% and CO<sub>2</sub> emissions at the raw material procurement phase have been reduced by 44%. For small and medium-sized panels in our FPD lithography systems, productivity (per product unit) has been improved 1.2 times compared to when they were first released. From this we can convert the reduction in energy consumption to CO<sub>2</sub> emissions giving an emission reduction of 17%.

### Promoting CO<sub>2</sub> Reductions with Our Procurement Partners

When conducting audits of environmental management systems for major procurement partners, the Nikon Group checks whether or not the partners have set CO<sub>2</sub> reduction targets and whether they understand the results of these targets. This has had the effect of encouraging procurement partners to reduce their CO<sub>2</sub> emissions. In the fiscal year ended March 31, 2020, the Nikon Group encouraged 142 companies to reduce their CO<sub>2</sub> emissions and checked their results at the time of audit.

For those procurement partners who have no obligation to report emissions to the national or local government, we gave advice on how to calculate CO<sub>2</sub> emissions and followed up with them on the amount of their emissions and target setting.

## Initiatives to Reduce Greenhouse Gases 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 CO<sub>2</sub> Emissions from Energy Consumption and in Energy Consumption

Sendai Nikon Corporation has been purchasing Green Heat Certificates\*<sup>1</sup> since the fiscal year ended March 31, 2019. And, from the fiscal year ended March 31, 2020, Nikon has adopted the Aqua Premium\*<sup>2</sup> plan for some of the electricity used at six Nikon business facilities and the J-Credit\*<sup>3</sup> plan at Hikari Glass Co., Ltd.

In the fiscal year ended March 31, 2020, the Nikon Group achieved a 10.1% reduction including the purchase of renewable energy (6.0% without renewables) against the goal of reducing energy-derived CO<sub>2</sub> emissions by 1.0% or more compared to the fiscal year ended March 31, 2019. Energy-derived CO<sub>2</sub> emissions have dropped significantly due to market shrinkage and a drop in production as a result of the COVID-19 epidemic. The boundaries of energy data collection have been widened in order to enhance completeness for the fiscal year ended March 31, 2020. Energy-derived CO<sub>2</sub> emissions within the new boundaries were 192,281 t-CO<sub>2</sub>.

\*<sup>1</sup> Green Heat Certificate:

A system for trading the added environmental value of heat generated from natural energy.

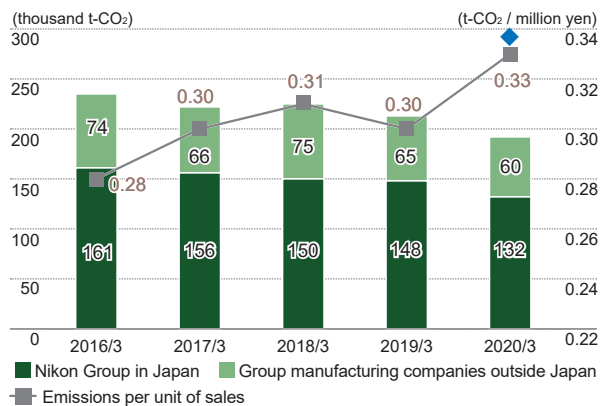
\*<sup>2</sup> Aqua Premium:

A pricing plan offered by TEPCO Energy Partner, Inc. that allows customers to buy electricity from hydroelectric power plants that do not emit CO<sub>2</sub>.

\*<sup>3</sup> J-Credit:

A system where the Japanese government certifies the amount of greenhouse gas emissions, such as CO<sub>2</sub>, reduced or absorbed through the introduction of renewable energy, forest management and other initiatives, as "credit" for GHG producers (businesses, forest owners, local governments, etc.).

#### Changes in CO<sub>2</sub> Emissions from Energy Consumption



\* The following values were used for CO<sub>2</sub> conversion factors.

Electric power:

In Japan: The CO<sub>2</sub> 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:

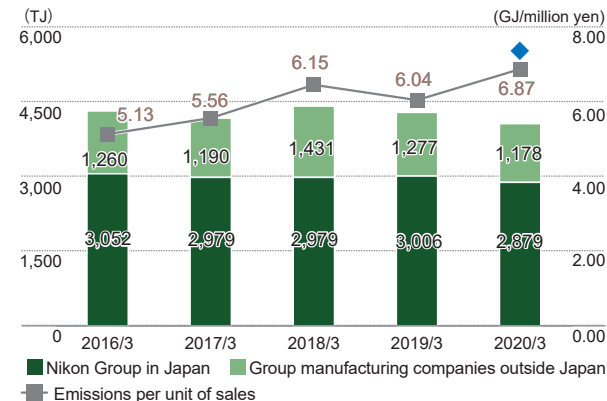
The factors noted in the "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures.

\* The above factors were also used for the calculation of CO<sub>2</sub> emissions according to market-based criteria for Scope 1 and Scope 2 on P44.

\* 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).

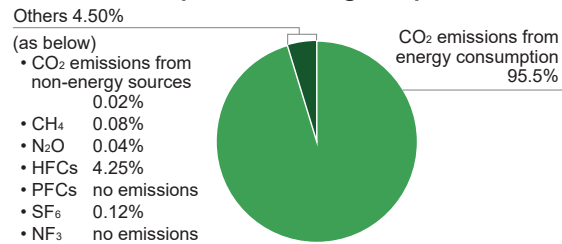
◆: Values in Data Index assured by third party

## CO<sub>2</sub> Emissions from Non-energy Consumption and Other Greenhouse Gas Emissions

CO<sub>2</sub> emissions from non-energy sources\*<sup>1</sup> and other greenhouse gases\*<sup>2</sup> was 9,058 t-CO<sub>2</sub>e, which accounted for 4.5% of the greenhouse gases emitted by Nikon and the Group manufacturing companies in the fiscal year ended March 31, 2020. Of these gases, HFCs contained in detergents used in the manufacturing process was the largest at 4.25%. There were no PFC or NF<sub>3</sub> emissions. The Nikon Group is working to establish alternative technologies while thoroughly adhering to the Hazardous Chemical Substances Guideline in order to reduce CO<sub>2</sub> emissions from non-energy sources and other greenhouse gases.

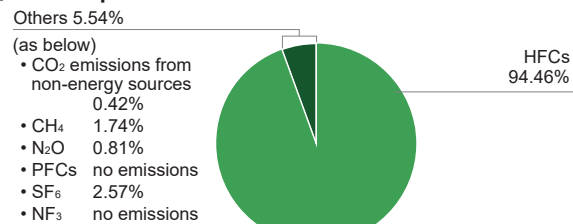
\*<sup>1</sup> CO<sub>2</sub> generated by fire extinguishers, sprays, waste incineration, etc.  
\*<sup>2</sup> CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>

### Breakdown of Greenhouse Gas Emissions from Nikon and Group Manufacturing Companies



◆: Values in Data Index assured by third party

### Breakdown of CO<sub>2</sub> Emissions from Non-energy Consumption and Other Greenhouse Gas Emissions



◆: Values in Data Index assured by third party

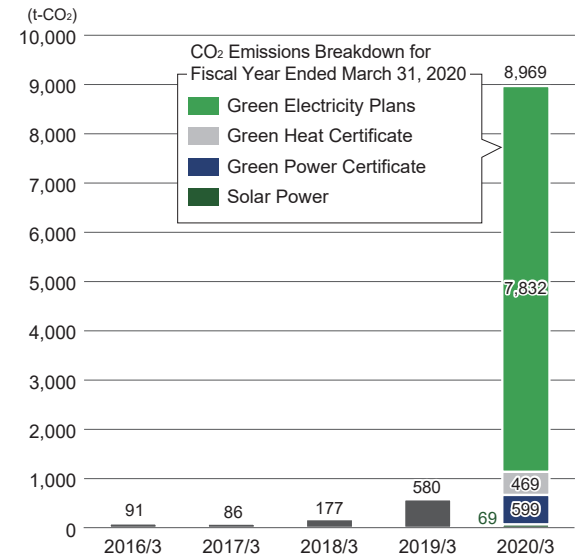
## Utilizing Renewable Energy

The Nikon Group is working to promote the use of renewable energy through such means as in-house power generation, power plans, and certificates. In the fiscal year ended March 31, 2020, the Nikon Group newly adopted a hydroelectric power plan at six business facilities and a J-Credit scheme at one business facility. As a result, the effect of CO<sub>2</sub> reductions from renewable energies in the fiscal year ended March 31, 2020 was 8,969 tons, 15.5 times more than the previous year.



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

## Changes in CO<sub>2</sub> Emissions Reduction through the Use of Renewable Energy



## Renewable Energy Use and CO<sub>2</sub> Reduction Effect at each Nikon Group Site

Site	Start Year	Use	Electric Power (MWh/year)	CO <sub>2</sub> Reduction Effect (t-CO <sub>2</sub> /year)
Nikon Yokohama, Kumagaya, Sagamiyara, Mito, Yokosuka, Shonan Branch	2020/3	Hydroelectric Power Plan	16,259	7,609
Nikon Kumagaya Plant	2011/3	Solar Power	73	34
Nikon Yokohama Plant	2014/3	Solar Power	28	13
Sendai Nikon Corporation	2019/3	Green Heat Certificate	3,107	469
Nikon India Private Limited	2018/3	Solar Power	26	22
Hikari Glass Co., Ltd.	2020/3	J-Credit	1,147	599
Nikon CEE GmbH Austria Office	2017/3	Solar, Wind, Hydroelectric Power Plans	31	1
Nikon Precision Inc. Nikon Research Corporation of America	2020/3	Biomass, Geothermal, Hydroelectric, Solar, Wind Power Plans	3,761	222
<b>Total</b>				<b>8,969</b>

## Greenhouse Gas Reduction Measures at Business Facilities

### ■ Reducing Greenhouse Gases 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 reduce the number of experiments through simulations, shortened lead times, and improved 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.

### ■ 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.

### ■ Collaborating with Local Governments to Reduce CO<sub>2</sub>

Nikon is collaborating with local government activities in an effort to reduce CO<sub>2</sub>. The main initiatives implemented in the fiscal year ended March 31, 2020 are as follows. The Oi Plant took part in the Tokyo Cap-and-Trade Program, donating 13,788 t-CO<sub>2</sub> of reduced emissions from the program as a credit to the city of Tokyo in conjunction with the Zero Emission Tokyo\*<sup>1</sup> strategy. The Kumagaya Plant took part in the Saitama Target Setting Emissions Trading System, donating 20,000 out of 37,547 t-CO<sub>2</sub> of reduced emissions from the system as a credit to Saitama Prefecture in conjunction with the Zero Carbon Saitama\*<sup>2</sup> strategy.

\*1 Zero Emission Tokyo:

A vision declared by Tokyo, one of the world's largest cities, in May 2019. Tokyo aims to limit the rise in average global temperature to 1.5°C and has set a goal of net zero CO<sub>2</sub> emissions by 2050.

\*2 Zero Carbon Saitama:

A name given to a carbon offset program implemented by Saitama Prefecture to offset the CO<sub>2</sub> emitted from sports-related events.

### ■ 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.



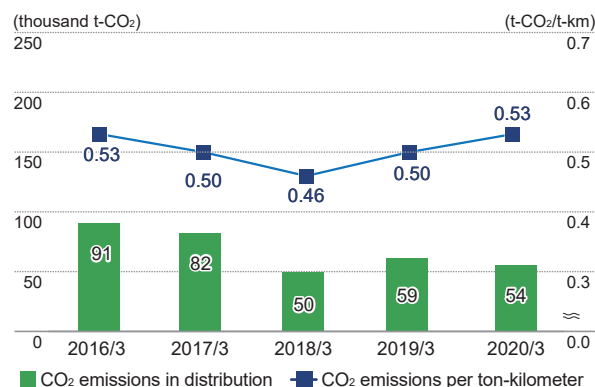
## Initiatives to Reduce Greenhouse Gas Emissions in Distribution

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

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, 2020, CO<sub>2</sub> emissions amounted to 1,138 t-CO<sub>2</sub> for distribution in Japan and 52,000 t-CO<sub>2</sub> for international shipments and distribution outside Japan. The Nikon Group thus beat its target of reducing emissions by 2.7% compared to fiscal year ended March 31, 2019, ultimately reducing CO<sub>2</sub> emissions by 8.6%.

#### CO<sub>2</sub> Emissions from Distribution in Japan, International Shipment and Distribution outside Japan



### Greenhouse Gas Reduction Measures in Distribution

#### Promotion of Modal Shifts

The Nikon Group promotes modal shifts\* in order to reduce environmental impact. We are shifting the main modes of delivery from airplane to ship, and from truck to railway. For example, the Nikon Group is considering and testing measures to realize rail transport from China to Europe. This shift from air to rail can reduce greenhouse gas emissions to around one-seventieth. Furthermore, Nikon Vision Co., Ltd. has actively promoted the switch from conventional flights to shipping in transportation from Southeast Asian countries to the United States, reducing greenhouse gas emissions. In the future the Nikon Group plans to further expand the switch to shipping in other areas too.

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 both company cars and delivery trucks, 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 packaging materials, but also reduces domestic transportation distances, leading to a reduction in greenhouse gas emissions of approximately 400 kg 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.



>Environmental Goals >Environmental Management Promotion System >[Promoting a Decarbonized Society](#) >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

## 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 in November 2018 and is promoting information disclosure based on the recommendations of the TCFD.

### Governance

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.

[▶Environmental Governance \(P38\)](#)

[▶Corporate Governance \(P92\)](#)

### Strategy

The Nikon Group conducts an 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, 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 carbon tax and greenhouse gas emission regulations, in different countries and regions may be newly established or tightened in the future. The Nikon Group recognizes that the increase in cost for compliance to these policies and regulations is a risk directly associated with operating costs.
- Countermeasures: The Nikon Group has set as one of the aims of its Long-Term Environmental Vision its goal to realize a decarbonized society and is therefore promoting product lifecycle assessments, improvements in energy use efficiency in production, and greenhouse gas reductions throughout the whole supply chain.

#### 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, 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.

- 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.
- 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 implement countermeasures for its equipment.

#### Opportunities

- 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.



>Environmental Goals    >Environmental Management Promotion System    >Promoting a Decarbonized Society    >Promoting Resource Circulation    >Contributing to a Healthy and Environmentally Safe Society

To realize these opportunities, the Nikon Group has established specific numerical targets in the Medium-Term Environmental Goals and is rolling out these targets every year in its environmental action plan.

- [▶Medium-Term Environmental Goals and Strategy \(P34\)](#)
- [▶Environmental Action Plan \(P35\)](#)
- [▶Environment-related Risk Management System \(P40\)](#)
- [▶Eco-friendly Products Development \(P41\)](#)
- [▶Promoting a Decarbonized Society \(P44\)](#)

## Environment-related Risk Management

The Nikon Group identifies and evaluates environmental risks, including those risks related to climate. The identified risks are reflected in the Environmental Goals, which are shared across the entire Nikon Group, with relevant departments implementing specific initiatives. The progress of such is regularly monitored and followed up on by the Environmental Committee, which comes up with the next Environmental Goals after identifying key issues.

- [▶Environment-related Risk Management System \(P40\)](#)
- [▶Risk Management \(P93\)](#)

## Metrics and Targets

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 Goals \(P34\)](#)
- [▶Promoting a Decarbonized Society \(P44\)](#)

## Priority Issue 5 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

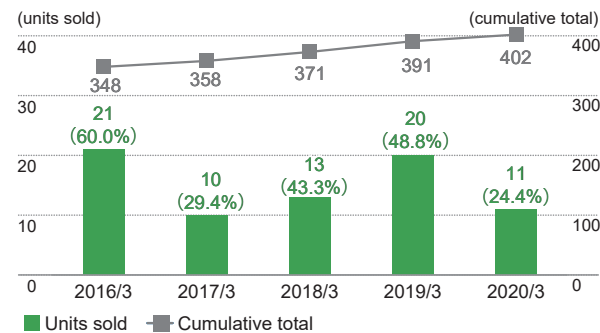
The Nikon Group has commercialized a service for collecting used Nikon semiconductor lithography systems from customers, reconditioning them, replacing parts, reconfiguring them, and installing them for new customers in and outside Japan. This business is an example of the Nikon Group's practice of reusing its own products within the Group. As of the fiscal year ended March 31, 2020, the Nikon Group had sold a cumulative total of 402 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.

In recognition of these achievements, Nikon and Nikon Tech received the Chairman's Award from the Reduce, Reuse, and Recycle Promotion Council at the 2018

Reduce, Reuse, and Recycling Achievement Awards Ceremony held in October 2018.

#### Sales Trends of Refurbished Semiconductor Lithography Systems (for IC)



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

#### Battery Recycling

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



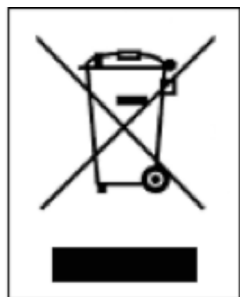
Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	Strengthening CSR Foundations	Corporate Citizenship Activities
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>Environmental Goals >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

## Recycling and Reuse of Used Nikon Products

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

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.

### 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, we were able to reduce what went into the box of the Forestry Pro II laser rangefinder by reducing the number of languages in the instruction manual and using a digital version. Along with this, a new box design reduced the packaging volume by approximately 28% and the amount of paper used by approximately 50% compared to existing products. Furthermore, by devising a

cushioning material and making it common with other laser rangefinder packaging box sizes, it has been possible to mix different products improving efficiency during transportation.



The Forestry Pro II packaging box

### Reducing Plastics in Packaging

In recent years, pollution of the sea from plastic waste has become a global problem. Especially since the increase in the amount of disposable plastics is a major contributing factor, the Nikon Group has, through an assessment of its packaging, implemented a number of measures, such as reducing the amount of plastics used, and changing 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.

## 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\*

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, 2020. Outside Japan, Optos Plc (UK) achieved Level S and Hikari Glass (Changzhou) Optics Co., Ltd. (China) achieved Level 1. 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 takes a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as a resource in other industries.

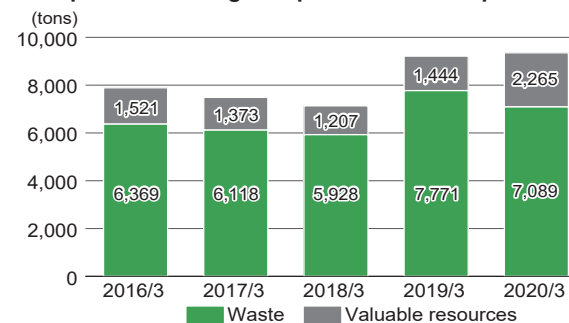
#### Zero Emission Level-specific Targets

- 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%

### Waste Reduction Performance

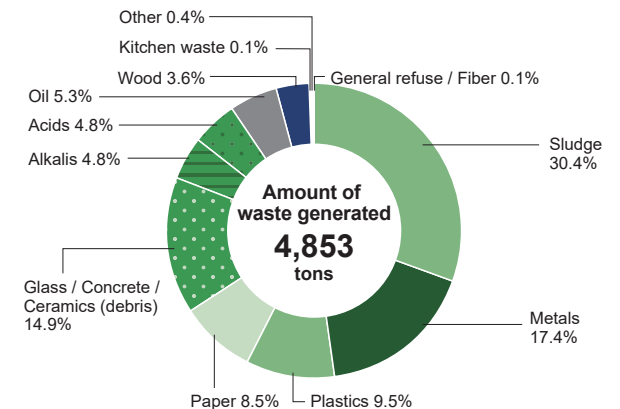
The amount of waste (excluding valuable resources) generated by Nikon during the fiscal year ended March 31, 2020 was 1,655 tons, while the total for the Group companies in Japan was 2,101 tons. The total amount of final landfill waste generated by Nikon and the Group companies in Japan was 2.7 tons, with 4,849 tons of waste being recycled. Together, Nikon and the Group companies in Japan achieved their target of reducing the amount of waste generated to below the level in the fiscal year ended March 31, 2019. In addition, the Group manufacturing companies outside Japan of Hikari Glass (Changzhou) Optics Co., Ltd. and Nikon (Thailand) Co., Ltd. (Thailand) have been promoting efforts to convert discarded items into items of value, resulting in total waste generated by the Group manufacturing companies outside Japan of 3,333 tons.

#### 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 Lao Co., Ltd., Optos, Inc., and Optos Plc from the fiscal year ended March 31, 2020.

#### Breakdown (by Category) of Waste (Waste plus Valuable Resources) Generated by Nikon Group in Japan (Fiscal year ended March 31, 2020)



### Waste Reduction and Resource Circulation Measures

#### Approach to the Manufacturing Process

Abrasives used to finish optical glass are discarded as sludge after use. Sludge accounts for about 30% 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 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 sludge waste.



At Sendai Nikon Corporation, as a way to deal with import regulations in China and other countries for waste plastic, waste is sorted by material and color, and gate parts from molded products are crushed on site. By raising the value of waste plastic we create valuable resources. Additionally, to facilitate recycling oil is separated from metal shavings by centrifugal separation and foam polystyrene is heated to reduce its volume.

### **■ 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 Risk Assessments

To date, the Nikon Group has carried out water risk assessments using the services of external organizations and Aqueduct\*. In 2016, a water risk assessment was carried out by an external provider at four business facilities in and outside Japan where water risk was considered to be high. In 2019, Nikon also carried out a water risk assessment using Aqueduct 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. Furthermore, from the fiscal year ended March 31, 2020, we have been conducting water risk assessments targeting 31 business facilities in and outside Japan, based on the actual conditions of each facility, to ascertain any possible water risks and identify countermeasures at each site.

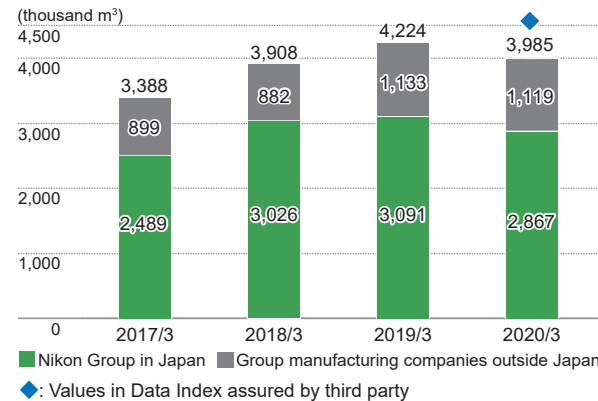
\* Aqueduct:  
A global water risk mapping tool provided free of charge by the World Resources Institute showing water risk areas around the world.

### Water Withdrawal and Discharge

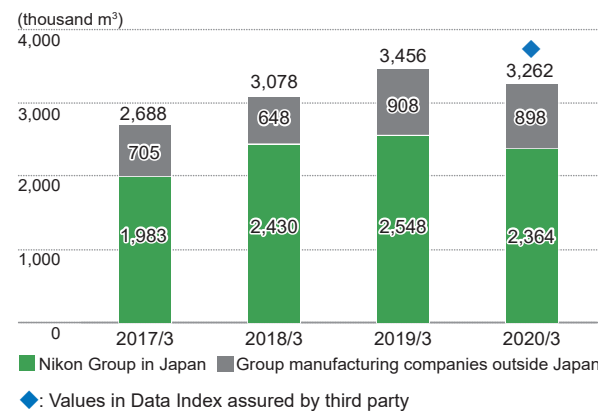
The Nikon Group's goal is to improve water use efficiency in line with the level of water risk in each region, and promote the use of water resource circulation. In particular, optical components require large quantities of water in the production process. The business facilities and the Group manufacturing companies engaged in the manufacturing of optical components therefore 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. In addition, water conservation activities are implemented thoroughly to reduce overall water withdrawal.

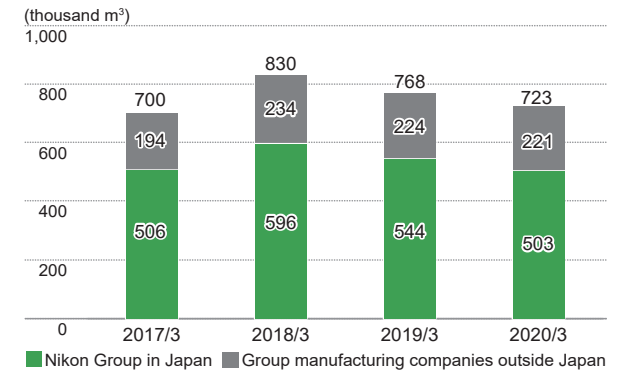
#### Changes in Water Withdrawal



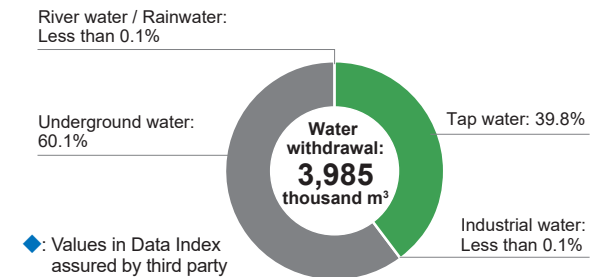
#### Changes in Water Discharge



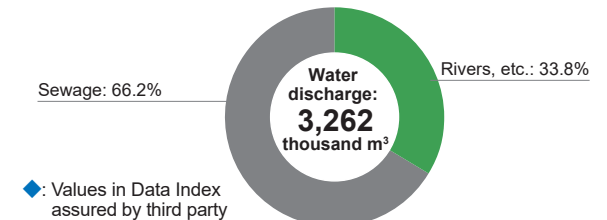
#### Changes in Water Consumption



#### Breakdown of Water Withdrawal (Fiscal Year Ended March 31, 2020)



#### Breakdown of Water Discharge (Fiscal Year Ended March 31, 2020)





## Water Recycling 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 total amount of water withdrawal at the Nikon Shonan Branch by over 15% 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, Nikon has implemented a process to use it as makeup water for cooling towers. As a result, the Nikon Kumagaya Plant was able to significantly reduce the amount of tap water used. According to actual data for the fiscal year ended March 31, 2020, approximately 21,000 m<sup>3</sup> of concentrated water is being used as cooling tower makeup water.

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

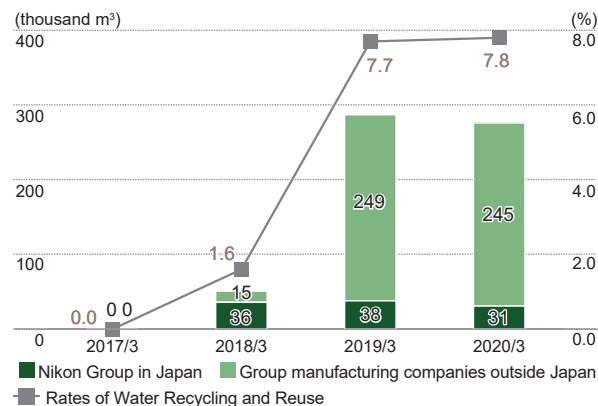
Nikon Lao Co., Ltd. (Laos) is located in a district with basic water supply infrastructure, and has been actively

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 from February 2018, they also began using treated water as cooling water.



Wastewater treatment system at Nikon Lao Co., Ltd.

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



## Priority Issue 6

# Contributing to a Healthy and Environmentally Safe Society



## 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

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

\*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.

[▶Promoting Green Procurement \(P72\)](#)

#### 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

## Abolition of All Ozone-layer-depleting Substances

The Nikon Group has abolished the use of ozone-depleting substances (HCFCs), which were used as refrigerants needed to regulate the temperature in FPD lithography systems and semiconductor lithography systems since 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.

New production of HCFCs is scheduled to be terminated in 2020. 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

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 that 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 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 RoHS Directive, has been used in some F6 film SLR cameras produced and/or placed on the market after July 22, 2019. 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 European RoHS Directive, strengthening its inspection process, and by making sure its procurement partners are properly instructed and managed on the European RoHS Directive.

\* See P58 for the RoHS Directive

## 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

The Nikon Group established the Nikon Group Chemical Substances Management Guidelines, but in March 2020, this was revised to the Hazardous Chemical Substances Guideline and took effect from April. Chemical substances used in the production process and contained in products are used by establishing management standards according to risks to the environment and health, and in line with restrictions on their being contained in products, etc. In particular, we have set a deadline for the use of “Prohibited” substances and we are working towards eliminating these substances altogether. In the year ended March 31, 2020, we focused on efforts to completely eliminate halogen-based solvents. With regard to HCFCs, alternatives have been decided and their use will be scheduled to take effect by the end of the fiscal year ending March 2021. As for HFCs and methylene chloride, we are currently testing alternatives. These will be finalized during the fiscal year ending March 2022 with the aim to complete the switchover by the fiscal year ending March 2023.

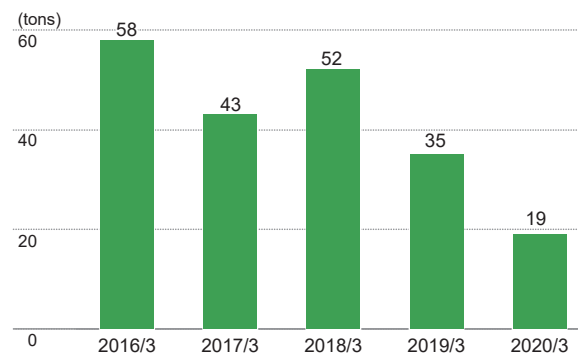
### Control and Reduction of Chemical Substances in Manufacturing

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. The disuse of 1-bromopropane is something we have been working on since the fiscal year ended March 31, 2019. The use of this substance ended at all domestic sites in the fiscal year ended March 31, 2020, and the change to 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

The Nikon Group in Japan uses the Hazardous Chemical Substances Guideline to reduce and manage chemical substances subject to the pollutant release and transfer register (PRTR), and also carries out safety control 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. The Nikon Group outside Japan gives consideration to the handling and safety control of chemical substances based on the laws and SDSs of each country.

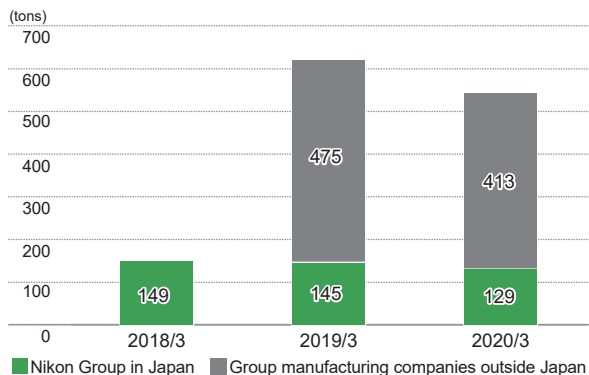
In efforts to reduce the amount of volatile organic compounds (VOC) emitted into the atmosphere\*2, the Nikon Group implemented measures to make cleaning equipment more airtight and improve the rate of reuse. In the fiscal year ended March 31, 2020, we also expanded the scope of data acquisition to Europe, the Americas, and Laos. In the fiscal year ended March 31, 2020, VOC emissions were 129 tons in the Nikon Group in Japan and 413 tons in the Group manufacturing companies outside Japan.

\*1 See P41 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.

### Control and Disposal of Polychlorinated Biphenyl (PCB) Waste

The Nikon Group observes stringent safekeeping and notification practices for waste and in-use electrical equipment containing polychlorinated biphenyl (PCB), which can be harmful to the environment, in compliance with relevant laws and regulations.

In the fiscal year ended March 31, 2020, PCB waste treatment at one of Nikon's plants had been completed, with two Nikon plants and one Group manufacturing company in Japan currently possessing equipment necessary for waste treatment. The main equipment comprises of capacitors (creating high-density PCB waste) and transformers (creating low-density PCB waste). In cooperation with the Japan Environmental Storage & Safety Corporation (JESCO) and a government-certified waste disposal operator for high-density and low-density PCB waste respectively, PCB waste will be treated in accordance with deadlines as specified in the Law

Concerning Special Measures for Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law)\*.

\* The Law Concerning Special Measures for 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

The Nikon Group not only complies with the rules, including laws, regulations and ordinance, 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 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, 2020.

Groundwater monitoring has been carried out for two years since the completion of countermeasures for soil contamination at the No. 1 Plant Site of Nikon Oi Plant. Since we have never exceeded the levels permitted by the relevant standards, we submitted a completion report to Tokyo in June 2020.

In February 2020, hexavalent chromium slightly above the standard value was detected in the soil inside the Sagamihara Plant premises. This is because hexavalent chromium was present in the reclaimed soil used for backfilling when repair work was carried out on underground pipes. In March 2020, the Sagamihara Plant applied to Kanagawa Prefecture for a designation based on Article 14 of the Soil Contamination Countermeasures Act and had implemented decontamination measures since then.

Countermeasures for soil replacement were completed and an environmental pollution control program completion report was submitted in July 2020.

Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	Strengthening CSR Foundations	Corporate Citizenship Activities
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>Environmental Goals >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

## 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

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 "Aim to maintain the natural environment of communities and provide a comfortable living environment" which forms part of the Nikon Medium-Term Environmental Goals, 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 RoHS Directive\*. We also strive to reduce the amount of waste we generate, so as to

achieve zero emissions. These activities lead to the conservation of biodiversity.

\* See P58 for RoHS directive (Restriction of Hazardous Substances)

#### 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.)	<a href="#">▶Paper Usage with Consideration for Biodiversity (P63)</a>
	Freshwater	Use of water in business activities	<a href="#">▶Protection of Water Resources (P56)</a>
Regulating services	Maintenance of air quality	Emissions of chemical substances in business activities	<a href="#">▶Reducing Hazardous Chemical Substances in Products (P58)</a> <a href="#">▶Promoting Green Procurement (P72)</a> <a href="#">▶Management and Reduction of Hazardous Chemical Substances (P60)</a>
	Regulation of climate	GHG emissions in business activities	<a href="#">▶Reduction of Greenhouse Gases in the Supply Chain (P44)</a> <a href="#">▶Initiatives to Reduce Greenhouse Gases in Products (P45)</a> <a href="#">▶Initiatives to Reduce Greenhouse Gases at its Business Facilities (P46)</a> <a href="#">▶Initiatives to Reduce Greenhouse Gas Emissions in Distribution (P49)</a>
	Water purification and waste treatment	Generation of waste, including wastewater in business activities	<a href="#">▶Initiatives Aimed at Reducing Waste, etc. (P54)</a> <a href="#">▶Protection of Water Resources (P56)</a> <a href="#">▶Management and Reduction of Hazardous Chemical Substances (P60)</a>
Cultural services	Ethical values	Use of products for educational and research purposes	<a href="#">▶Corporate Citizenship Activities for Environment (P64)</a>
		Corporate Citizenship Activities	

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>Environmental Goals >Environmental Management Promotion System >Promoting a Decarbonized Society >Promoting Resource Circulation >Contributing to a Healthy and Environmentally Safe Society

## Paper Usage with Consideration for Biodiversity

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.

[▶Paper Procurement Policy](https://www.nikon.com/about/sustainability/environment/safety/Paper_Procurement_Policy.pdf)  
[https://www.nikon.com/about/sustainability/environment/safety/Paper\\_Procurement\\_Policy.pdf](https://www.nikon.com/about/sustainability/environment/safety/Paper_Procurement_Policy.pdf)

### 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 all Imaging Products Business 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, 2020, FSC-certified paper was used for 99% of all product catalogs issued in Japan (with the exception of those printed on special types of paper). We also almost completed shifting to FSC-certified paper for instruction manuals, such as those for microscopes and measuring instruments. From the fiscal year ended March 31, 2020, the Nikon Group has also adopted FSC-certified paper for the instruction manual and packaging for its flagship D6 digital SLR camera.

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



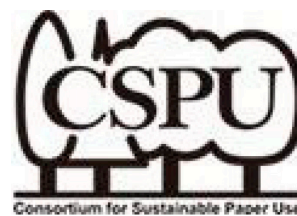
The D6 digital camera packaging box

### 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.

\* 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.



CSPU's logo

## Activities with Industry Groups

Nikon participates in the Environmental Strategy Liaison Committee Biodiversity Working Group (WG) formed by the four Japanese electric and electronic (E&E) industrial associations\* for the purpose of supporting the promotion of biodiversity conservation. This working group undertakes various activities, including the publication of "Let's Try Biodiversity!", a first guidance on corporate biodiversity initiatives, conducting trainings relating to biodiversity, and the registration and making available for public use of a database of case-studies of biodiversity conservation work undertaken by the associations' member companies. In the year ended March 31, 2020, Nikon focused on reducing plastic waste in the oceans.

\* Four Japanese electric and electronic (E&E) industrial associations  
These initiatives are carried out by the following four electric and electronic associations.  
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



The cover of "Let's Try Biodiversity! a first guidance on corporate biodiversity initiatives - Part 2"

## Initiatives at Each Business Facility

The Nikon Group is promoting biodiversity conservation initiatives at each business facility. The main initiatives are as follows.

### Nikon Yokohama Plant

The Nikon Yokohama Plant has been conducting employee education on biodiversity with the cooperation of Yokohama City. It has also been contributing to biodiversity conservation in the region through activities with those employees to remove invasive species.

### Nikon Sagamiyama Plant

Cooperating with Sagamiyama City Government, Nikon Sagamiyama Plant has conducted “indicator organism” surveys to yardsticks for the water quality in nearby rivers.

### Nikon Kumagaya, Mito and Yokosuka Plants, and Tochigi Nikon Corporation

Nikon Kumagaya, Mito and Yokosuka Plants, and Tochigi Nikon Corporation hold biodiversity seminars aimed at promoting understanding of biodiversity among employees.

### Miyagi Nikon Precision

Supporting the participation and activities for the Natori City Coastal Forest Restoration Project.

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

Activities to protect the larvae of the great purple emperor, the national butterfly of Japan.

### Optos Plc (UK)

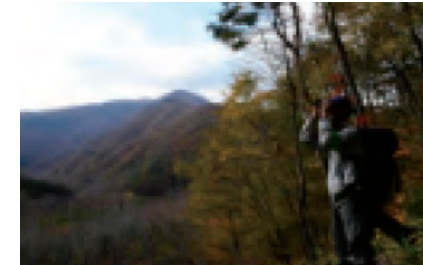
Conducted environmental conservation activities for beaches in Fife, Scotland, in collaboration with NGOs.

### Optos Inc. (USA)

Conducted environmental conservation activities as volunteers for the coastal area management park at Lewis Lake, Massachusetts, USA.



Environmental conservation activities on the beach (Optos Plc)



In an experiment to create a hunting ground for golden eagles, we provided our own equipment for fixed-point monitoring to identify individual golden eagles from a distance of over 1 km.

## Corporate Citizenship Activities for Environment

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, a National Forest located on the border between Gunma and Niigata Prefectures. In addition to providing our digital cameras and binoculars, employees and their families from the Nikon Group in Japan engages in volunteer activities to regenerate natural forests.

Furthermore, since 2018, we started joint research with the NACS-J to cooperate on a wildlife habitat survey for the Akaya project. In the year ended March 31, 2020, we developed a technique for automatically detecting animal images from tens of thousands of images, contributing to the development of natural environment surveys.

[▶Leveraging Nikon's Technology to Explore New Solutions \(P99\)](#)

## Community Contribution Activities

In order to contribute to maintaining the natural environment in local communities, the Nikon Group in Japan and the Group manufacturing companies outside Japan regularly engage in clean-ups and weeding in the areas around their sites. They also actively participate and collaborate in local environmental conservation and regional revitalization activities. Cleaning around business sites, rivers, beaches, etc. not only keeps areas looking nice, but it also helps improve pollution in our oceans by cleaning up plastic waste.

Over one year for the year ended March 31, 2020, 1,274 employees took part in community contribution activities.



Cleaning taking place around Nikon Yokosuka Plant



## Strengthening CSR Foundations

### [Priority Issues]

- 7 Strengthening Supply Chain Management [▶P65](#)
- 8 Respecting Human Rights [▶P74](#)
- 9 Promoting the Success of Diverse Employees [▶P78](#)
- 10 Strengthening Compliance [▶P87](#)
- 11 Ensuring Effective Governance [▶P91](#)

## Priority Issue 7 Strengthening Supply Chain Management



### Reason for Priority

It is widely recognized that, within the product supply chain – covering every stage from raw materials and component procurement through manufacturing, logistics, inventory management, sales and product usage through to disposal after use – there is a global problem with respect to human rights violations, unsatisfactory working conditions, environmental destruction, and issues relating to conflict minerals, and these issues are particularly likely to affect raw materials procurement and tier 2 and tier 3 suppliers. Business enterprises are expected to aim for sustainable procurement, and to contribute towards the resolution of social issues by expanding the scope of their management activities to include not only the tier 1 procurement partners of the enterprise itself and its group companies, but also the supply chain in its entirety.

### Commitment

The Nikon Group has for some time now been working to optimize our supply chain through procurement reform aimed at building the foundations for continued growth. The recent COVID-19 epidemic has had a major impact on the Nikon Group's procurement activities and, looking at society as a whole, it is clear that poverty-related human rights and labor issues have been exacerbated, making it even more important to pay due attention to supply chain management. At this time when changes in the social environment are accelerating, it is more vital than ever to strengthen the business relationship between Nikon and our business partners, and to aim for an enhancement of our procurement capabilities. By taking solid, optimized procurement infrastructure as the foundation, and by collaborating with and engaging in dialog with our procurement partners, the Nikon Group seeks to address social issues such as those relating to conflict minerals, in order to contribute towards the building of a sustainable society.

Nobuyuki Ishizuka  
Corporate Vice President  
General Manager of Production Technology Division  
Chairperson of the Supply Chain Subcommittee

### 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

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

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 electrical components from around 3,200 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. Materials required for consumer products, in particular, are procured in China, Thailand, and Japan respectively, contributing to local economic

development. The proportion of local procurement for other, non-consumer products is high for Japan because production is carried out mainly in Japan.

**Transaction Volume Ratio with Major Procurement Partners by Country (As of the Fiscal Year Ended March 31, 2020)** (%)

		Ratio of Procurement Partners	Ratio of Transaction Volume
Consumer products		19	29
Country/ Region	Japan	72	49
	China	7	20
	Thailand	18	21
	Other	3	10
Other than consumer products		81	71
Country/ Region	Japan	98	95
	China	1	4
	Other	1	1

### Procurement Partner Management

The Nikon Group recognizes the importance of building appropriate procurement systems and optimizing the supply chain, so as to be able to respond rapidly and correctly to developments in today's rapidly-changing business environment. To achieve this goal, it is vitally important to put in place a database that permits centralized management of procurement information throughout the Group.

In the fiscal year ended March 31, 2020, we established a cloud-based system to serve as the procurement information infrastructure for the Nikon Group. We completed the collection of procurement partner data for the Asia region (including Japan), and began system operation. In this way, we have realized full visualization of the Nikon Group's supply chain, and from the long-term perspective, the system will help to strengthen the Group's overall procurement capabilities, by facilitating procurement partner selection and coordination, enhancing QCD, etc. This is also an important measure from the point of actively promoting CSR procurement with suppliers, responding to the issue of conflict minerals, implementing green procurement, etc.

In the fiscal year ending March 31, 2021, we intend to focus on ensuring stable operation of the new system, and on expanding the scope of management to include procurement partners in Europe. In addition, because supply chain optimization requires not only tier 1 supplier data, but also data for tier 2 and lower suppliers, we will begin using the system's business continuity planning (BCP) functionality for data collection, management and utilization, so that we can implement effective supply chain management not only under ordinary circumstances but also in emergencies.

### Supply Chain Materiality

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 for promoting 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 for some years now been working to address these issues within the context of CSR procurement, responding to the issue of conflict minerals, and green procurement. We will continue with these activities moving forward.

## Nikon's Supply Chain Management 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 the Corporate Vice President of Nikon in charge of procurement 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 conflict minerals regulations, 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.

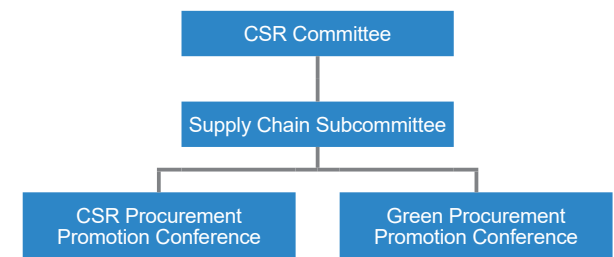
### Material Map



### 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. 600
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. 550
Conflict minerals	Conflict minerals country-of-origin surveys	Procurement partners that use conflict minerals in components used in Nikon products	Approx. 800

### 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

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, civic organizations and consumers are increasingly expecting business enterprises to do more to address these issues.

The Nikon Group recognizes the importance of corporate responsibility in the supply chain and promotes responsible supply chain management. Through this, we aim to contribute to the sustainable development of society, as well as to strengthen the procurement system of the Group and increase value for our customers.

With this in mind, the Nikon Group has established the Nikon CSR Procurement Standards in accordance with the RBA Code of Conduct. The Standards have been issued in Japanese, English and Chinese. In addition to asking our procurement partners to act responsibly in accordance with these CSR Procurement Standards, we request that they ensure that their own suppliers also act responsibly. 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 \(P9\)](#)

▶ [Nikon CSR Procurement Standards](#)  
<https://www.nikon.com/about/corporate/procurement/csr/>

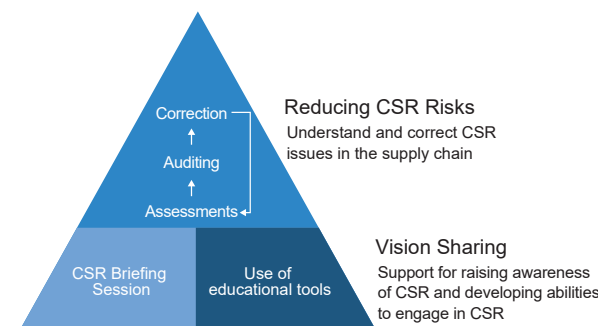
### The CSR Procurement Framework

The Nikon Group is promoting CSR procurement among its procurement partners with two perspectives in mind; Vision Sharing and Reducing CSR Risks.

Vision sharing, or in other words, Nikon and its procurement partners having the same ideas or approach, is the basis for promoting CSR procurement. More specifically, with the aim of raising awareness of CSR among procurement partners and developing their ability to engage in CSR, Nikon holds CSR procurement briefings and promotes the effective utilization of RBA educational resources. The briefings are used to spread awareness of Nikon's approach, while the use of RBA educational resources to provide instruction for personnel who are in a position to promote CSR within their organization facilitates the implementation of effective measures within individual enterprises. It is anticipated that the use of these methods will help to strengthen the promotion of CSR procurement. In reducing CSR risks, Nikon checks procurement partners' compliance with the Nikon CSR Procurement Standards through CSR assessments and audits, and provides support to help high-risk procurement partners realize improvements.

Through these efforts the Nikon Group will promote capacity building (development of abilities) among its procurement partners and build a more responsible supply chain.

### Conceptual Diagram of CSR Procurement



### Vision Sharing

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.

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 report on the progress made in relation to CSR procurement activities. At the briefings held in the fiscal year ended March 31, 2020, we provided an explanation of labor issues that are attracting a particularly high level of attention from society, and strongly emphasized the importance of compliance in this area.



The Nikon Group believes that is also important to share Nikon's approach to CSR procurement and information about related trends with all procurement partners, including those who are unable to attend briefings.

In the fiscal year ended March 31, 2020, we prepared course manuals in Japanese, English, Chinese and Thai, and arranged for Nikon Group purchasing managers and the staff of sales-related departments and CSR promotion departments at several of our procurement partners to take the courses. In the future, we intend to expand the provision of RBA education to cover all of our procurement partners.



CSR briefing session in progress

**CSR Briefing Sessions and Utilization of Educational Tools (Fiscal year ended March 31, 2020)**

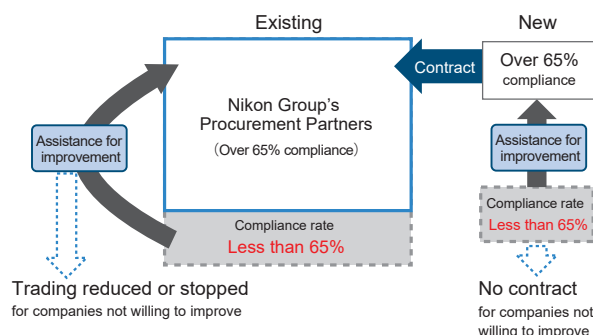
	Target	Location	Sessions	Participating companies	Participants
CSR Briefing Session	Nikon Group	In Japan	4	—	25
		Outside Japan	3	—	41
	Procurement partners	In Japan	3	772	888
		Outside Japan	3	193	324
Utilization of educational tools	Nikon Group	In Japan	1	—	26
		Outside Japan	1	—	7
	Procurement partners	In Japan	1	11	14
		Outside Japan	1	3	3

**Reducing CSR Risks**

**Tighter CSR Risk Management based on Management Standards**

The Nikon Group conducts an annual CSR assessment of its procurement partners. Those procurement partners that are identified as being high-risk then undergo an audit, and are required to take corrective action. In addition, the rate of conformity with the Nikon CSR Procurement Standards is incorporated into the procurement process as one of the evaluation criteria. Taking as a benchmark the RBA definition of high-risk firms as being those firms which have a rate of conformity of less than 65%, we aim to ensure that all procurement partners meet the specified benchmark. Those procurement partners which fail to meet the benchmark standard are asked to make improvements within a specified time period. When necessary, the Nikon Group provides support to help them realize improvements. If a procurement partner fails to cooperate on the making of improvements, we will gradually reduce, and eventually terminate, our transactions with that firm. Furthermore, when selecting new procurement partners, we implement CSR assessments, and we do not sign contracts with firms that fail to meet the benchmark standard.

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



**Corrective Measures for Existing Procurement Partners based on Risk Assessments**

When working to reduce CSR risk in the supply chain, the Nikon Group gives priority to procurement partners that are important in relation to business continuity, and we implement CSR assessments targeting those companies that account for the top 80% of transaction volume. These CSR assessments are carried out on a self-assessment basis, covering five areas – labor, health and safety, the environment, ethics, and management systems – as set out in the Nikon CSR Procurement Standards. In evaluating the responses given, extra weighting is given to issues relating to human rights and the safeguarding of human life, including forced labor and child labor, which are issues of major international concern. Third-party auditing is then implemented with respect to those procurement partners for which the evaluation results are judged to indicate a high level of risk. We ask procurement partners to make corrections in relation to those items where compliance is unsatisfactory, and provide support to help them achieve this. In regard to those procurement partners that are deemed to be at the second highest risk level, with respect to items where the CSR assessment results indicate failure to maintain compliance, we ask the procurement partner to submit an improvement plan, and then we confirm whether the situation has been rectified. All corrective action must be completed within one year. In the fiscal year ended March 31, 2020, as part of our thorough implementation of management standards (specifically, taking action in relation to procurement partners that failed to reach the benchmark level of a 65% conformity rate), we focused on providing support for corrective action by important procurement partners that had failed to meet the specified management benchmark level in assessments conducted over the past three years, and we ceased doing business with those procurement partners that consistently failed to meet the benchmark level. As a result of these measures, we no longer have any procurement partners with an extremely low conformity rate (i.e., a conformity rate of less than

40%), and the share of all procurement partners held by high-risk procurement partners that do not meet the management benchmark level will be reduced from 20% to 11%. In addition, in order to ensure the effectiveness of the assessments, 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, and we have begun implementing centralized risk management.

### Utilization of RBA Data for Risk Hedging in Relation to the Supply Chain

RBA-Online, the RBA's data management system, holds the CSR assessment results and audit reports of registered enterprises, and the data that these contain can be accessed by third parties (with the permission of the registered enterprise in question). Besides its own assessment reports and third-party audit reports, the Nikon Group is now also starting to make use of the assessment and auditing results available on RBA-Online. This will help to reduce the administrative burden for the Nikon Group (in terms of submitting assessment requests, collecting and collating responses, etc.), while also helping our procurement partners to avoid having to respond to multiple assessment and audit requests of the same type; in this way, operational efficiency will be enhanced for both parties. In the fiscal year ended March 31, 2020, we undertook research into the best methods for accessing and using RBA-Online data, and obtained agreement from two companies to be allowed to access their data on a trial basis.

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

(companies)

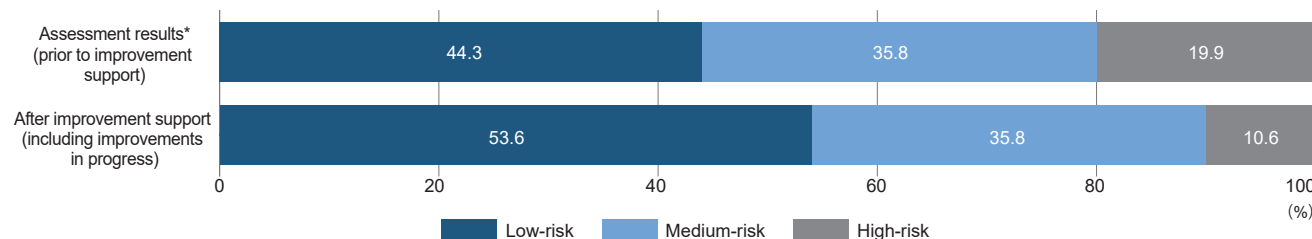
	Selection criteria	2017/3	2018/3	2019/3	2020/3
Tier 1 suppliers (procurement partners)	—	Around 3,200			
First selection (important procurement partners)	Top 80% of transaction volume	Around 600			Around 200*1
CSR assessment based on second selection	Risk assessment based on multiple perspectives, including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

\*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.

### Changes in Risk Level Due to Improvement Support (As of March 31, 2020) (Share of Companies)



\*Assessments implemented between the fiscal year ended March 31, 2017 and the fiscal year ended March 31, 2019.

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

	2019/3	2020/3
Main items for correction	<ul style="list-style-type: none"> <li>· Prolonged working hours</li> <li>· Employees working many days in a row</li> <li>· Failure to refund recruitment fees (Health check expenses)</li> </ul>	<ul style="list-style-type: none"> <li>· Prolonged working hours</li> <li>· Employees working many days in a row</li> <li>· Failure to refund recruitment fees (Visa fees)</li> </ul>
Status	100% completed	Improvements underway



>[Strengthening Supply Chain Management](#) >Respecting Human Rights >Promoting the Success of Diverse Employees >Strengthening Compliance >Ensuring Effective Governance

## ■ 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 Nikon Group recognizes that the fact that the scope of CSR assessments and audits is limited only to critical tier 1 suppliers and is not carried through the whole supply chain is a problem affecting CSR procurement.

In order to strengthen our responsible supply chain management system with the aim of addressing relevant issues, we are implementing improvements to realize effective CSR assessment methods that utilize RBA data and systems. We are also expanding the scope of CSR assessments and audits, working to clarify CSR risk in relation to all important procurement partners, including tier 2 suppliers, and to rectify any inappropriate behavior.

## Column

### Assessment on Migrant Workers

In recent years, there has been growing concern within society regarding human rights violations affecting migrant workers. The Nikon Group takes this issue very seriously, and in the fiscal year ended March 31, 2020 we implemented an assessment targeting the employment brokers providing migrant workers for two of our procurement partners. More specifically, we asked the employment brokers to comply with the Nikon CSR Procurement Standards, and looked into the situation for migrant workers at every stage from the initial employment brokerage through to working at the procurement partner and returning to their home country.

The assessment results showed that, as regards behavior that is inappropriate from a human rights perspective,

health check expenses and language learning expenses were a particularly significant burden for workers. While requiring migrant workers to pay these expenses was permitted by the laws of both the sending country and receiving country, this situation can be seen as constituting a violation of the Nikon CSR Procurement Standards, because when workers take out loans to pay these expenses this may result in what is effectively forced labor, restrictions on workers' freedom, and impoverishment. With this in mind, we have asked our procurement partners to ensure compliance with the Nikon CSR Procurement Standards and to rectify the situation.

### Dealing with the Issue of Conflict Minerals

Besides formulating its Responsible Minerals Sourcing Policy, the Nikon Group is collaborating with its procurement partners on surveys of conflict minerals producer nations and on related due diligence. For more detailed information about these measures, please see our Conflict Minerals Report, which can be accessed on the Nikon website.

- ▶[Conflict Minerals Report \(2019 Survey Results\)](#)  
[https://www.nikon.com/about/sustainability/csr-management/supply-chain/Conflict\\_Minerals\\_Report-2019.pdf](https://www.nikon.com/about/sustainability/csr-management/supply-chain/Conflict_Minerals_Report-2019.pdf)
- ▶[List of RMAP Conformant Smelters Resulting from the 2019 Nikon Conflict Minerals Survey](#)  
[https://www.nikon.co.jp/sustainability/csr-management/supply-chain/rmap\\_list.pdf](https://www.nikon.co.jp/sustainability/csr-management/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.

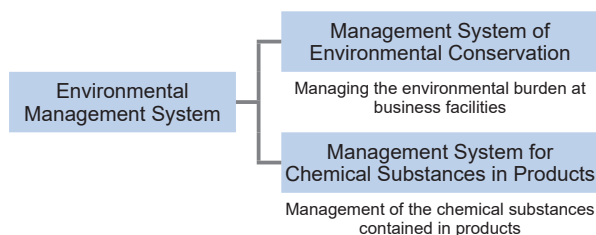
### Approach to Green Procurement

The Nikon Group has formulated the Nikon Basic Green Procurement Policy. Our fundamental approach to Green Procurement, based on the Policy, is to give priority to the purchase of items produced while taking environmental issues into consideration and to purchasing from procurement partners who are proactive in caring for and conserving the environment.

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). The “Separate Volume – Corresponding Chemical Substance List” compiled as an annex to the Nikon Green Procurement Standards specifies which chemical substances are prohibited and which must be specially managed, and procurement partners are expected to comply with these requirements. Both the Standards and the List are revised and updated regularly in line with domestic and international laws and regulations.

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

### Environmental Management System



### Green Procurement Promotion System

The Nikon Group has established the Green Procurement Promotion Conference (the members of which comprise mainly section managers who are involved in the practical aspects of green procurement) under the Supply Chain Subcommittee to formulate concrete activity plans and discuss and implement relevant measures.

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

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. Approximately 550 procurement partners have been selected to be targets of the auditing, taking into account the

risk of the procurement partner being involved in a violation of environment-related laws and regulations. A plan has been formulated for completing the auditing of the selected companies by the fiscal year ending March 31, 2022. 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. 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. If the environmental management system is non-conforming, then that procurement partner will be required to rectify it. 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.

### Environmental Partner Certification Renewal

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 documentary audit will be implemented.

**Nikon Group Auditing and Certification Performance**  
(companies)

Category	2020/3	
Environmental Partner certification performance	Performance in the fiscal year ended March 31, 2020	Cumulative total
	23 (of which 14 involved rectification, and 3 involved support for system establishment)	498
Re-certification audit performance	121	

**Cultivation of Environmental Management System Auditors**

The Nikon Group holds annual presentations regarding important aspects of our management of chemical substances in products, for procurement partners both in and outside Japan. We also hold presentations as necessary for our business units and for the Group companies in and outside Japan. In addition, to enhance the quality of procurement partner auditing, we also undertake 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 Group company Auditors play a key role in environmental management system auditing. In the fiscal year ended March 31, 2020, 24 new Auditors were trained and certified, bringing the total number of Auditors within the Nikon Group to 154.

**Initiatives to Address Key Issues**

**Adoption of Measures to Make Re-certification Auditing More Efficient**

In 2009, the Nikon Group began to implement environmental management system auditing of our procurement partners. With around 90% of procurement partners having already undergone initial auditing, currently re-certification auditing – which is performed every three years – accounts for most auditing work. With the increase in the share of all auditing accounted for by re-certification auditing, in the fiscal year ended March 31, 2019, new procedures were established for making re-certification auditing more efficient. As procurement partners that have not been required to undertake any remedial activity in the past two audits are classed as low-risk, auditing assessment for these firms is based solely on the responses given on the audit sheet. In the fiscal year ended March 31, 2020, this procedure is being applied, as far as possible, to all eligible procurement partners, thereby helping to make auditing more efficient.

**Expanding the Scope of Application of the Nikon Green Procurement Standards**

Up until now, the Nikon Green Procurement Standards have not applied to items purchased independently by individual departments at Nikon such as sales departments. To address this situation, in the fiscal year ended March 31, 2020, we examined the current status of independent procurement by Nikon sales departments and the Group sales companies. On the basis of the results, the scope of application of the Nikon Green Procurement Standards was expanded to include applicable items. Implementation of the new Standards was scheduled to begin starting from April 2020. With regard to the constantly changing regulations governing chemical substances, we revise the Nikon Green Procurement Standards as necessary, and we ask our procurement partners to take appropriate action. In the

fiscal year ended March 31, 2020, regarding the revision of the RoHS directive and REACH regulations to cover four types of phthalate esters and PFOA, we explained the changes at the annual briefings that we hold for our procurement partners, and once again asked them to take appropriate action.

## Priority Issue 8 Respecting Human Rights



### Reason for Priority

There are still many human rights issues in the world today that are related to the business activities of companies, including forced labor and child labor. Particularly in recent years, it has become apparent that there are serious labor issues relating to the abuse of migrants and foreign workers, and there is an urgent need to address these problems. In order to face up to these serious and complex social issues, and to contribute towards their resolution, 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, in April 2019 we launched the Nikon Human Rights Policy.

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  
Chairperson of the CSR Committee

### Activity Policies

- Nikon Human Rights Policy

### System

- CSR Committee

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>Strengthening Supply Chain Management >[Respecting Human Rights](#) >Promoting the Success of Diverse Employees >Strengthening Compliance >Ensuring Effective Governance

## 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

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/csr-management/human-rights/human_rights_policy.pdf)  
[https://www.nikon.com/about/sustainability/csr-management/human-rights/human\\_rights\\_policy.pdf](https://www.nikon.com/about/sustainability/csr-management/human-rights/human_rights_policy.pdf)

▶[Nikon Group Privacy Protection Statement](https://www.nikon.com/privacy/privacy_policy.htm)  
[https://www.nikon.com/privacy/privacy\\_policy.htm](https://www.nikon.com/privacy/privacy_policy.htm)

- ▶[Nikon CSR Procurement Standards](https://www.nikon.com/about/corporate/procurement/csr/)  
<https://www.nikon.com/about/corporate/procurement/csr/>
- ▶[Responsible Minerals Sourcing Policy](https://www.nikon.com/about/sustainability/csr-management/supply-chain/conflict_minerals_policy.pdf)  
[https://www.nikon.com/about/sustainability/csr-management/supply-chain/conflict\\_minerals\\_policy.pdf](https://www.nikon.com/about/sustainability/csr-management/supply-chain/conflict_minerals_policy.pdf)
- ▶[Joining the UN Global Compact \(P9\)](#)

### Organizational 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 Section, 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.

- ▶[Code of Conduct Hotline \(Reporting and Consulting System\) \(P88\)](#)
- ▶[Inquiries \(Procurement, CSR procurement, Green procurement\)](https://www.nikon.com/about/corporate/procurement/form/)  
<https://www.nikon.com/about/corporate/procurement/form/>
- ▶[Conflict Mineral Hotline](https://www.nikon.com/about/sustainability/csr-management/supply-chain/form/)  
<https://www.nikon.com/about/sustainability/csr-management/supply-chain/form/>

### 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.)



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## Initiatives for Preventing Human Rights Violations

### 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

The Nikon Group conducts human rights and labor monitoring surveys within the Group 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 the data concerning occupational safety, etc. 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. In recent years, growing attention has been paid to the issue of slave labor involving foreign technical intern

trainees in Japan and migrant workers in Asian countries outside Japan. In response, as part of the Group monitoring surveys outlined above, the Nikon Group has sought to confirm the current status of foreign technical intern trainees and migrant workers, following the survey conducted in the previous fiscal year.

In May 2018, Nikon joined the Responsible Business Alliance (RBA). Since then, we have been implementing self-assessment to verify that manufacturing sites or manufacturing companies in the Nikon Group operate in conformity with the RBA Code of Conduct. We have also been implementing review for the identification of risks and potential improvements.

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 \(P9\)](#)

▶[Risk Management for Information Assets \(P94\)](#)

#### Other related measures

▶[Promoting CSR Procurement \(P68\)](#)

▶[Conflict Minerals Report \(2019 Survey Results\)](#)  
[https://www.nikon.com/about/sustainability/csr-management/supply-chain/Conflict\\_Minerals\\_Report-2019.pdf](https://www.nikon.com/about/sustainability/csr-management/supply-chain/Conflict_Minerals_Report-2019.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

The Nikon Group publishes a CSR newsletter for all Group employees for raising their awareness, and the contents sometimes include human rights articles.

In the fiscal year ended March 31, 2020, the Nikon Group has implemented human rights training for the employees at all Nikon Group companies, to ensure awareness among employees of the Nikon Human Rights Policy and promote a better understanding of human rights; more than 90% of employees took part in this training. The training included an overview of the Nikon Human Rights Policy and major risks related to the Nikon Group's business activities, and explained points to bear in mind or actions to take in employees' everyday duties in order to prevent or respond to such risks. The training was implemented in an appropriate way – such as e-learning, classroom training or self-learning – at each Group company. 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 \(P68\)](#)

## Compliance with the UK Modern Slavery Act

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/csr-management/human-rights/uk-modern-slavery2020.pdf>



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## Labor Relations

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, 2020, the Nikon Labor Union had 4,102 members. The company and unions discuss various issues including the workplace environment, hold joint study meetings, and exchange 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, dialogue with employee groups, and face-to-face meetings with individual employees.

As a result, currently, labor and management maintain generally good relations. Whenever a substantial change is made to the job description 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.

## Priority Issue 9

# Promoting the Success of Diverse Employees



### Reason for Priority

As we develop our business globally, we have 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 (diversity & inclusion), and where all employees can thrive professionally.

### Commitment

Creating a corporate culture that can continue to drive the creation of new value is necessary for Nikon to achieve our Medium-Term Management Plan and make it into the foundation for sustainable growth. To this end, it is important to create an attractive environment that respects human rights and embraces diversity while enabling employees to reach their full potential. We believe that this represents one of Nikon Group's most important social responsibilities.

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 and building a workplace environment that safeguards employees' health and peace of mind. Moreover, we believe that promoting the advancement of women in the workplace in Japan is an important issue to address. We will continue to establish a workplace environment where women working at the Nikon Group can play an active role.

Takumi Odajima  
Representative Director and Executive Vice President  
General Manager of Human Resources & Administration Division



## 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

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.

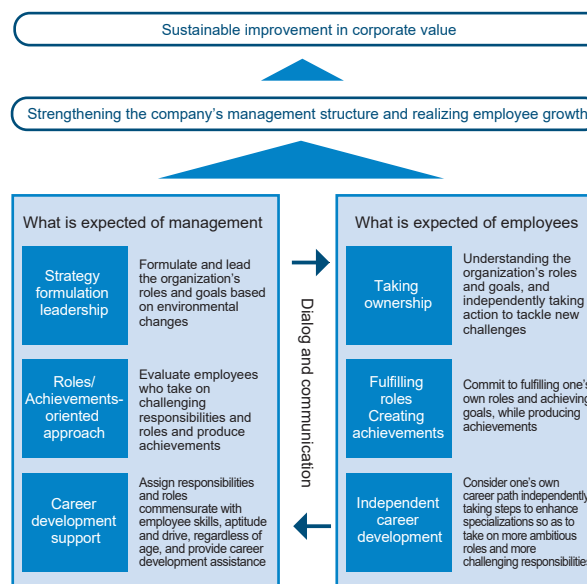
The Nikon Group conducts fair evaluations with emphasis on performance, irrespective of age, gender, etc., and encourages employees to fulfill their responsibilities and roles and produce achievements. Employees are placed in jobs and roles based on their aptitude, skills and drive, and we support them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

### Nikon's HR Management System

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. 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 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

The Nikon Group offers training and educational programs linked with 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, 2020, in terms of employee education and training, Nikon held a total of 306 training courses (including the training noted on the right) organized by departments specializing in employee education, which were attended by a total of 5,777 employees. On average, Nikon employees spent 2.6 days per year undergoing training.

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. Employees of Group companies in Japan can also take a part in training courses offered by Nikon.

**Annual Number of Training Days Per Employee (Fiscal year ended March 31, 2020)** (days)

	Number of training days on average
Managers	1.3
Non-managers	2.8
Men	2.5
Women	3.3

#### 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 development 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

#### Strengthening Management

Nikon aims to strengthen management by implementing training that helps newly-appointed managers to understand 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. In the fiscal year ended March 31, 2020, as a form of support implemented based on the results of the multifaceted evaluation that was adopted as part of our efforts to strengthen management, we implemented training aimed at enhancing working capabilities and collaborative capabilities, with a total of 64 employees participating. In the fiscal year ending March 31, 2021, we will 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 development training to get employees thinking about how their careers could develop in the future.

In the fiscal year ended March 31, 2020, Nikon implemented career development training for employees who had reached the milestone ages of 35, 45 and 50. Career development 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, 2021, we will be expanding our support for employee career development by providing training for employees in their late 50s to think about how their career can develop in their 60s and after.

#### Development of High Level Monodzukuri Capabilities

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 processes to downstream processes. Moreover,

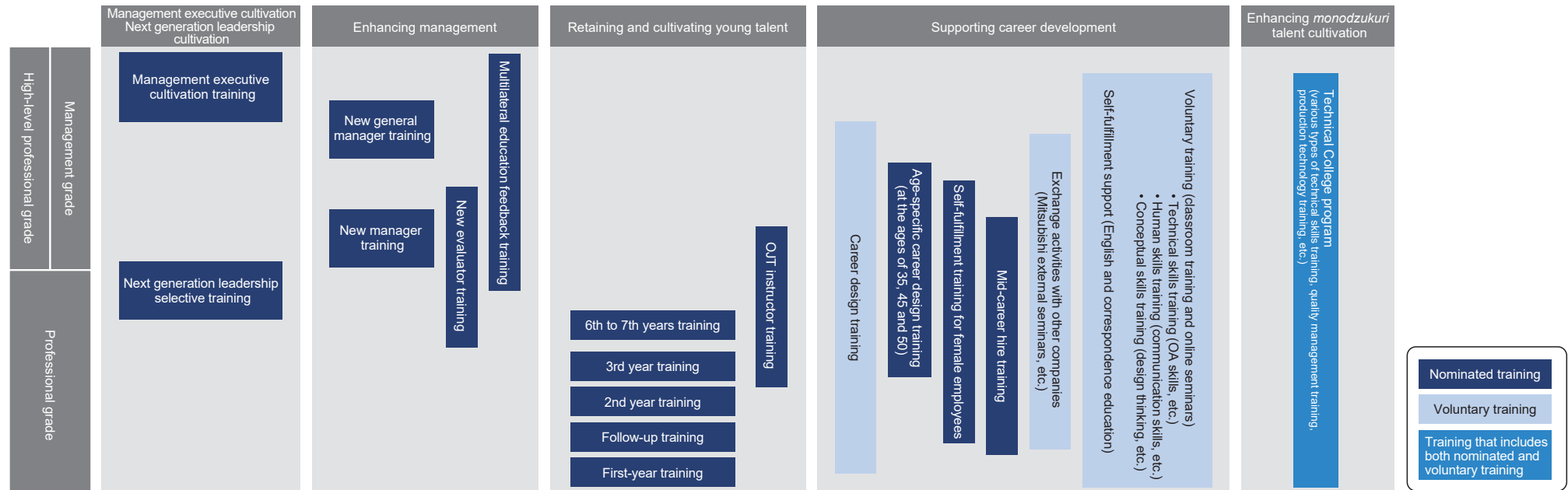


mid-level designers receive practical training on processing to acquire general manufacturing knowledge, with the aim of promoting advancement in skills. Furthermore, Nikon has also been offering optical designer cultivation training in relation to maintaining and advancing opto-electronics technologies, 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, 2020, we adjusted the content of the training program provided for technicians, and established a new training system – the Technical College

program – with the aim of strengthening the technological foundations that are so essential for Nikon's *monodzukuri*. Starting from the fiscal year ending March 31, 2021, Nikon's Technical College program will be providing opportunities for young technicians to learn systematically not only about their own technological specialties, but also about a wide range of other aspects of technology, as we endeavor to cultivate technicians who possess the capacity to innovate across a broad range of fields.

- ▶ [Monodzukuri Reform \(P25\)](#)
- ▶ [Quality Training and Raising Awareness \(P27\)](#)

**Education and Training Structure Diagram**



\* Education and training structure implemented by the Nikon's Human Resources Development Department, which excludes education and training provided independently by individual business departments and administrative departments.

## Diversity & Inclusion

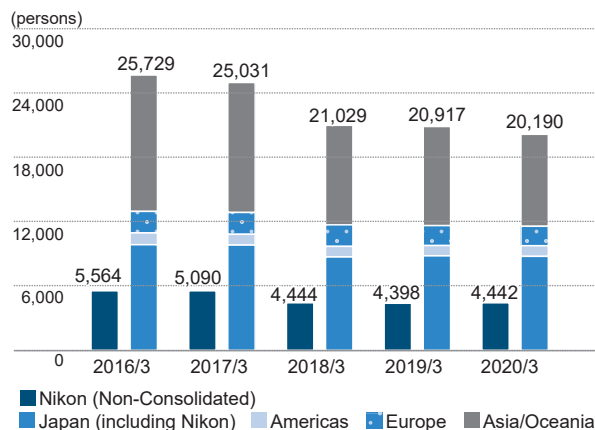
The Nikon Group respects the diversity and human rights of employees that come from various backgrounds.

We actively strive to build an environment that accepts diversity and facilitates success by maximizing the skills of each and every employee.

### Respect for Diversity

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 accordance with this approach, 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

#### 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.

Diversity & 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.

### Women in the Workplace

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 number of female employees recruited through the regular annual recruitment process to at least 25% of the annual total, and of increasing the number of female managers by at least 20% by March 31, 2022, compared to the situation on March 31, 2019.

In order to realize these goals, we are proactively implementing recruitment activities, and we have striven to support women's career development through the use of a mentoring system. As a result of these efforts, in the fiscal year ended March 31, 2020 the female ratio of all new employees recruited through regular annual recruitment process rose to 28%, and as of March 31, 2020, the number of female managers had risen by 27% to 38 (including 4 managers at department head level or higher and 34 managers at section head level), representing the achievement of the target.

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

#### Ratio of Female Employees

	2016/3	2017/3	2018/3	2019/3	2020/3
Nikon	10.6	11.0	11.5	13.2	13.5
Group companies in Japan	15.9	16.8	15.5	13.5	13.3
Group companies in Europe			24.2	24.7	27.5
Group companies in the Americas	66.6	65.5	29.2	25.5	24.1
Group companies in Asia/Oceania			72.5	71.7	70.3
Nikon Group (Total)	—	—	40.5	41.0	39.2

\* 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 Females in Management Positions**

(%)

	2016/3	2017/3	2018/3	2019/3	2020/3
Nikon	4.7	5.7	5.8	5.1	6.6
Group companies in Japan	2.4	3.7	2.5	3.3	2.2
Group companies in Europe			21.6	20.1	23.9
Group companies in the Americas	28.0	26.5	31.4	21.9	29.7
Group companies in Asia/Oceania			29.8	21.4	22.0
Nikon Group (Total)	—	—	13.1	12.1	14.8

\* 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.

\* Starting from the fiscal year ended March 31, 2018, the Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.

**Nikon’s Reemployment System for Retirees**

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.

Nikon is also implementing various measures aimed at helping employees to undertake career planning from a long-term perspective, such as the Life Plan Seminar for post-retirement living, which is held for employees who will reach mandatory retirement age in the following year (a total of 133 employees attended this seminar in the fiscal year ended March 31, 2020).

**Supporting People with Disabilities**

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 2019, persons with disabilities accounted for 2.6% 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.

The Nikon Group in Japan has set itself the target of having every Group company in Japan meet the statutory minimum disabled persons employment rate. To accomplish this goal, we have sought to promote greater understanding of persons with disabilities by implementing e-learning for all Nikon Group employees in Japan, arranging for the sale of products produced by disability

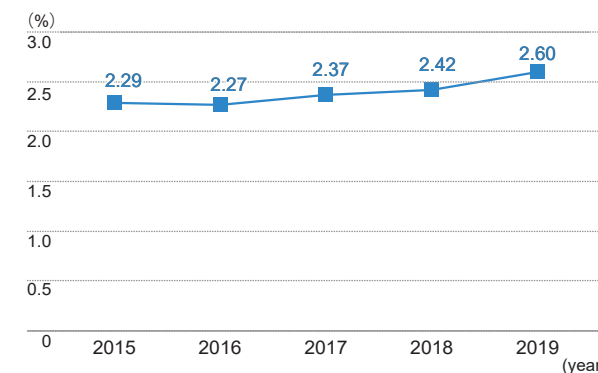
support groups within individual Nikon Group workplaces, etc. In the fiscal year ended March 31, 2020, 14 out of 18 Nikon Group companies in Japan (including Nikon Tsubasa Inc., a special subsidiary of Nikon) had achieved the statutorily required number of employees with disabilities. Starting from the fiscal year ended March 31, 2020, Nikon has been registered with Tokyo Metropolitan Government as a Heart Barrier Free supporting company.

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



Heart Barrier Free registration certificate

**Changes in Employment of People with Disabilities under Group Certification**



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

Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	<b>Strengthening CSR Foundations</b>	Corporate Citizenship Activities
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>Strengthening Supply Chain Management >Respecting Human Rights >[Promoting the Success of Diverse Employees](#) >Strengthening Compliance >Ensuring Effective Governance

## Creating an Employee-friendly Working Environment

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. In the fiscal year ended March 31, 2020, the percentage of Nikon employees taking their annual paid leave stood at 81.5%; this figure has remained relatively high compared to the national average of 52.4% in 2018 as reported in the 2019 General Survey on Working Conditions compiled by Japan's Ministry of Health, Labor and Welfare. The main measures implemented by Nikon in this regard are outlined below. From April 2020 onwards, Nikon aims to continue to maintain the percentage of employees taking annual paid leave at least 70%.

#### Countermeasures against Long-working Hours

- Implemented the Cooling System, which is intended to prevent certain individuals from taking on excessive overtime work, 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

In January 2020, Nikon adopted Super Flex Time Working. Unlike the previous Flex Time Working system, there is no core time period (in which employees are required to work), so this will help to create an environment in which employees can work more flexibly.

Nikon has established a telecommuting system. To encourage employees to make use of the system, September and October 2019 were designated as "Nikon Telework Days," with all employees being encouraged to work from home on at least one day during this period. In response to the spread of the COVID-19 epidemic, the restrictions governing the telecommuting system have been relaxed, and Nikon has actively promoted the system's use as an infection prevention measure. As a result, in the fiscal year ended March 31, 2020, a total of 3,524 employees from 470 units (section-level units) made use of the system, giving a usage rate of 79.3% of all Nikon employees.

### 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. 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. Starting from May 2019, in relation to childcare leave and reduced working hours systems, etc., Nikon has gone beyond the statutory requirements by extending the provision of these systems to cover children up until graduation from elementary school. Since January 2020, special paid leave to attend children's school events has also been available.

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.

As a result of the measures that Nikon has implemented to date, 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.





>Strengthening Supply Chain Management >Respecting Human Rights >[Promoting the Success of Diverse Employees](#) >Strengthening Compliance >Ensuring Effective Governance

## Employees' Health and Safety

The Nikon Group recognizes a workplace environment that enables employees to work safely and actively, both physically and mentally, leads to the improvement of workplace vitality and productivity as well as personal life. Based on this idea, we are working on strict safety management and health maintenance and improvement activities.

### Health and Safety Activity Policies

The Nikon Group has established the Nikon Group Health and Safety Activity Policies, which are updated annually. These policies are used to ensure the health and safety of employees - who are the foundation of corporate activities - and to promote improved productivity and work-life balance.

#### Nikon Group Health and Safety Activity Policies for the Fiscal Year Ended March 31, 2020

**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 an employee-friendly workplace environment

**Targets:** Properly implement health and safety risk analysis and related measures, and strive to build an employee-friendly workplace environment

- (1) Maintain and improve employee health
  - Hold health seminars relating to lifestyle habit improvements
  - Implement campaigns to encourage employees to stop smoking
- (2) Prevent occupational accidents
  - Implement chemical substance auditing
  - Share reports on occupational accident case studies and measures (including sharing with the Group companies outside Japan)
  - Strengthen measures to prevent the reoccurrence of accidents attributable/related to work

### Health and Safety Management System

The Nikon Group Health and Safety Activity Policies are established by the Central Health and Safety Committee. This committee is different from the mandatory Health and Safety Committee. It is made up of representatives from both labor and management and chaired by the Representative Director and Executive Vice President. The presidents of major Group companies in Japan also participate as observers.

The Central Health and Safety Committee assesses and monitors regular health exams, stress checks, and occupational accidents at the Nikon Group in Japan. Based on this, it also incorporates measures to be implemented in the future into the Nikon Group Health and Safety Activity Policies for the subsequent fiscal year. Regarding the securing of 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, and Nikon Lao Co., Ltd. (in Laos) has received OHSAS 18001 certification.

### Raising Health and Safety Management Standards

Nikon provides initial health and safety training and statutory training for new hires and foremen. Also, we provide health and safety training at those Group companies in Japan that had significant occupational accidents in the previous fiscal year. In the fiscal year

ended March 31, 2020, Nikon implemented initial training, including safety-related training, for approximately 150 new employees and new temporary employees. Training for foremen, focused on specialist matters, was implemented for 103 foremen. In addition, visiting training sessions were implemented at four Group companies in Japan, with a total of 594 employees participating.

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, 2020, there were 29 occupational accidents of the type referred to above, even lower than in the previous year. The most common types of accident were collisions and coming into contact with harmful substances, etc. In the future, we will be focusing even more on identifying accident risks.

As regards occupational accidents at the Group companies outside Japan, we monitor the situation at each company by conducting a survey at the end of every fiscal year. We also strive to share information with, and raise awareness at, the Group companies.

\* Excluding traffic accidents while traveling on business, and excluding accidents involving falls, etc. where the accident was mainly due to individual carelessness.

**Occupational Accidents Attributed/Related to Work**

(cases)

	2017/3	2018/3	2019/3	2020/3
Nikon Group in Japan	39	33	38	29

\* Target for the fiscal year ended March 31, 2020: less than 40.

\* There were 26 Group companies in Japan, including non-consolidated Group companies, in the fiscal year ended March 31, 2020.

**Severity Rate of Lost Time Accidents (1 or More Days)\*1**

	2016/3	2017/3	2018/3	2019/3	2020/3
All industries in Japan	0.07	0.10	0.09	0.09	0.09
Manufacturing industry in Japan	0.06	0.07	0.08	0.10	0.10
Nikon Group	-	-	-	-	0.01
Nikon	0.00	0.00	0.01	0.02	0.00
Group companies in Japan	0.01	0.01	0.01	0.02	0.01
Group companies in Europe	-	-	0.06	0.03	0.06
Group companies in the Americas	-	-	0.00	0.00	0.01
Group companies in Asia/Oceania	-	-	0.01	0.00	0.00

\*1 Severity rate

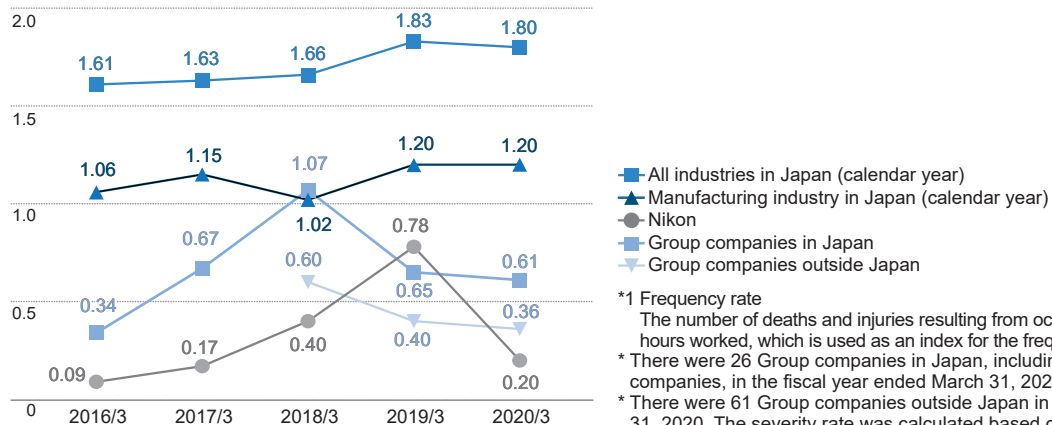
The number of work days lost per 1,000 hours worked, which is used as an index for the severity of occupational accidents.

\* 0.00 indicates a rate of less than 0.005.

\* There were 26 Group companies in Japan, including non-consolidated Group companies, in the fiscal year ended March 31, 2020.

\* There were 61 Group companies outside Japan in the fiscal year ended March 31, 2020. The severity rate was calculated based on total imputed working hours.

**Frequency Rates of Lost Time Accidents (1 or More Days)\*1**



\*1 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 26 Group companies in Japan, including non-consolidated Group companies, in the fiscal year ended March 31, 2020.

\* There were 61 Group companies outside Japan in the fiscal year ended March 31, 2020. The severity rate was calculated based on total imputed working hours.

**Supporting the Health of Employees Assigned to Group Companies outside Japan**

Nikon is working to enhance health support for employees who are assigned from Japan to work at the Group companies outside Japan. Specifically, we are expanding pre-departure training and conducting health checkups during assignments. Also, we provide support to these employees in response to local medical risks through coordination with international medical assistance services and other measures.

**Mental Health Care**

As part of its response to the introduction of the legally mandated employee stress check system, Nikon emphasizes questions pertaining not only to employee comfort, but also to motivation. We compile and analyze findings for each workplace, and use these as a basis for making improvements in the working environment. We also conduct health promotion events with the aim of helping employees to maintain and improve their physical and mental health. In recognition of these initiatives, Nikon received certification as a Health and Productivity Management Organization 2020 in February 2020.



\* Health and Productivity Management Organization 2020

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.

## Priority Issue 10 Strengthening Compliance



### Reason for Priority

Increasing public attention has been drawn to corporate social responsibility over time. Amidst this, there have been a number of scandals that have even threatened the survival of major companies in an instant due to the materialization of risk of loss of credibility accompanying misconduct. By focusing on international guidelines and rules, Nikon and other companies must not only prevent scandals before they occur, but also in a broader sense strengthen their compliance system and contribute to the sustainable development of society, playing a role in the realization of a better society.

### Commitment

The Nikon Code of Conduct 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. Acting according to the Nikon Code of Conduct will ensure Nikon fulfills its social responsibilities and contributes to the sustainable development of society.

I will continue to put the Nikon Code of Conduct into practice also to crystallize our corporate philosophy “Trustworthiness and Creativity” and management vision of “Unlock the future with the power of light.”

Takumi Odajima  
Representative Director and Executive Vice President  
General Manager of Human Resources & Administration Division  
Chairperson of the Business Conduct Committee

### Activity Policies

- Nikon Code of Conduct
- Nikon Anti-Bribery Policy

### System

- Business Conduct 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

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. 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. The booklet of the Nikon Code of Conduct has been issued in 16 languages and distributed to all employees in and outside Japan.

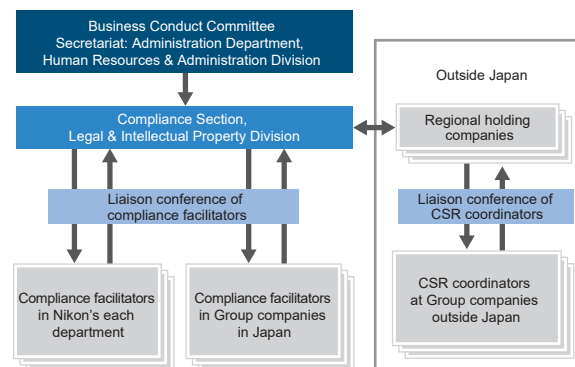
[Nikon Code of Conduct](https://www.nikon.com/about/sustainability/nikon-csr/codeofconduct/)  
<https://www.nikon.com/about/sustainability/nikon-csr/codeofconduct/>

### Compliance Promotion System

The Nikon Group has established the Business Conduct Committee for deliberating and making decisions on important issues regarding promotion of compliance. The committee is chaired by the Representative Director, Executive Vice President, and General Manager of Human

Resources and Administration Division of Nikon. The Administration Department of Nikon's Human Resources and Administration Division serves as the secretariat of the committee. For the promotion of compliance, the Compliance Section of the Legal and Intellectual Property Division spearheads activities. In Japan, we collaborate with the compliance facilitators at each of Nikon's departments and the Group companies to undertake compliance promotion activities. Furthermore, the Nikon Group organizes liaison conferences with compliance facilitators in order to achieve highly efficient activities. The Nikon Group also cooperates with its Group companies outside Japan, mainly with the regional holding companies, in order to address the risk of violating laws unknowingly since laws differ in each country. Furthermore, we take up the opinions of each Group company and reinforce global activities by sharing their knowledge of cultures, customs and regulation in each country and region.

**Compliance Promotion Structure Diagram (As of July 1, 2020)**



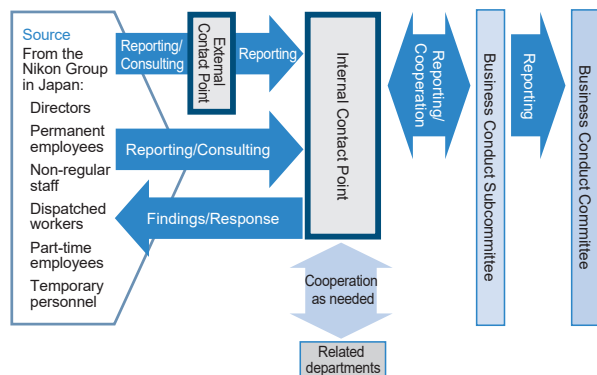
### Code of Conduct Hotline (Reporting and Consulting System)

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 and the Americas. In regard to the Group companies in China, multiple contact points are accessible at the regional holding company, Nikon's headquarters and the external specialist firms (limited to some subsidiaries only) in addition to those set up at these companies themselves. In the fiscal year ended March 31, 2020, we established and commenced operations of an external contact point by a specialist firm in Asia, excluding China and South Korea. Consultations can be made anonymously. 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 handed out 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, 2020)**

(cases)

	Cases
Group companies in Japan	36
of which human rights-related matters (harassments, labor, etc.)	32
Group companies outside Japan	11
of which human rights-related matters (harassments, labor, etc.)	5

**Compliance Promotion Activities**

**Compliance Training for All 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. To this end, we hold compliance seminars for officers as well, which are delivered by attorneys who specialize in this field on the occasion of the Business Conduct Committee meetings. We provide e-learning training programs and conduct classroom training sessions by compliance facilitators at each department and the Group company in and outside Japan.

In the fiscal year ended March 31, 2020, the Nikon Group used classroom training and e-learning in each region to provide training on human rights and the reporting and consulting system, in an effort to further penetrate the Nikon Code of Conduct within the Nikon Group. We also held training on topics unique to each region. At the Nikon Group companies in Japan, training focused on the common theme of points to consider in terms of the private use of social media and the elective themes of anger management, quality fraud, and diverse employment status (dispatched and contract workers). At the Group companies in Europe, the Americas and China, training was conducted related to the Anti-Bribery Guidelines. Further, in the Nikon Group's CSR 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, 2020, we conducted an awareness survey for the Nikon Group in Japan in October, with 10,743 employees responding (response rate of 95.4%). The results were reported during the meeting of the Business Conduct Committee 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**

The Nikon Group enacted the Nikon Anti-Bribery Policy to reiterate its long-standing commitment to the prevention of bribery.

In addition, led by the Compliance Section, holding companies outside Japan have each formulated their region-specific Anti-Bribery Guidelines. These guidelines put together business approaches, precautions and operational procedures, etc., on areas such as entertainment, gifts, donations, facilitation payment and management of third parties, and reflect regional characteristics, in order to comply with the Nikon Anti-Bribery Policy. Regarding management of third parties, the guidelines require further checks using a checklist in case of high-risk situations. Each regional holding



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company also leads the training sessions that are continually held to raise the awareness of the guidelines. Further, at the end of the fiscal year, Nikon and each of the Group companies reviewed their implementation of these Anti-Bribery Guidelines through self-assessment checklists with the aim of making improvement in the next fiscal year. In the fiscal year ended March 31, 2020, we revised the guidelines for the Group companies in Europe and China to define specific procedures following the unique situation of each region. We also conducted training to make revisions to the guidelines known to all. In South Korea, we began work on revisions.

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/csr-management/compliance/anti-bribery_policy.pdf)  
[https://www.nikon.com/about/sustainability/csr-management/compliance/anti-bribery\\_policy.pdf](https://www.nikon.com/about/sustainability/csr-management/compliance/anti-bribery_policy.pdf)

## Efforts to Prevent Competition Law Violations

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 has established a framework of communication between legal departments in an effort to strengthen its legal functions while continuing to promote education throughout the Group. Through this education, we strive to promote and disseminate the awareness of legal compliance across the entire Nikon Group as well as prevent the recurrence of 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's headquarter 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, 2020, was to "Continue to provide education for penetration and instilment of competition law education." Under this goal, in Japan we conducted e-learning following the legal revisions, and overseas we provide education based on the risks due to the nature of each company's business operations. In the fiscal year ended March 31, 2020, competition law training was held for 5,289 employees at 36 companies, including non-consolidated companies Nikon Latin America, S.A. (Panama) and Nikon Optical U.S.A. Inc. (the United States) (as of March 31, 2020; training results for Europe not included due to the impacts of COVID-19). Going forward, we plan to further strengthen collaboration between the Legal Department of Nikon's headquarters and legal department of each business operational site, and consider methods to check the level of understanding of competition law so that we can provide more effective education.

## Responding to Misconduct

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.

At Nikon in the fiscal year ended March 31, 2020, there were four disciplinary actions for misconduct against a party or supervisor (13 persons) including one related to a procurement partner or business partner, one related to export/import control, and two related the appropriate use and management of company assets. There were five disciplinary actions at the Group companies in Japan for misconduct (five persons). At the Group companies outside Japan, six persons received disciplinary action for misconduct concerning one of the cases related to the appropriate use and management of company assets at Nikon.

Nikon continually provides education for employees through the CSR newsletter, e-learning and other means in order to prevent the recurrence of misconduct.

## Priority Issue 11 Ensuring Effective 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. 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 transitioning to a company with an Audit and Supervisory Committee, establishing the Compensation Committee and Nominating Committee, and increasing the number of external directors on the Board of Directors to more than one-third.

In the fiscal year ending March 31, 2021, we will continue to enhance corporate governance, including officially launching the President's succession plan, and more.

Kazuo Ushida  
Director and 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

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.

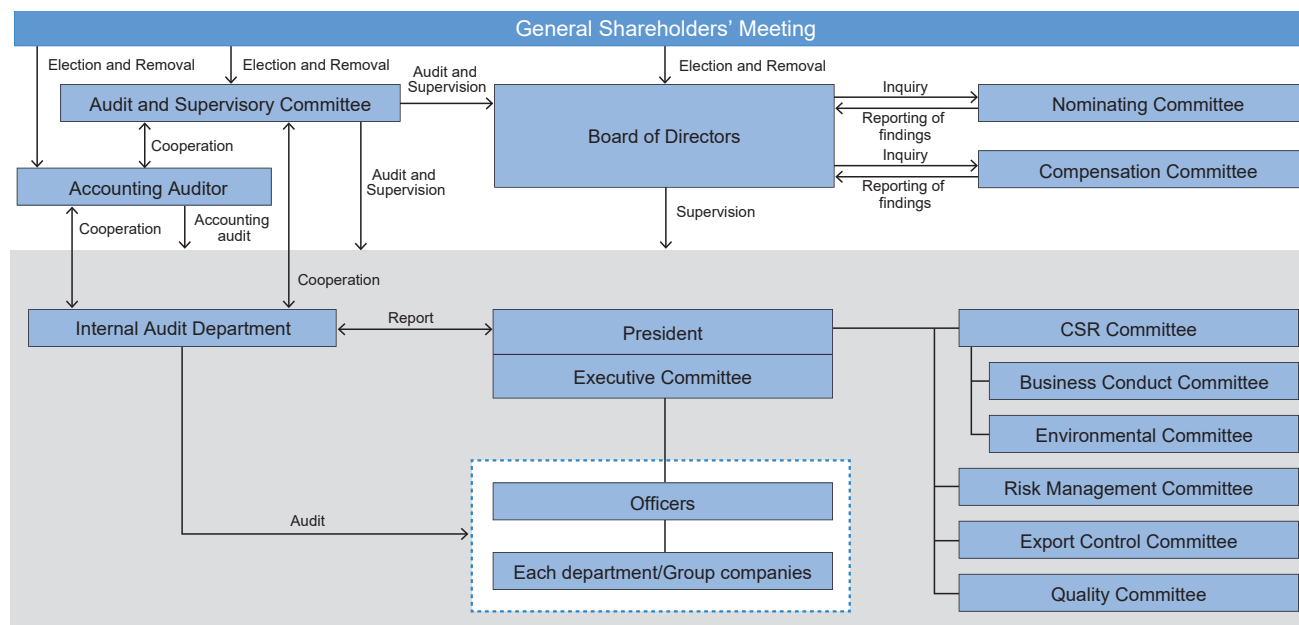
▶ [Corporate Governance Guideline](https://www.nikon.com/about/ir/governance/organization/guideline/)  
<https://www.nikon.com/about/ir/governance/organization/guideline/>

### 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/)  
<https://www.nikon.com/about/ir/governance/organization/>

**Nikon's Corporate Governance Organization (As of June 26, 2020)**



### Related Information

▶ [Internal Control System](https://www.nikon.com/about/ir/governance/internal-control/)  
<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/)  
<https://www.nikon.com/about/ir/governance/internal-control/policy/>

▶ [NIKON REPORT/Annual Report](https://www.nikon.com/about/ir/library/ar/)  
<https://www.nikon.com/about/ir/library/ar/>

▶ [Shareholders' Meeting](https://www.nikon.com/about/ir/stock_info/meeting/)  
[https://www.nikon.com/about/ir/stock\\_info/meeting/](https://www.nikon.com/about/ir/stock_info/meeting/)



## Risk Management

The Nikon Group manages comprehensive risks and implements measures for its sustainable growth.

### Basic Approach to Risk Management

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

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 Officer responsible for Risk Management and made up of Executive Committee members, with the Administration Department serving as secretariat. For the fiscal year ended March 31, 2020, the committee was held in August 2019 and in February 2020.

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, 2020

- Report of results of survey on litigation
- Company-wide risk identification survey, incident report
- Enforcement and response to EU General Data Protection Regulation (GDPR)

#### Main Specialist Committees Involved in Risk Management

Committee	Main risks handled
Risk Management Committee	Risk in general
CSR Committee	CSR in general
Business Conduct Committee	Compliance in general
Environmental Committee	Environmental issues in general (climate change, management of chemical substances, water, etc.)
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 potentially affecting the Group. In the fiscal year ended March 31, 2020, risk identification surveys were conducted among department manager level or higher at Nikon Corporation as well as among presidents of the Group companies in and outside Japan. A risk assessment was conducted to identify, analyze, and evaluate risks from a company-wide perspective. Based on this risk map, risks caused by the changes taking place over the past five years were identified on a company-wide and business unit basis. Countermeasures for the risks identified were confirmed with each business unit and reported to the Risk Management Committee.

Furthermore, all business units are subject to surveys concerning incidents with large impact for the Nikon Group to gain an overall insight into the risks affecting the Group. Summary of the committee report, including the risk map, was fed back from the secretariat to each business unit that responded to the survey to share awareness of company-wide risks.

#### Related Information

Financial results contain more information about business and other risks within analysis on management performance and financial condition.

[Consolidated Financial Results \(Fiscal year ended March 31, 2020, P8 to 10\)](#)  
[https://www.nikon.com/about/ir/ir\\_library/result/pdf/2020/20\\_4qf\\_c\\_e.pdf](https://www.nikon.com/about/ir/ir_library/result/pdf/2020/20_4qf_c_e.pdf)



>Strengthening Supply Chain Management >Respecting Human Rights >Promoting the Success of Diverse Employees >Strengthening Compliance >[Ensuring Effective Governance](#)

## BCM\*1 Activities Measures

The Nikon Group has formulated BCPs\*2 in preparation for large-scale disasters and other emergencies and reviews them every year.

In the fiscal year ended March 31, 2020, the Nikon Group carried out e-learning on the topic of “Considerations of emergency response based on natural disasters in 2018” based on the increased probability of large-scale earthquakes to occur such as a Tokyo Inland Earthquake or a Nankai megathrust earthquake, as well as due to intensified natural disasters including typhoon and flood in recent years. Training on natural disasters such as flood, typhoon, and earthquakes was provided to employees of the Group companies in Japan. We also provided communications training in the event of an emergency in conjunction with the disaster prevention training at Nikon plants. In addition, we conducted initial emergency response training in January 2020 for key personnel of the crisis management headquarters, which will be set up following a large-scale disaster.

As with large-scale earthquakes, the Pandemic Management Manual was developed in July 2019 (headquarters region) that defines the emergency structure and handling procedures for infectious diseases such as novel influenza that require emergency response. In order to address the COVID-19 epidemic, a crisis management headquarters was set up in February 2020 based on this manual and Nikon's basic BCM principles. Moreover, in order to prevent the spread of infectious disease caused by the novel coronavirus, e-learning on the topic of COVID-19 was conducted for one month started in May 2020, in aims to permeate knowledge on how to prevent spread of the infection among every employee.

\*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

The Nikon Group has built a high level information management system to meet the status of the countries and regions where we operate our business. Under this system, we protect our information assets from risks such as cyber attacks, leakages or disasters.

### Information Assets Management Policy

At the Nikon Group, the management and security of information assets are implemented based on the Nikon Group Information Security Policy. Furthermore, the Nikon Group Information Management Rules are 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/csr-management/governance/security_policy.pdf)  
[https://www.nikon.com/about/sustainability/csr-management/governance/security\\_policy.pdf](https://www.nikon.com/about/sustainability/csr-management/governance/security_policy.pdf)

### Information Management System

The Nikon Group has placed the President of Nikon as the superintendent of information management. In April 2020, Nikon underwent structural reorganization in aiming to accelerate the decision-making process. The Information Security Department has been established with the Representative Director and Executive Vice President serving as the director in charge, to propose measures toward information management throughout the entire Nikon Group and work to implement as well as maintain these systems.

Specifically, we have assigned the heads of each organization at the department and division level of Nikon, and at each Group company as the supervisor

of information management. They should strive for comprehensive and appropriate information management based on the guidance of Information Security Department. For example, we conduct security assessment on the website platform and applications so as to ensure the secure management of personal information in accordance with enhanced laws and regulations.

The Information Security Department is working with each company in implementing a Group-wide integrated management while developing information security management systems in line with the circumstances in each country and region. Furthermore, important cases in information asset risks are reviewed by the Risk Management Committee consisting of Executive Committee members.

In the fiscal year ending March 31, 2021, we will continue to improve our information management system through collaboration with relevant departments.

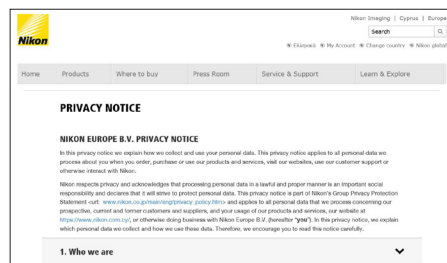
### Incident Response

When an 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 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 regularly by security vendors. There have been no major information security incidents involving the payment of fines or compensation in the past three years.

## Protection of Personal Information

The Nikon Group has established the Nikon Group Privacy Protection Statement as it believes the respect of privacy as well as lawful and appropriate handling of personal information are important social responsibilities. Based on the Statement, Nikon enforces the Nikon Group Personal Data Processing Rules. We are making the Statement and the Rules well known within the Nikon Group through education and awareness raising activities. Moreover, we conduct internal audits and voluntary inspections to check that personal information is handled lawfully and properly. Furthermore, we will continue to maintain and update the records of processing activities of personal information based on the Rules.

The Nikon Group presents customers with a privacy notice in accordance with the relevant laws and regulations of each country with regard to personal information received from customers.

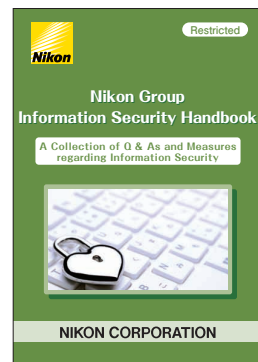


Privacy Notice of Nikon Europe B.V. in accordance with General Data Protection Regulation (GDPR) in EU (excerpt)

## Information Security Education

The Nikon Group strives to promote awareness and effectiveness of information security among employees. Specifically, we have posted the Nikon Group Information Security Policy and the Nikon Group Information Management Rules on the internal portal site, and we provide regular education on information security. Within this education program, we include not only knowledge of the statement 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 April 2020, the Information Security Handbook was revised. In the fiscal year ended March 31, 2020, we provided training on information security, for example, e-learning and periodical journals, for the Nikon Group employees outside Japan, including Europe and the United States.



Nikon Group Information Security Handbook

## Information Security Check

The Nikon Group periodically conducts internal checks to improve our information security level. In the fiscal year ended March 31, 2020, we distributed a checklist to departments at the Nikon Group in Japan (approximately 140) as part of a check on the status of information management systems, management of computers, file servers, etc., and handling of suspicious emails. In addition, we conducted checks of five departments in Nikon and six Group companies in Japan on the important themes of the workplace where there has been major organizational change, the possibility of retaining personal information and changes in individual numbers as nicknamed My Number (like Social Security

Number) related operations.

The Nikon Group plans to conduct internal checks focusing on the presence of appropriate information security measures in the fiscal year ending March 31, 2021.

## Taxation

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 March 2019 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, officers at finance and accounting departments are 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. 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.

Looking ahead, the Nikon Group endeavor to respond appropriately to changes in conditions and tax risks pertaining to tax governance in and outside Japan.

[Global Tax Policy](https://www.nikon.com/about/sustainability/csr-management/governance/tax_policy.pdf)  
[https://www.nikon.com/about/sustainability/csr-management/governance/tax\\_policy.pdf](https://www.nikon.com/about/sustainability/csr-management/governance/tax_policy.pdf)

Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	<b>Strengthening CSR Foundations</b>	Corporate Citizenship Activities
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>Strengthening Supply Chain Management >Respecting Human Rights >Promoting the Success of Diverse Employees >Strengthening Compliance >[Ensuring Effective Governance](#)

**Tax Payments by Region**

(million yen)

Region	Tax payment
Japan	7,029
United States	2,514
Europe	1,329
China	1,838
Other	1,225
Total	13,935

\* Results for the fiscal year ended March 31, 2019.



Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Contributing to Society through Business Activities	Responding to Environmental Issues	Strengthening CSR Foundations	<b>Corporate Citizenship Activities</b>
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# Corporate Citizenship Activities

Main results achieved in the fiscal year ended March 31, 2020

Next generation who received the support and encouragement by the Nikon Group through our corporate citizenship activities

**18,123 people**

## Nikon Group's Corporate Citizenship Activities

Within the Nikon Group, individual companies and facilities implement corporate citizenship activities in their role as members of the community.

### Approach to Corporate Citizenship Activities

In order to realize the commitment embodied in Nikon's corporate vision—Unlock the future with the power of light—and contribute towards the development of the community, in our corporate citizenship activities the Nikon Group is promoting activities that focus on the next generation, who will play a key role in bringing about changes in the future.

To ensure that all companies in the Nikon Group undertake their initiatives in this area based on the same approach, the Nikon Community Contribution Activities Policy outlines the principles that should be followed when implementing corporate citizenship activities.

[Nikon Community Contribution Activities Policy](https://www.nikon.com/about/sustainability/citizenship/)  
<https://www.nikon.com/about/sustainability/citizenship/>

### Corporate Citizenship Activity Promotion 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 Community Contribution Activity Policies; the Survey results are reported to the CSR Committee.

[CSR Promotion System \(P8\)](#)

### Employee Participation in Corporate Citizenship Activities

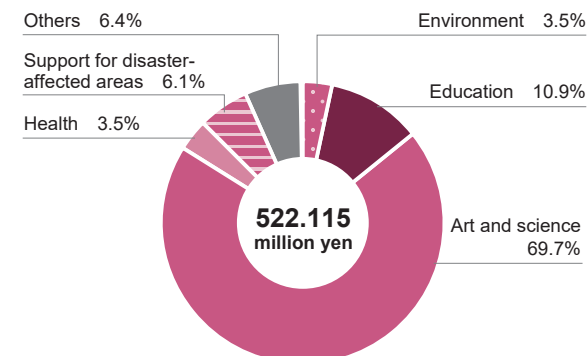
The Nikon Group is working to improve the environment surrounding employee participation in corporate citizenship activities. Besides providing support through systems such as Nikon's volunteer leave system and the Volunteering

Scheme of Nikon U.K. Ltd., we also plan activities that are easy for employees to take part in, and encourage employee participation.

### Participation in Corporate Citizenship Activities

Total participants (fiscal year ended March 31, 2020)	3,310
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### Expenses for Corporate Citizenship Activities by Area (Fiscal year ended March 31, 2020)



## Helping the Next Generation to Appreciate the Global Environment Issues

With the aim of spreading awareness of various global environment issues among the next generation, the Nikon Group implements environmental awareness raising activities for children, utilizing Nikon products and other tools. In Japan, Nikon has been supporting the AKAYA Project, which aims to restore biodiversity and build a sustainable regional community. As part of the project, we created a booklet “AKAYA NOTE” for children to learn the biodiversity, and since then we have been distributing it to various schools for free every year. In the fiscal year ended March 31, 2020, 200 copies of the booklet were delivered. In the Netherlands, working together with SME Advies, the local branch of an international environmental education NGO, Foundation for Environmental Education (FEE), three Nikon Group companies—Nikon Holdings Europe B.V., Nikon Europe B.V., and Nikon Instruments Europe B.V.—developed the “Light on Small” environmental education teaching materials, which employ Nikon’s field microscopes and cameras, as part of the FEE’s Eco-Schools program. As of the fiscal year ended March 31, 2020, these teaching materials have been used by 875 school children in seven schools in the Netherlands so far.

[Corporate Citizenship Activities for Environment \(P64\)](#)

### Participation in Nikon Group’s Environmental Awareness Raising Activities

Total participants (fiscal year ended March 31, 2020)	1,075
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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.

## 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 172 junior and senior high school students and university students in the year ended March 31, 2020, bringing the total number of scholarship recipients over 13 years to 2,237. In Laos, we provide scholarships to 100 junior high school students each year, with 600 total recipients over six years.

In addition, the Nikon Group provides support for the United Nations World Food Programme (WFP) school feeding. In the fiscal year ended March 31, 2020, we donated 1,020,100 yen, enough for 34,003 school meals.

### Children Receiving Financial Assistance from Nikon Group

Recipients (fiscal year ended March 31, 2020)	408
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Scholarships in Thailand are provided through Shanti Volunteer Association in Japan and Sikkha Asia Foundation in Thailand. There are local visits every June to interact with scholarship recipients.

## Encouraging the Next Generation to Build the Future

The Nikon Group implements a range of activities aimed at identifying and cultivating the industrial, technological and visual arts talent of the future.

In association with the Nikon Salon—a photography exhibition venue, which Nikon established to popularize and strengthen photographic culture—we have been implementing the “Be a Photographer” support activity for young photographers. In Japan, we collaborate in fostering human resources who can actively perform in both industrial and academic fields through the Nikon Chair of Imaging Science established at the Institute of Industrial Science (IIS), The University of Tokyo. 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).

Some of the Group companies outside Japan work to support the cultivation of the human talent that will drive the continued evolution of the visual arts in the future, for example by providing sponsorship for photography festivals, giving free photography seminars at universities, and more.

### People Participating in Nikon Group Initiatives for Identifying and Cultivating Human Talent

Participants (fiscal year ended March 31, 2020)	16,640
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\* As the Nikon Photo Contest is held every other year, the results for the fiscal year ended March 31, 2020 is half the number of the 32,852 applicants in 2018 -2019.



In addition to delivering lectures at the Nikon Chair of Imaging Science established at the Institute of Industrial Science (IIS), The University of Tokyo, Nikon cooperates in lectures for the Consortium on Education and Research on Advanced Laser Science

## 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.

Working in collaboration with local organizations such as Sunrise Day Camp in Long Island, New York State, three Group companies based in the USA—Nikon Inc., Nikon Instruments Inc. and Nikon Americas Inc.—are continuing to undertake activities to support children who are struggling with illness, and their family members.

In India, Nikon India Private Limited has been providing living support for 40 children orphaned due to the death of their parents or the abandonment, through SOS Children's Villages.

Optos Plc (based in the UK) holds office charity lunch events every year in its UK and USA offices; all of the proceeds from food sales at these events are donated to local charities.



Sunrise Day Camp activities aim to support children who are struggling with cancer. Employees of three USA-based Group companies have been collaborating on the holding of charity events, and volunteering to help Sunrise Day Camp by cleaning up the camp-sites used for its activities.

## Leveraging Nikon's Technology to Explore New Solutions

Nikon is working together with some different organizations to explore ways in which Nikon's technology can be used to help resolve social issues.

Nikon and the Nature Conservation Society of Japan collaborated on the development of technology for extracting only images that show animals from the huge quantities of image data collected in the AKAYA Project wild animal monitoring survey.

In the past, looking through these tens of thousands of images by eye has been very labor intensive; this joint project aims to substantially reduce the time and effort needed to identify the required images by the development of image recognition technology using deep learning. This technology will enable to use more sensor cameras for monitoring and to allocate more time for analysis of wild animal behavior, thereby helping to develop more scientific methods for surveying the natural environment.



Development of image recognition technology to automatically identify animal images through joint research with the Nature Conservation Society of Japan

## Assistance for Reconstruction

As a good corporate citizen the Nikon Group provides emergency aid for large scale natural disasters and continues to support reconstruction activities for the Great East Japan Earthquake of 2011.

In the fiscal year ended March 31, 2020, the Nikon Group offered emergency support, for areas affected by natural disasters, such as monetary donations for areas affected by Typhoon No. 19 (Typhoon Hagibis) in 2019. Within Japan, the Nikon Group has been providing support for reconstruction in the areas affected by the Great East Japan Earthquake on an ongoing basis since 2012, including support for the Coastal Forest Regeneration Project in Natori City, Miyagi Prefecture.



The Coastal Forest Restoration Project is a 10-year project to restore coastal forest that was destroyed by the tsunami that accompanied the Great East Japan Earthquake of 2011. Nikon provides annual donations to support the Project, and employees of the Nikon Group in Japan participate in related volunteer activities.

## Related Information

Please see the corporate website for more details on Corporate Citizenship Activities.

[Corporate Citizenship Activities](https://www.nikon.com/about/sustainability/citizenship/)  
<https://www.nikon.com/about/sustainability/citizenship/>



ニコン サステナビリティ報告書

# NIKON SUSTAINABILITY REPORT

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# 2020

## Data Index データ集



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### Positioning of sustainability reports / サステナビリティ報告書の位置づけ



#### Boundary

Nikon: Refers to Nikon brand or Nikon Corporation only  
Group companies: Nikon's all 82 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-2). 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.
- \* 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.

#### Independent Practitioner's Assurance

Certain data has also received third-party assurance in order to enhance its credibility (relevant data are marked with ★).

#### 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：全連結子会社（82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-2の「データ区分とISO14001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。

#### 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）。

## Data on "Response to environmental issues"

### 「環境問題への対応」関連データ

#### Data classification and ISO 14001 Certification Status (Fiscal Year Ended March 31, 2020)

データ区分とISO 14001取得状況 (2020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) ジグテック	○
	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 CeL innovation Co., Ltd. / (株) ニコン・セル・イノベーション	※1
Group non-manufacturing companies in Japan 国内グループ非生産会社	Nikon Tec Corporation / (株) ニコンテック	○
	Nikon Instech Co., Ltd. / (株) ニコンインステック	○
	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 Staff Service Corporation / (株) ニコンスタッフサービス ※2	○
	Nikon Vision Co., Ltd. / (株) ニコンビジョン	○
Group manufacturing companies outside Japan 海外グループ生産会社	Nikon Imaging Japan Inc. / (株) ニコンイメージングジャパン	○
	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, etc. 海外グループ非生産会社等 ※3	58 companies / 58社	※1

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

\* Nikon Imaging (China) Co., Ltd. ended operations in October 2017; thus, it is now excluded from the scope, but data prior to this date is still included.

\* Nikon Metrology UK Ltd. has transferred its production functions, so it is counted as a Group non-manufacturing company outside Japan from April 2019.

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

\* Due to rounding, the breakdown figures may vary slightly from the totals.

※1 Introduced the Nikon Eco Program.

※2 Since January 2020, the joint venture company Nikon Nisso Prime Corporation has undertaken the operation of the worker dispatching business previously operated by Nikon Staff Service Corporation.

Also, newly established subsidiary of Nikon, Nikon Product Support Corporation has taken over the operation of the contract manufacturing business, which had operated by Nikon Staff Service Corporation.

※3 Includes 4 Group non-manufacturing companies in Japan that have a minimal environmental impact and have not acquired ISO 14001 certification.

\* ニコングループ全体における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%。

\* Nikon Imaging (China) Co., Ltd.は、2017年10月より操業を停止しているため集計対象外となるが、それ以前のデータには含まれている。

\* Nikon Metrology UK Ltd.は生産機能を移管したため、現在は非生産系業務のみ、2019年4月より海外グループ非生産会社として集計。

\* バウンダリ拡大に伴い、過去の環境パフォーマンスデータを一部変更。

\* データは四捨五入の関係で内訳と合計が一致しないことがある。

※1 ニコン簡易EMSを導入。

※2 2020年1月、(株) ニコンスタッフサービスの人材派遣事業は、合弁会社である(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。

※3 環境負荷のご小さいISO 14001未取得の国内グループ非生産会社4社含む。

CO<sub>2</sub> Emissions List Breakdown by Scope and Category  
Scope・カテゴリ別CO<sub>2</sub>排出量

Unit / 単位 : t-CO<sub>2</sub>e

		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
Scope 1	Nikon / ニコン				
	Group companies in Japan / 国内グループ会社	35,818	33,569	33,922	32,944
	Group manufacturing companies outside Japan / 海外グループ生産会社	—	6,652	4,207	4,107
	Group non-manufacturing companies outside Japan / 海外グループ非生産会社	—	—	—	—
	Total / 合計	35,818	40,221	38,129	37,051
Scope 2	Nikon / ニコン				
	Group companies in Japan / 国内グループ会社	192,927	198,609	188,262	168,395
	Group manufacturing companies outside Japan / 海外グループ生産会社	—	6,554	6,075	5,807
	Group non-manufacturing companies outside Japan / 海外グループ非生産会社	—	—	—	—
	Total / 合計	192,927	205,163	194,337	174,202
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 / 映像事業、精機事業	998,535	745,127	798,990	725,837
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
3. Fuel- and energy-related activities not included in Scope 1 and 2 Scope1、2に含まれない燃料およびエネルギー関連活動	Nikon / ニコン Group companies in Japan / 国内グループ会社 Group manufacturing companies outside Japan / 海外グループ生産会社	18,374	18,880	18,379	17,402
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	53,559
5. Waste generated in operations 事業から出る廃棄物	Nikon (excluding the headquarters) / ニコン（本社除く） Group manufacturing companies in Japan / 国内グループ生産会社 Group manufacturing companies outside Japan / 海外グループ生産会社	2,905	2,267	2,102	2,501
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
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. Upstream leased assets (included in Scope 2) リース資産（上流）（Scope2を含む）	Calculation included in Scope 2 / Scope 2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 / 映像事業、精機事業	302,484	228,378	219,592	185,684
12. End-of-life treatment of sold products 販売した製品の廃棄	Imaging Products Business and Precision Equipment Business / 映像事業、精機事業	5,129	4,223	3,612	3,175
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	1,111,380

\* The following values were used for CO<sub>2</sub> conversion factors.

[Electric power] Japan: The CO<sub>2</sub> emission factors without adjustment for each electric power utility noted in "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 "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 "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures.

\* CO<sub>2</sub> emissions from energy consumption in Japan are calculated by subtracting hydroelectric power, and energy equivalent to J-Credit and Green Heat Certificate 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, 2020 is 100% on an employee basis.

\*: Values assured by the third party (fiscal year ended March 31, 2020).

\* CO<sub>2</sub>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CO<sub>2</sub>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-C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。

\* 2020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（2020年3月期のみ）。

**Energy Consumption★**

**エネルギー使用量**

Energy エネルギー		FY Mar. 2016 2016年3月期	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
Electricity 電力	Nikon Group in Japan / 国内ニコングループ	263,597	256,801	261,069	265,141	254,370	MWh
	Group manufacturing companies outside Japan / 海外グループ生産会社	123,766	114,489	138,435	122,986	113,345	
City gas 都市ガス	Nikon Group in Japan / 国内ニコングループ	6,727	6,348	5,344	5,223	4,966	1,000 Nm <sup>3</sup>
	Group manufacturing companies outside Japan / 海外グループ生産会社	10	73	72	76	90	
Liquefied petroleum gas (LPG) 液化石油ガス	Nikon Group in Japan / 国内ニコングループ	2,480	2,516	2,637	2,471	2,153	t
	Group manufacturing companies outside Japan / 海外グループ生産会社	129	179	222	234	217	
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 <sup>3</sup>
	Group manufacturing companies outside Japan / 海外グループ生産会社	98	64	45	44	4	
Other fuels <sup>※1</sup> その他燃料 <sup>※1</sup>	Nikon Group in Japan / 国内ニコングループ	1,118	1,339	1,238	1,182	1,203	kL
	Group manufacturing companies outside Japan / 海外グループ生産会社	376	863	898	875	853	
Cold water/Steam 冷水/蒸気	Nikon Group in Japan / 国内ニコングループ	8,097	8,165	7,944	8,790	8,224	1,000 MJ
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0	0	
Total consumption <sup>※2</sup> 総使用量 <sup>※2</sup>	Nikon Group in Japan / 国内ニコングループ	3,052	2,979	2,979	3,006	2,879	TJ
	Group manufacturing companies outside Japan / 海外グループ生産会社	1,260	1,190	1,431	1,277	1,178	
Energy consumption per unit of sales / 売上高原単位		5.13	5.56	6.15	6.04	6.87	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: The gas company eigenvectors noted in the guidance document for Periodic Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act).

UK: Values are calculated from the factors on 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, 2020).

※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（2020年3月期のみ）。

**CO<sub>2</sub> Emissions from Energy Consumption★**

**エネルギー起源CO<sub>2</sub>排出量**

		FY Mar. 2016 2016年3月期	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
Nikon Group in Japan / 国内ニコングループ		161,402	155,743	149,803	148,456	131,965	t-CO <sub>2</sub>
Group manufacturing companies outside Japan / 海外グループ生産会社		73,651	65,631	75,270	65,334	60,316	
Emissions per unit of sales / 売上高原単位		0.28	0.30	0.31	0.30	0.33	t-CO <sub>2</sub> /¥1,000,000

\* The following values were used for CO<sub>2</sub> conversion factors.

[Electric power] Japan: The CO<sub>2</sub> emission factors without adjustment for each electric power utility noted in "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 "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 "List of Calculation Methods and Emissions Factors for Calculation, Reporting and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures.

\* CO<sub>2</sub> emissions from energy consumption in Japan are calculated by subtracting hydroelectric power, and energy equivalent to J-Credit and Green Heat Certificate from total energy consumption, and multiplying that by the basic emission factors.

★: Values assured by the third party (fiscal year ended March 31, 2020).

※ CO<sub>2</sub>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替

【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CO<sub>2</sub>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。

★：第三者保証を受けている数値（2020年3月期のみ）。

**CO<sub>2</sub> and Other Greenhouse Gases Emissions from Non-energy Consumption★**

非エネルギー起源CO<sub>2</sub>およびその他の温室効果ガス排出量

Unit / 単位 : t-CO<sub>2</sub>e

	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
Nikon Group in Japan / 国内ニコングループ	7,371	7,105	8,288	7,430
Group manufacturing companies outside Japan / 海外グループ生産会社	—	—	106	1,628

★: Values assured by the third party (fiscal year ended March 31, 2020).

★: 第三者保証を受けている数値 (2020年3月期のみ)。

**Breakdown of Greenhouse Gas Emissions (Fiscal Year Ended March 31, 2020)★**

温室効果ガス内訳 (2020年3月期)

		CO <sub>2</sub> Emissions from Energy Consumption	CO <sub>2</sub> Emissions from Non-energy Consumption	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Total	Unit
		エネルギー起源CO <sub>2</sub>	非エネルギー起源CO <sub>2</sub>			HFC類	PFC類				単位
Nikon Group in Japan 国内ニコングループ	Emissions / 排出量	131,965	37	92	51	7,017	0	233	0	139,395	t-CO <sub>2</sub> e
	Percentage / 割合	94.67	0.03	0.07	0.04	5.03	0	0.17	0	100.00	%
Group manufacturing companies outside Japan 海外グループ生産会社	Emissions / 排出量	60,316	1	66	23	1,539	0	0.07	0	61,945	t-CO <sub>2</sub> e
	Percentage / 割合	97.37	0.00	0.11	0.04	2.48	0	0.00	0	100.00	%
Total 合計	Emissions / 排出量	192,281	38	158	74	8,556	0	233	0	201,340	t-CO <sub>2</sub> e
	Percentage / 割合	95.50	0.02	0.08	0.04	4.25	0	0.12	0	100.00	%

★: Values assured by the third party (fiscal year ended March 31, 2020).

★: 第三者保証を受けている数値 (2020年3月期のみ)。

**CO<sub>2</sub> Emissions Reduction through the Use of Renewable Energy**

再生可能エネルギー活用によるCO<sub>2</sub>削減効果

Unit / 単位 : t-CO<sub>2</sub>

	FY Mar. 2016 2016年3月期	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
Solar power / 太陽光発電	71	66	80	78	69
Green Power Certificate / グリーン電力証書	20	17	0	0	599
Green Heat Certificate / グリーン熱証書	—	—	96	501	469
グリーン電力プラン	—	3	1	1	7,832

\* CO<sub>2</sub> 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 CO<sub>2</sub> reductions.

※ CO<sub>2</sub>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CO<sub>2</sub>排出係数を使用。

**CO<sub>2</sub> 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CO<sub>2</sub>排出量

	FY Mar. 2016 2016年3月期	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
CO <sub>2</sub> emissions in distribution / 物流CO <sub>2</sub> 排出量	91	82	50	59	54	1,000 t-CO <sub>2</sub>
CO <sub>2</sub> emissions per ton-kilometer / トンキロ当たりのCO <sub>2</sub> 排出量	0.53	0.50	0.46	0.50	0.53	t-CO <sub>2</sub> /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. 2016 2016年3月期	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
Units sold / 販売台数	21	10	13	20	11	Unit / 台
Percentage of total units sold / 全販売台数に対する割合	60.0	29.4	43.3	48.8	24.4	%
Cumulative total / 累計	348	358	371	391	402	Unit / 台

Zero Emission Levels

ゼロエミッションレベル状況

	FY Mar. 2016 2016年3月期	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
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 2 レベル2	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) OpticsCo., Ltd. Nanjing Nikon JiangnanOptical Instrument Co.,Ltd.					
Nikon Imaging (China) Co., Ltd.*1	Level 1 レベル1	—	—	—	—

\* 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%

\*1 Nikon Imaging (China) Co., Ltd. ended operations in October 2017.

\*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

\*1 Nikon Imaging (China) Co., Ltd.は、2017年10月より操業を停止。

Amount of Waste (Waste plus Resources with Economic Value)

廃棄物など（廃棄物＋有価物）の排出量

Unit / 単位 : t

		FY Mar. 2016 2016年3月期	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
Waste 廃棄物	Nikon Group in Japan / 国内ニコングループ	5,144	4,942	5,149	4,024	3,756
	Group manufacturing companies outside Japan / 海外グループ生産会社	1,225	1,176	779	3,747	3,333
	Total / 合計	6,369	6,118	5,928	7,771	7,089
Resources with economic value 有価物	Nikon Group in Japan / 国内ニコングループ	1,521	1,373	1,207	1,444	1,096
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0	1,169
	Total / 合計	1,521	1,373	1,207	1,444	2,265
Total / 合計		7,890	7,491	7,135	9,215	9,354

\* Nikon X-Tek Systems Ltd. has 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.

\* 2019年3月期より、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.の集計および、海外グループ生産会社の有価物集計開始。

**Breakdown (by Category) of Waste (Waste plus Resources with Economic Value) Generated by Nikon Group in Japan (Fiscal Year Ended March 31, 2020)**

国内ニコングループの廃棄物など（廃棄物+有価物）の内訳（種類別）（2020年3月期）

	Sludge 汚泥	Metals 金属くず	Plastics 廃プラスチック	Paper 紙類	Glass/Concrete/ Ceramics (debris) ガラス・コンクリート・陶 磁器くず（がれき類）	Alkalis 廃アルカリ	Acids 廃酸	Oil 廃油	Wood 木くず	Kitchen waste 厨芥類	Other その他	General refuse/ Fiber 一般ごみ、繊維くず	Unit 単位
Emissions / 排出量	1,474	847	460	414	725	232	235	259	175	7	19	7	t
Percentage / 割合	30.4	17.4	9.5	8.5	14.9	4.8	4.8	5.3	3.6	0.1	0.4	0.1	%

**Landfilled waste**

廃棄物最終（埋立）処分量

Unit / 単位 : t

	FY Mar. 2016 2016年3月期	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
Nikon Group in Japan / 国内ニコングループ	3.7	4.3	3.6	21.9	2.7
Group manufacturing companies outside Japan / 海外グループ生産会社	12.7	9.7	5.4	1,768.6	835.0
Total / 合計	16.4	14.0	9.0	1,790.5	837.7

\* From the fiscal year ended March 2019, Nikon X-Tek Systems Ltd. and Nikon (Thailand) Co., Ltd. are included in above data. Optos Plc, Optos, Inc. and Nikon Lao Co., Ltd. are included from the fiscal year ended March 2020.

※ Nikon X-Tek Systems Ltd., Nikon (Thailand) Co., Ltd.は、2019年3月期より、Optos Plc, Optos, Inc., Nikon Lao Co., Ltd.は、2020年3月期より集計開始。

**Water Withdrawal★**

取水量

Unit / 単位 : 1,000 m<sup>3</sup>

		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
Tap water 水道水	Nikon Group in Japan / 国内ニコングループ	805	822	808	762
	Group manufacturing companies outside Japan / 海外グループ生産会社	455	457	743	825
	Total / 合計	1,260	1,279	1,551	1,587
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
	Group manufacturing companies outside Japan / 海外グループ生産会社	406	349	389	293
	Total / 合計	2,084	2,531	2,669	2,395
Industrial water 工業用水	Nikon Group in Japan / 国内ニコングループ	6	22	3	3
	Group manufacturing companies outside Japan / 海外グループ生産会社	0	0	0	0
	Total / 合計	6	22	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
	Group manufacturing companies outside Japan / 海外グループ生産会社	12	1	1	1
	Total / 合計	12	1	1	1
Recycled water 再生水	Nikon Group in Japan / 国内ニコングループ	0	0	0	0
	Group manufacturing companies outside Japan / 海外グループ生産会社	26	75	0	0
	Total / 合計	26	75	0	0
Total / 合計		3,388	3,908	4,224	3,985

★: Values assured by the third party (fiscal year ended March 31, 2020).

★: 第三者保証を受けている数値（2020年3月期のみ）。

**Water Discharge★**  
排水量

Unit / 単位 : 1,000 m<sup>3</sup>

		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
Rivers, etc. 河川等	Nikon Group in Japan / 国内ニコングループ	514	1,036	1,114	1,092
	Group manufacturing companies outside Japan / 海外グループ生産会社	26	12	8	9
	Total / 合計	540	1,048	1,122	1,101
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
	Group manufacturing companies outside Japan / 海外グループ生産会社	679	636	900	889
	Total / 合計	2,148	2,030	2,334	2,161
Total / 合計		2,688	3,078	3,456	3,262

★: Values assured by the third party (fiscal year ended March 31, 2020).

★: 第三者保証を受けている数値 (2020年3月期のみ)。

**Water consumption**  
水消費量

Unit / 単位 : 1,000 m<sup>3</sup>

	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
Nikon Group in Japan / 国内ニコングループ	506	596	544	503
Group manufacturing companies outside Japan / 海外グループ生産会社	194	234	224	221
Total / 合計	700	830	768	723

**Circulating Water Use**  
循環水利用量

Unit / 単位 : 1,000 m<sup>3</sup>

	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
Nikon Group in Japan / 国内ニコングループ	0	36	38	31
Group manufacturing companies outside Japan / 海外グループ生産会社	0	15	249	245
Total / 合計	0	51	287	276

**PRTR Survey Results for Nikon and Group Manufacturing Companies in Japan**

ニコンおよび国内グループ生産会社のPRTR調査結果

Unit / 単位 : t

		FY Mar. 2016 2016年3月期	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
Amount released 排出量	Air / 大気	64.2	46.8	52.6	40.9	63.5
	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	16.0	18.4	19.5	17.3	10.5

**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
Nikon Group in Japan / 国内ニコングループ	149	145	129
Group manufacturing companies outside Japan / 海外グループ生産会社	-	475	413

\* 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 ending March 31, 2020.

※ 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。

**Data on "Contributing to Society through Business Activities"**

**「事業を通じた社会への貢献」関連データ**

**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. 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
Total number of inquiries お問い合わせ総件数		28,664	34,602	27,117	cases / 件
Breakdown 内訳	Requests / ご要望	50.4	59.9	66.1	%
	Feedback / ご意見	48.0	38.0	31.9	%
	Favorable comments / 好評価	1.6	2.2	2.0	%

\* 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。

**Customer Satisfaction Survey Results**

**お客様満足度調査の結果**

Unit / 単位 : %

	FY Mar. 2016 2016年3月期	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
Customer satisfaction お客様満足度	84.7	83.2	85.8	87.9	86.6

\* 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 "Strengthening CSR Foundation" 「CSRの基盤強化」関連データ

### Procurement Amount Ratio of Major Procurement Partners by Country (Fiscal Year Ended March 31, 2020)

主要調達パートナー国別取引金額比率 (2020年3月期)

Breakdown by country/region 国・地域別内訳	Unit / 単位 : %	
	Ratio of procurement partners 調達パートナー比率	Ratio of procurement amount 取引金額比率
Consumer product 民生品	19	29
Japan / 日本	72	49
China / 中国	7	20
Thailand / タイ	18	21
Others / その他	3	10
Other than consumer product 民生品以外	81	71
Japan / 日本	98	95
China / 中国	1	4
Others / その他	1	1

### 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. 2016 2016年3月期	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
Participating companies 参加社数	In Japan / 国内	897	435	398	324	772	companies / 社
	Outside Japan / 海外		255	253	192	193	
Participants 参加者数	In Japan / 国内	1,223	441	431	356	888	persons / 名
	Outside Japan / 海外		403	407	322	324	

### CSR Survey and CSR Audit (Number of Target Companies)

CSR調査・CSR監査実績 (対象社数)

	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
Tier 1 suppliers (procurement partners) 一次調達先 (調達パートナー)	-	approx. / 約 3,200			
First selection (priority procurement partners) 1次選定 (重要な調達パートナー)	Top 80% of procurement amount 取引金額上位80%	approx. / 約 600			approx. / 約 200 <sup>※1</sup>
CSR survey by second selection 2次選定によるCSR調査	Risk assessment based on various perspectives, such as the areas where human rights problems occur, or whether there are key product parts or parts and materials that can't be substituted 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) <sup>※2</sup>
CSR audit by third selection 3次選定によるCSR監査	Weighting toward human rights and life; considering procurement amount and company size, etc. 人権や人命に配慮した重み付け、取引金額・会社規模などを考慮	3	3	4	3 <sup>※3</sup>
Improvement plan by third selection 3次選定による改善計画		10	10	10	10 <sup>※3</sup>
Request for submission of improvement plan 改善計画書の提出要求	-	13	13	14	13 <sup>※3</sup>

※1 Changed the criteria for first selection (priority procurement partner) from the top 80% of transactions by each business unit to the top 80% of transactions by the entire Nikon Group.

※2 Assessment on selection of new suppliers, assessment utilizing data on RBA system.

※3 Conduct audits and improvement plans for procurement partners whose compliance rate with Nikon procurement standards was low in the past three years of CSR assessment.

※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

	2015	2016	2017	2018	2019	Unit / 単位
Procurement partners requiring the surveys 調査対象社数	1,027	740	771	713	773	Companies / 社
Percentage of procurement partners who conducted the surveys 調査実施率	100	99	86	86	86	%
RMAP Conformant Smelter RMAP適合製錬所	227	257	252	252	235	Companies / 社
Non-RMAP Conformant Smelter 非RMAP適合製錬所	89	103	139	59	64	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. 2016 2016年3月期	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
Procurement partners requiring environmental management system audits 環境管理システム監査対象社数	347	407	450	476	498	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	574	544	551	536	535	companies / 社
Percentage of certification 環境パートナー認定取得率	60	75	82	89	93	%

**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. 2019 2019年3月期	FY Mar. 2020 2020年3月期
Managers / 管理職	1.7	1.3
Non-managers / 管理職以外	2.3	2.8
Men / 男性	2.1	2.5
Women / 女性	3.0	3.3

**Employee Composition**  
従業員構成

Unit: persons / 単位: 名

	FY Mar. 2016 2016年3月期	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
Nikon / ニコン	5,564	5,090	4,444	4,398	4,442
Group companies in Japan / 国内グループ会社	4,306	4,745	4,281	4,432	4,340
Group companies in Europe / 欧州グループ会社	2,011	2,040	2,017	1,863	1,816
Group companies in Americas / 米州グループ会社	1,103	1,010	989	963	995
Group companies in Asia and Oceania / アジア・オセアニアグループ会社	12,745	12,146	9,298	9,261	8,597
Total / 合計	25,729	25,031	21,029	20,917	20,190

\* Consolidated figures include permanent employees and non-regular staff of the Nikon Group 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。

**Composition ratio by gender/age by management and employment type of Nikon (As of May 31, 2020)**  
ニコンの管理職・雇用形態別の男女別/年齢別構成比 (2020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	93	85	80	86
	Women / 女性	0	7	15	20	14
Age / 年齢別	Under 30 / 30歳未満	0	0	10	0	9
	Between 30 and 49 / 30歳以上50歳未満	0	32	56	42	52
	Over 50 / 50歳以上	100	68	34	58	39

\* Senior management is an officer.  
※ 上級管理職は、役員。

**Proportion of Management Hired from the Local Community outside Japan (As of May 31, 2020)**  
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 (2020年3月末現在)

Unit / 単位 : %

		FY Mar. 2019 / 2019年3月期		FY Mar. 2020 / 2020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
Group companies in Europe 欧州グループ会社	Men / 男性	71	94	46	92
	Women / 女性	100	99	—	100
Group companies in the Americas 米州グループ会社	Men / 男性	46	73	11	89
	Women / 女性	—	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
	Women / 女性	100	96	100	98

\* Senior management is a full-time officer.  
\* Consolidated figures include permanent employees and non-regular staff of the Nikon Group 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.  
\* Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.  
※ 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。  
※ アジア・オセアニアグループ会社はNikon Imaging (China) Co., Ltd.を除く。

**Number of New Hires**  
新規雇用者数

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
Nikon ニコン	Men / 男性	95	116	154
	Women / 女性	29	40	35
	Total / 合計	124	156	189
Group companies in Japan 国内グループ会社	Men / 男性	65	72	86
	Women / 女性	21	16	19
	Total / 合計	86	88	105
Group companies in Europe 欧州グループ会社	Men / 男性	172	178	171
	Women / 女性	93	82	66
	Total / 合計	165	260	237
Group companies in the Americas 米州グループ会社	Men / 男性	50	76	86
	Women / 女性	41	23	24
	Total / 合計	91	99	110
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
	Women / 女性	497	482	644
	Total / 合計	621	674	858

\* Permanent employees and non-regular staff of the Nikon Group (consolidated).  
\* Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.  
※ ニコングループ（連結）の正社員、嘱託。  
※ アジア・オセアニアグループ会社はNikon Imaging (China) Co., Ltd.を除く。

**Average Age**  
平均年齢

Unit: years old / 単位: 歳

		FY Mar. 2016 2016年3月期	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
Nikon	Men / 男性	45.5	45.9	45.2	45.8	46.2
ニコン	Women / 女性	40.2	40.7	40.5	40.5	40.9
Group companies in Japan	Men / 男性	43.4	42.4	43.8	44.4	44.9
国内グループ会社	Women / 女性	44.2	44.3	44.5	42.6	45.9
Group companies in Europe	Men / 男性	—	—	44.4	44.2	45.0
欧州グループ会社	Women / 女性	—	—	41.8	41.5	42.4
Group companies in the Americas	Men / 男性	—	—	47.5	46.5	48.0
米州グループ会社	Women / 女性	—	—	46.0	45.7	46.9
Group companies in Asia and Oceania	Men / 男性	—	—	36.3	36.4	37.3
アジア・オセアニアグループ会社	Women / 女性	—	—	34.4	34.6	35.5

\* Permanent employees and non-regular 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, 2018 and 2019, the Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.

\* Group companies outside Japan (total of 3 regions) were 38.8 years old for men, 32.6 years for women in the year ended March 31, 2016, and 39.0 years for men, 33.9 years for women in the 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。

※ アジア・オセアニアグループ会社は2018年3月期および2019年3月期はNikon Imaging (China) Co.のみ除く。

※ 海外グループ会社（3地域合計）の2016年3月期の男性は38.8歳、女性は32.6歳、2017年3月期の男性は39.0歳、女性は33.9歳。

**Age Group (As of May 31, 2020)**  
年齢層（2020年3月末現在）

Unit: persons / 単位: 名

	FY Mar. 2019 / 2019年3月期			FY Mar. 2020 / 2020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
Nikon	411	2,328	1,659	391	2,336	1,715
ニコン						
Group companies in Japan	254	2,422	1,584	202	2,375	1,653
国内グループ会社						
Group companies in Europe	547	929	387	182	1,061	573
欧州グループ会社						
Group companies in the Americas	73	508	382	98	465	432
米州グループ会社						
Group companies in Asia and Oceania	1,926	7,138	197	1,673	6,697	227
アジア・オセアニアグループ会社						

\* Consolidated figures include permanent employees and non-regular staff of the Nikon Group 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.

\* Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.

※ 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。

※ アジア・オセアニアグループ会社はNikon Imaging (China) Co., Ltd.を除く。

**Average Years of Service**  
平均勤続年数

Unit: years / 単位: 年

		FY Mar. 2016 2016年3月期	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
Nikon	Men / 男性	20.5	20.8	19.7	20.0	20.2
ニコン	Women / 女性	15.5	15.9	14.9	15.1	15.4
Group companies in Japan	Men / 男性	16.4	16.0	16.4	17.3	17.0
国内グループ会社	Women / 女性	18.1	17.2	17.7	18.7	18.2
Group companies in Europe	Men / 男性	—	—	9.2	8.9	9.6
欧州グループ会社	Women / 女性	—	—	7.8	7.0	7.8
Group companies in the Americas	Men / 男性	—	—	13.6	13.3	12.8
米州グループ会社	Women / 女性	—	—	11.5	10.5	11.4
Group companies in Asia and Oceania	Men / 男性	—	—	10.4	10.6	11.3
アジア・オセアニアグループ会社	Women / 女性	—	—	10.3	10.7	11.6

\* Permanent employees and non-regular 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, 2018 and 2019, the Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.

\* Group companies outside Japan (total of 3 regions) were 9.1 years for men, 7.7 for women in the year ended March 31, 2016, and 9.5 years for men, 8.7 years for women in the 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。

※ アジア・オセアニアグループ会社は2018年3月期および2019年3月期はNikon Imaging (China) Co.のみ除く。

※ 海外グループ会社（3地域合計）の2016年3月期の男性は9.1年、女性は7.7年、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. 2016 / 2016年3月期		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	
		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	Men / 男性	41	205	27	908	3	147	9	124	16	161
ニコン	Women / 女性	1	20	1	82	0	24	2	20	1	25
Group companies in Japan	Men / 男性	66	107	31	269	4	93	4	77	9	97
国内グループ会社	Women / 女性	8	34	4	90	0	13	1	18	0	24
Group companies in Europe	Men / 男性	—	—	—	—	5	165	8	305	6	215
欧州グループ会社	Women / 女性	—	—	—	—	5	98	1	82	1	95
Group companies in the Americas	Men / 男性	—	—	—	—	3	68	13	59	5	64
米州グループ会社	Women / 女性	—	—	—	—	2	33	7	26	8	24
Group companies in Asia and Oceania	Men / 男性	—	—	—	—	8	184	3	171	5	286
アジア・オセアニアグループ会社	Women / 女性	—	—	—	—	7	703	3	734	1	1,239

\* Permanent employees and non-regular staff of the Nikon Group (consolidated). Employees who were seconded to affiliates are counted as those of their original companies.

\* The period from the fiscal year ended March 31, 2015 to 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 14 men for retirement, 320 men for non-retirement, 13 women for retirement, 220 women for non-retirement in the year ended March 31, 2016. And those were 39 men for retirement, 465 men for non-retirement, 5 women for retirement, 261 women for non-retirement in the 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、出向元の人数を含む。

※ 2015年3月期から2017年3月期は、Nikon (Thailand)CO., Ltd., Nikon Lao CO., Ltd., Nikon Imaging (China) Co., Ltd., Hikari Glass (Chanzhou) Optos Co., Ltd.を除く。2018年3月期及び2019年3月期はNikon Imaging (China) Co.のみ除く。

※ 2017年3月期には、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2016年3月期の男性は定年14名、定年以外320名、女性は定年13名、定年以外220名、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。

**Ratio of Female Employees**

**女性従業員比率**

Unit / 単位: %

	FY Mar. 2016 2016年3月期	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
Nikon / ニコン	10.6	11.0	11.5	13.2	13.5
Group companies in Japan / 国内グループ会社	15.9	16.8	15.5	13.5	13.3
Group companies in Europe / 欧州グループ会社	—	—	24.2	24.7	27.5
Group companies in Americas / 米州グループ会社	66.6	65.5	29.2	25.5	24.1
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
Nikon Group (total) / ニコングループ（合計）	45.1	44.1	40.5	41.0	39.2

\* Permanent employees and non-regular staff of the Nikon Group (consolidated). To the fiscal year ended March 31, 2018, employees who were seconded to affiliates are counted as those of their original companies. From the fiscal year ended March 31, 2019, employees seconded to affiliates are counted as those 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を含む。2019年3月期以降は、関係会社への出向者は出向先の人数を含む。

**Ratio of Females in Management Positions**

**管理職における女性の割合**

Unit / 単位: %

	FY Mar. 2016 2016年3月期	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		
				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	4.7	5.7	5.8	4.1	5.3	5.1	3.4	7.5	6.6
Group companies in Japan / 国内グループ会社	2.4	3.7	2.5	1.3	4.4	3.3	0.8	2.8	2.2
Group companies in Europe / 欧州グループ会社	—	—	21.6	17.4	21.0	20.1	16.9	28.4	23.9
Group companies in Americas / 米州グループ会社	28.0	26.5	31.4	16.0	24.0	21.9	14.3	38.6	29.7
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
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

\* Permanent employees and non-regular staff of the Nikon Group (consolidated). To the fiscal year ended March 31, 2018, employees who were seconded to affiliates are counted as those of their original companies. From the fiscal year ended March 31, 2019, employees seconded to affiliates are counted as those of the affiliates.

\* The fiscal year ended March 31, 2018 and 2019, the Group companies in Asia/Oceania exclude Nikon Imaging (China) Co., Ltd.

※ 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を含む。2019年3月期以降は、関係会社への出向者は出向先の人数を含む。

※ アジア・オセアニアグループ会社は2018年3月期および2019年3月期はNikon Imaging (China) Co.のみ除く。

**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**

	2015	2016	2017	2018	2019
Japan 日本	2.29	2.27	2.37	2.42	2.60

Unit / 単位 : %

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

※ 毎年6月1日時点のもの。

**Number of Employees Taking Childcare Leave**

**育児休暇取得実績**

		FY Mar. 2016 2016年3月期	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
Nikon ニコン	Men / 男性	6	7	11	28	42
	Women / 女性	27	35	24	30	25
Group companies in Japan 国内グループ会社	Men / 男性	1	2	2	7	12
	Women / 女性	16	19	21	18	23

Unit: persons / 単位 : 名

\* Permanent employees and non-regular staff.

※ 正社員、嘱託。

**Return-to-Work Rates after Childcare Leave**

**育児休暇後の復職率**

		FY Mar. 2016 2016年3月期	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	
		Return-to-work rate 復職率 (%)	Return-to-work rate 復職率 (%)	Return-to-work rate 復職率 (%)	Number of employees returning to work after childcare leave 復職した社員数 (persons / 名)	Return-to-work rate 復職率 (%)	Number of employees returning 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	100	90	100	31	100	42	100
	Women / 女性			98	16	88	31	100
Group companies in Japan 国内グループ会社	Men / 男性	100	100	100	7	100	9	100
	Women / 女性			99	14	100	14	100

\* Permanent employees and non-regular staff.

※ 正社員、嘱託。

**Retention Rates after Childcare Leave**

**育児休暇後の定着率**

		FY Mar. 2018 2018年3月期	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期
Nikon ニコン	Men / 男性	100	100	100
	Women / 女性	86	100	100
Group companies in Japan 国内グループ会社	Men / 男性	100	100	100
	Women / 女性	83	95	92

\* Permanent employees and non-regular 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か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**

		FY Mar. 2016 2016年3月期	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
Nikon ニコン	Men / 男性	0	3	2	0	2
	Women / 女性	1	2	1	0	0
Group companies in Japan 国内グループ会社	Men / 男性	2	0	2	2	3
	Women / 女性	0	0	1	3	3

Unit: persons / 単位 : 名

\* Permanent employees and non-regular staff.

※ 正社員、嘱託。



**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）

	FY Mar. 2016 2016年3月期	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
Satisfaction / 満足度	80.1	80	74.6	76.4	72.7
Response rate / 回答率	91.4	90.3	92.9	96.0	95.4

Unit / 単位 : %

\* 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

	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
Group companies in Japan 国内ニコングループ	39	33	38	29

Unit: cases / 単位 : 件

\* Targets for the Fiscal Year Ended March 31, 2020 : less than 40 and carried out activities.

\* Group companies in Japan for the fiscal year ended March 31, 2020 include 26 companies, including non-consolidated companies.

※ 2020年3月期の目標：40件以下

※ 2020年3月期の国内グループ会社は、非連結を含む26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. 2016 2016年3月期	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
All industries in Japan (calendar year) 日本の全産業（暦年）	1.61	1.63	1.66	1.83	1.80
Manufacturing industry in Japan (calendar year) 日本の製造業（暦年）	1.06	1.15	1.02	1.20	1.20
Nikon ニコン	0.09	0.17	0.40	0.78	0.20
Group companies in Japan 国内ニコングループ	0.34	0.67	1.07	0.65	0.61
Group companies in Europe 欧州グループ会社	—	—	1.55	1.33	1.37
Group companies in Americas 米州グループ会社	—	—	0.51	0.53	1.04
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
Nikon Group (total) ニコングループ（合計）	—	—	—	—	0.39

\* 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.

\* Group companies in Japan for the fiscal year ended March 31, 2020 include 26 companies, including non-consolidated companies.

\* 61 Group companies outside Japan for the fiscal year ended March 31, 2020. The frequency rate is estimated based on the deemed total number of working hours.

※ 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、災害発生頻度を表す。

※ 2020年3月期の国内グループ会社は、非連結を含む26社が対象。

※ 2020年3月期の海外グループ会社は、61社が対象。度数率は、のべみなし労働時間数から概算。

**Severity Rate of Lost Time Accidents (1 or More Days)**

**休業災害（1日間以上）強度率**

	FY Mar. 2016 2016年3月期	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
All industries in Japan (calendar year) 日本の全産業（暦年）	0.07	0.10	0.09	0.09	0.09
Manufacturing industry in Japan (calendar year) 日本の製造業（暦年）	0.06	0.07	0.08	0.10	0.10
Nikon ニコン	0.00	0.00	0.01	0.02	0.00
Group companies in Japan 国内ニコングループ	0.01	0.01	0.01	0.02	0.01
Group companies in Europe 欧州グループ会社	—	—	0.06	0.03	0.06
Group companies in Americas 米州グループ会社	—	—	0.00	0.00	0.01
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
Nikon Group (total) ニコングループ（合計）	—	—	—	—	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.

\* Group companies in Japan for the fiscal year ended March 31, 2020 include 26 companies, including non-consolidated companies.

\* 61 Group companies outside Japan for the fiscal year ended March 31, 2020. The severity rate is estimated based on the deemed total number of working hours.

※ 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。

※ 2020年3月期の国内グループ会社は、非連結を含む26社が対象。

※ 2020年3月期の海外グループ会社は、61社が対象。強度率は、のべみなし労働時間数から概算。

**Occupational Accidents Requiring Time Off (1 or More Days) and Fatalities (Fiscal Year Ended March 2020)**

**休業災害（1日間以上）および死亡者数（2020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)	Fatalities 死亡 (persons / 名)	Ratio of fatalities 死亡者の割合 (%)	Ratio of seriously injured 重篤者の割合 (%)
Nikon ニコン	2	14	0	0	0
Group companies in Japan 国内ニコングループ	8	91	0	0	0
Group companies in Europe 欧州グループ会社	5	222	0	0	0
Group companies in Americas 米州グループ会社	2	25	0	0	0
Group companies in Asia and Oceania アジア・オセアニアグループ会社	2	16	0	0	0
Contractors 請負	0	0	0	0	0

\* Lost days: The number of missed work days in the past multiplied by 300/365 (rounded to the nearest whole number)

\* Group companies in Japan for the fiscal year ended March 31, 2020 include 26 companies, including non-consolidated companies.

※ 損失日数：暦日の休業日数に300/366（2020年度3月期はうるす月を含むので/366）を乗じた日数（小数点以下四捨五入）

※ 2020年3月期の国内グループ会社は、非連結を含む26社が対象。

**Frequency Rate of Occupational Illnesses**  
職業性疾病度数率

	FY Mar. 2019 2019年3月期	FY Mar. 2020 2020年3月期		
	Frequency Rate of Illnesses 疾病度数率	Frequency Rate of Illnesses 疾病度数率	Fatalities 死亡者の割合 (persons / 名)	Seriously injured 重篤者の割合 (%)
Nikon ニコン	0.00	0.00	0	0
Group companies in Japan 国内ニコングループ	0.07	0.00	0	0
Group companies in Europe 欧州グループ会社	—	0.00	0	0
Group companies in Americas 米州グループ会社	—	0.00	0	0
Group companies in Asia and Oceania アジア・オセアニアグループ会社	—	0.00	0	0
Nikon Group (total) ニコングループ (合計)	—	0.00	0	0

\* Group companies in Japan for the fiscal year ended March 31, 2020 include 26 companies, including non-consolidated companies.  
\* 61 Group companies outside Japan for the fiscal year ended March 31, 2020. The frequency rate is estimated based on the deemed total number of working hours.  
※ 2020年3月期の国内グループ会社は、非連結を含む26社が対象。  
※ 2020年3月期の海外グループ会社は、61社が対象。度数率は、のべみなし労働時間数から概算。

**Types of Occupational Accident and Diseases, Injuries (Fiscal Year Ended March 31, 2020)**  
業務災害と疾病の傷病の種類 (2020年3月期)

Unit: persons / 単位: 名

Types 分類	Number of injuries 被災者数
Bruise / 打撲	25
Cut wound/fissure / 切創・裂創	23
Sprain, ligament injury, etc. / 捻挫・じん帯損傷など	12
Broken bone / 骨折	10
Back pain / 腰痛	8
Chemical inflammation / 化学炎症	5
bite wound / 咬傷	5

**Ratio of the total number of employees represented by an independent labor union (Fiscal Year Ended March 31, 2020)**  
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 (2020年3月期)

Unit / 単位: %

	Percentage 割合
Nikon / ニコン	72.5

\* The employees seconded to affiliated companies from Nikon corporation are included.  
※ 従業員には他社への出向者を含む。

**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. 2016 2016年3月期	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
Nikon Group in Japan / 国内ニコングループ	42	26	21	40	36
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)	25	22	18	33	32
Group companies outside Japan / 海外グループ会社	6	12	10	4	11
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)	5	6	5	3	5

**Directors and Officers (As of March 31, 2020)**  
**取締役・執行役員の概況（2020年3月期）**

	Directors / 取締役		Officers* 執行役員※	Unit 単位
	of whom, Audit and Supervisory Committee members うち監査等委員			
Number of persons / 人数	Internal / 社内	7	14	Persons / 名
	External / 社外	2	—	
Ratio of women / 女性比率		0	0	%
Ratio of non-Japanese / 外国人比率		0	0	%
Attendance at Meetings of the Board of Directors / 取締役会出席率	Internal / 社内	98.0	100.0	%
	External / 社外	98.5	97.6	
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
Women / 女性	4	3	2
Non-Japanese / 外国人	30	28	30

\* 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、監査役の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, 2020)**  
**取締役の報酬などの額（2020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)	8 (2)	294 (26)	5 (—)	21 (—)	5 (—)	99 (—)	5 (—)	101 (—)	8 (2)	514 (26)
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)	5 (3)	104 (45)	—	—	—	—	—	—	5 (3)	104 (45)
Total / 合計	13 (5)	398 (71)	5 (—)	21 (—)	5 (—)	99 (—)	5 (—)	101 (—)	13 (5)	619 (71)

\* The number of persons and the amount of compensation pertaining to fixed compensation/fixed monthly 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 at the conclusion of the 155th Annual General Shareholders' Meeting held on June 27, 2019 and the amount of compensation pertaining to the said director.

\* The amount of performance-based stock remuneration shown above indicates the amount of performance-based stock remuneration for directors other than those who are Audit and Supervisory Committee members (excluding non-executive directors) recorded as provisions of reserve during the fiscal year.

\* 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 non-executive directors) recorded as expenses during the fiscal year.

※ 上記のうち、固定報酬/月例定額報酬および合計の支給人数・支給額には、2019年6月27日開催の第155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1名（うち、社外取締役0名）および当該取締役の支給額を含んでいる。

※ 上記の業績連動型株式報酬の支給額は、監査等委員以外の取締役（非業務執行取締役を除く）に対する業績連動型株式報酬の当事業年度の引当金繰入額。

※ 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。

**Compensation Amount for Each Director**

**役員ごとの報酬額**

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
Kazuo Ushida 牛田 一雄	136	Director / 取締役	74	0	31	32
Masashi Oka 岡 昌志	118	Director / 取締役	64	7	23	24
Toshikazu Umatate 馬立 稔和	102	Director / 取締役	55	0	23	24

\* Only persons with total compensation, etc., over 100 million yen are shown.

※ 報酬等の総額が1億円以上である者のみ記載している。

**Ratio of Basic Salary and Compensation of Women to Men (fiscal year ended March 31, 2020)**

**基本給と報酬総額の男女比 (2020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 Permanent employees / 一般正社員	100 : 102 100 : 120
Total Compensation Amount 報酬総額	Managers other than senior / 上級以外の管理職 Permanent employees / 一般正社員	100 : 103 100 : 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。

**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
Women / 女性	4	3	2
Non-Japanese / 外国人	30	28	30

\* 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、監査役の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 of President and Average Annual Salary of Employees**

**社長執行役員と従業員平均年間給与と**

	FY Mar. 2020 2020年3月期	Unit 単位
Average annual salary of employees 従業員平均年間給与	824,099	¥
Ratio (employees's salary : president's salary) 比率 (従業員給与 : 社長執行役員給与)	1 : 12.4	

**Tax payment by region (fiscal year ended March 31, 2019)**

**地域別納税額 (2019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	7,029	2,514	1,329	1,838	1,225	13,935



## Data on "Corporate Citizenship Activities" 「企業市民活動」関連データ

### Expenses and Breakdown for Corporate Citizenship Activities 企業市民活動支出と内訳

		FY Mar. 2016 2016年3月期	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
Expenses / 支出		682,145	803,874	707,435	686,984	522,115	¥1,000
Breakdown by field / 分野別内訳	Environment / 環境	3.6	3	2.4	1.9	3.5	%
	Education / 教育	15.9	12.3	10.7	5.4	10.9	%
	Art and science / 芸術・科学	61.8	63.4	68.3	79.8	69.7	%
	Health / 健康	1.2	6.7	8.1	3.1	3.5	%
	Support for disaster-affected areas / 災害被災地支援	12.4	10.5	4.8	4.1	6.1	%
	Other / その他	5	4	5.7	5.8	6.4	%

### Expenses for Corporate Citizenship Activities by Type 企業市民活動支出の種類別金額

Unit / 単位 : ¥1,000,000

	FY Mar. 2016 2016年3月期	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
Cash contributions / 現金寄付	224	284	224	176	180
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)	14	21	22	98	24
In-kind contributions of product, property or services / 現物寄付 (製品、資産、サービスによる)	380	439	401	389	297
Management costs (overheads) / マネジメント・コスト (諸経費)	64	60	60	24	21

### 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. 2016 2016年3月期	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
Employee participants / 従業員参加者	4,477	3,302	3,591	3,629	3,310

### 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. 2016 2016年3月期	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
Thai タイ	Junior and high school students / 中高生	150	150	150	150	150
	University students / 大学生	25	26	25	23	22
	Total / 合計	175	176	175	173	172
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 <sub>2</sub> Emissions Scope3 (カテゴリ11) CO <sub>2</sub> 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 <sub>2</sub> Emissions from Energy Consumption and Emissions per Unit of Sales エネルギー起源CO <sub>2</sub> 排出量、売上高原単位	
	CO <sub>2</sub> and Other Greenhouse Gases Emissions from Non-energy Consumption 非エネルギー起源CO <sub>2</sub> 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		
Promoting resource circulation 資源循環の推進	Water Withdrawal 取水量	
	Water Discharge 排水量	

#### Target period

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

#### 対象期間

2020年3月期（2019年4月1日～2020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 environmental data indicated with ★ for the year ended March 31, 2020 (the "Environmental Data") included in the Data Index of the "Nikon Sustainability Report 2020" of Nikon Corporation (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Environmental Data in accordance with the calculation and reporting standard adopted by the Company (indicated with the Environmental Data). 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 Environmental Data 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 Environmental Data 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  
July 22, 2020

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.

## GRI Content Index

Nikon’s “Sustainability Report 2020” was drafted in compliance with the Core option of the GRI Sustainability Reporting Standards and the report contains standard information for disclosure items. The title of disclosure in ocher (■) is a requirement for 'Core' option and the title in gray-yellow (■) has close relations to Nikon Group CSR priority issues.

GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
<b>102 GENERAL DISCLOSURES</b>					
<b>GRI 102 : General Disclosures 2016</b>					
<b>1 Organizational profile</b>					
102-1	Name of the organization	Nikon Group Profile	P5		
102-2	Activities, brands, products, and services	Business Domains NIKON REPORT	P5		
102-3	Location of headquarters	Nikon Group Profile	P5		
102-4	Location of operations	Corporate Information > Company Profile > Nikon Group Companies	<a href="https://www.nikon.com/about/corporate/profile/group/">https://www.nikon.com/about/corporate/profile/group/</a>		
102-5	Ownership and legal form	Nikon Group Profile Securities Report (in Japanese)	P5		
102-6	Markets served	Nikon Group Profile Stakeholder Engagement Securities Report (in Japanese) NIKON REPORT	P5 P10		
102-7	Scale of the organization	Nikon Group Profile	P5		
102-8	Information on employees and other workers	—		Promoting the Success of Diverse Employees Data Index	P78
102-9	Supply chain	Nikon’s Supply Chain Management	P66		
102-10	Significant changes to the organization and its supply chain	Promoting CSR Procurement Securities Report (in Japanese)	P68	Nikon Group’s Supply Chain	P65
102-11	Precautionary Principle or approach	Ensuring Quality and Safety Environmental Management Promotion System Risk Management	P26 P38 P93		
102-12	External initiatives	Participation in International Initiatives List of Main Affiliated Organizations Related to CSR	P9 P11		
102-13	Membership of associations	Participation in International Initiatives List of Main Affiliated Organizations Related to CSR	P9 P11		
<b>2 Strategy</b>					
102-14	Statement from senior decision-maker	Message from the President	P3		
102-15	Key impacts, risks, and opportunities	Message from the President Risk Management	P3 P93		
<b>3 Ethics and integrity</b>					
102-16	Values, principles, standards, and norms of behavior	Our Philosophy / Our Vision Compliance	P5 P88		
102-17	Mechanisms for advice and concerns about ethics	Compliance	P88		
<b>4 Governance</b>					
102-18	Governance structure	CSR Promotion System Corporate Governance Investor Relations > Corporate Governance > Corporate Governance Organization	P8 P92 <a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		
102-19	Delegating authority	CSR Promotion System Investor Relations > Corporate Governance > Corporate Governance Organization	P8 <a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>	Corporate Governance	P92

GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
102-20	Executive-level responsibility for economic, environmental, and social topics	Taking up the challenge of innovation Improving Product and Service Quality Responding to environmental issues Strengthening supply chain management Respecting human rights Promoting the Success of Diverse Employees Strengthening Compliance Ensuring Effective Governance	P22 P24 P33 P65 P74 P78 P87 P91	CSR Promotion System Product Quality Control Environmental Management System Strengthening Compliance Corporate Governance Risk Management System	P8 P27 P39 P88 P92 P93
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	P10	CSR Promotion System	P8
102-22	Composition of the highest governance body and its committees	Investor Relations > Corporate Governance Corporate Information > Company Information > Directors and Officers	<a href="https://www.nikon.com/about/ir/governance/">https://www.nikon.com/about/ir/governance/</a> <a href="https://www.nikon.com/about/corporate/profile/management/">https://www.nikon.com/about/corporate/profile/management/</a>	Corporate Governance	P92
102-23	Chair of the highest governance body	Investor Relations > Corporate Governance > Corporate Governance Organization Corporate Governance Report (in Japanese)	<a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		
102-24	Nominating and selecting the highest governance body	Corporate Governance Report (in Japanese) Investor Relations > Corporate Governance > Corporate Governance Organization > Corporate Governance Guideline	<a href="https://www.nikon.com/about/ir/governance/organization/guideline/">https://www.nikon.com/about/ir/governance/organization/guideline/</a>	Corporate Governance	P92
102-25	Conflicts of interest	Investor Relations > Corporate Governance > Corporate Governance Organization > Corporate Governance Guideline	<a href="https://www.nikon.com/about/ir/governance/organization/guideline/">https://www.nikon.com/about/ir/governance/organization/guideline/</a>		
102-26	Role of highest governance body in setting purpose, values, and strategy	CSR Promotion System Investor Relations > Corporate Governance > Corporate Governance Organization	P8 <a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>	Corporate Governance	P92
102-27	Collective knowledge of highest governance body	Investor Relations > Corporate Governance > Corporate Governance Organization > Corporate Governance Guideline	<a href="https://www.nikon.com/about/ir/governance/organization/guideline/">https://www.nikon.com/about/ir/governance/organization/guideline/</a>	CSR Promotion System	P8
102-28	Evaluating the highest governance body's performance	Investor Relations > Corporate Governance > Corporate Governance Organization * In the fiscal year ended March 31, 2020, we had briefings on products at the Board of Directors, held seminars on ESG and laws by external experts at the CSR Committee and Corporate Ethics Committee, and shared the information through e-learning and emails.	<a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		
102-29	Identifying and managing economic, environmental, and social impacts	CSR Promotion System Risk Management Investor Relations > Corporate Governance > Corporate Governance Organization	P8 P93 <a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		
102-30	Effectiveness of risk management processes	Investor Relations > Corporate Governance > Corporate Governance Organization Risk Management	<a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		
102-31	Review of economic, environmental, and social topics	* The Risk Management Committee, whose members include internal Directors and Audit & Supervisory Committee Members convenes biannually. The CSR Committee also convenes biannually.	P93		
102-32	Highest governance body's role in sustainability reporting	CSR Promotion System	P8		
102-33	Communicating critical concerns	Corporate Governance Risk Management	P92 P93		
102-34	Nature and total number of critical concerns	—		* Not disclosed because it is confidential information.	
102-35	Remuneration policies	Investor Relations > Corporate Governance > Corporate Governance Organization: Compensation of Directors and Officers Compensation for Directors (Data Index)	<a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		
102-36	Process for determining remuneration	Investor Relations > Corporate Governance > Corporate Governance Organization: Compensation of Directors and Officers	<a href="https://www.nikon.com/about/ir/governance/organization/">https://www.nikon.com/about/ir/governance/organization/</a>		



GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
102-37	Stakeholders' involvement in remuneration	* Article 26, 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	Securities Report (in Japanese)			
102-39	Percentage increase in annual total compensation ratio	—		Securities Report (in Japanese)	
<b>5 Stakeholder engagement</b>					
102-40	List of stakeholder groups	Stakeholder Engagement	P10		
102-41	Collective bargaining agreements	Labor Relations	P77		
102-42	Identifying and selecting stakeholders			Stakeholder Engagement	P10
102-43	Approach to stakeholder engagement	Stakeholder Engagement	P10	Sustainability > Highlight	<a href="https://www.nikon.com/about/sustainability/highlight/">https://www.nikon.com/about/sustainability/highlight/</a>
102-44	Key topics and concerns raised	Engagement with Shareholders and Investors	P11		
102-45	Entities included in the consolidated financial statements	Securities Report (in Japanese)			
102-46	Defining report content and topic Boundaries	* Departments in charge and CSR departments determine which items to disclose of the GRI Standards from the standpoint of both requests from society and importance for Nikon.		About Sustainability Report 2020 CSR Priority Issues	P2 P13
102-47	List of material topics	CSR Priority Issues	P13		
102-48	Restatements of information	* Partial changes made to past environmental and personnel data due to the expansion of the boundary and changes to definitions.			
102-49	Changes in reporting	About Sustainability Report 2020 Data Categories and ISO 14001 Acquisition Status (Fiscal year ended March 31, 2020)	P2 P40		
102-50	Reporting period	About Sustainability Report 2020	P2		
102-51	Date of most recent report	* Previous edition published in August 2019			
102-52	Reporting cycle	* Published annually			
102-53	Contact point for questions regarding the report	About Sustainability Report 2020	P2		
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.		About Sustainability Report 2020	P2
102-55	GRI content index	About Sustainability Report 2020 GRI Content Index	P2		
102-56	External assurance	Independent Practitioner's Assurance (Data Index)			
<b>103 Management Approach</b>					
<b>GRI 103 : Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	CSR Priority Issues	P13		
103-2	The management approach and its components	Targets, results, and self-assessment for all material items: CSR Priority Issues - Targets and Results	P15		
		<ul style="list-style-type: none"> <li>■ Contributing to society through business activities</li> <li>Solving social issues by using opto-electronics technologies</li> <li>Taking up the challenge of innovation</li> <li>Improving Product and Service Quality</li> <li>■ Responding to environmental issues</li> <li>Environmental Goals</li> <li>Environmental Management Promotion System</li> <li>■ Strengthening CSR Foundations</li> <li>Strengthening Supply Chain Management</li> <li>Respecting human rights</li> <li>Promoting the Success of Diverse Employees Strengthening Compliance</li> <li>* All 37 reporting/consulting concerning human rights, harassment, and labor were addressed during the reporting period.</li> <li>Ensuring Effective Governance</li> </ul>	P20 P22 P24  P34 P38  P65 P74 P78 P87  P91		

GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
103-3	Evaluation of the management approach	CSR Priority Issues	P13		
<b>200 Economic</b>					
<b>GRI 201 : Economic Performance 2016</b>					
201-1	Direct economic value generated and distributed	Nikon Group Profile Securities Report (in Japanese)	P5		
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Goals Environment-related Risk Management System Disclosures in Line with TCFD's Recommendations	P34 P40 P50	* Financial figures are omitted due to confidentiality restrictions.	
201-3	Defined benefit plan obligations and other retirement plans	Securities Report (in Japanese)			
201-4	Financial assistance received from government	—			
<b>GRI 202 : Market Presence 2016</b>					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage			Ratio of Basic Salary and Compensation of Women to Men (Data Index) * Scope: Nikon Corporation	
202-2	Proportion of senior management hired from the local community	Proportion of Management Hired from the Local Community outside Japan (Data Index)			
<b>GRI 203 : Indirect Economic Impacts 2016</b>					
203-1	Infrastructure investments and services supported	Corporate Citizenship Activities Sustainability > Corporate Citizenship Activities	P97 <a href="https://www.nikon.com/about/sustainability/contribution/">https://www.nikon.com/about/sustainability/contribution/</a>		
203-2	Significant indirect economic impacts	Corporate Citizenship Activities Corporate Citizenship Activities for Environment Data on "Corporate Citizenship Activities" (Data Index) Sustainability > Corporate Citizenship Activities	P97 P64 <a href="https://www.nikon.com/about/sustainability/contribution/">https://www.nikon.com/about/sustainability/contribution/</a>		
<b>GRI 204 : Procurement Practices 2016</b>					
204-1	Proportion of spending on local suppliers			Nikon's Supply Chain Management	P66
<b>GRI 205 : Anti-corruption 2016</b>					
205-1	Operations assessed for risks related to corruption			Efforts to Prevent Bribery	P89
205-2	Communication and training about anti-corruption policies and procedures	Promoting CSR Procurement Efforts to Prevent Bribery	P68 P89	Participation in International Initiatives	P9
205-3	Confirmed incidents of corruption and actions taken	Efforts to Prevent Bribery * Not applicable	P89		
<b>GRI 206 : Anti-competitive Behavior 2016</b>					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Efforts to Prevent Competition Law Violations * Not applicable	P90		
<b>GRI 207 : tax 2019</b>					
207-1	Approach to tax	Taxation	P95		
207-2	Tax governance, control, and risk management	Taxation Securities Report (in Japanese)	P95		
207-3	Stakeholder engagement and management of concerns related to tax	Taxation	P95		
207-4	Country-by-country reporting	Taxation Securities Report (in Japanese)	P95		
<b>300 Environmental</b>					
<b>GRI 301 : Materials 2016</b>					
301-1	Materials used by weight or volume	Business Activities and the Environment	P41		
301-2	Recycled input materials used	—		Promoting resource circulation	P52
301-3	Reclaimed products and their packaging materials	—		Promoting resource circulation	P52
<b>GRI 302 : Energy 2016</b>					
302-1	Energy consumption within the organization	Relationship between Nikon Group Businesses and the Environment Promoting a decarbonization Energy Consumption (Data Index)	P41 P44		
302-2	Energy consumption outside of the organization	—		Promoting a decarbonization	P44

GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
302-3	Energy intensity	Promoting a decarbonization Energy Consumption (Data Index)	P44		
302-4	Reduction of energy consumption	Promoting a decarbonization Energy Consumption (Data Index)	P44		
302-5	Reductions in energy requirements of products and services			Eco-friendly Products Development	P41
<b>GRI 303 : Water and Effluents 2018</b>					
303-1	Interactions with water as a shared resource	Protection of Water Resources Water Withdrawal / Water Discharge / Water consumption / Circulating Water Use (Data Index)	P56		
303-2	Management of water discharge-related impacts	Prevention of Air, Water and Soil Pollution	P29		
303-3	Water withdrawal	Protection of Water Resources Water Withdrawal (Data Index)	P56	* Calculation of water withdrawal in water-stressed areas will be considered in the future.	
303-4	Water discharge	Protection of Water Resources Water Discharge (Data Index)	P56		
303-5	Water consumption	Protection of Water Resources Water consumption (Data Index)	P56		
<b>GRI 304 : Biodiversity 2016</b>					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—			
304-2	Significant impacts of activities, products, and services on biodiversity	Protection of Water Resources Contributing to a Healthy and Environmentally Safe Society	P56 P58	Approach to Biodiversity	P62
304-3	Habitats protected or restored	Corporate Citizenship Activities for Environment	P64	Approach to Biodiversity	P62
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—			
<b>GRI 305 : Emissions 2016</b>					
305-1	Direct (Scope1) GHG emissions	Promoting a Decarbonized Society CO2 Emissions List Breakdown by Scope and Category / CO2 Emissions from Energy Consumption / CO2 and Other Greenhouse Gases Emissions from Non-energy Consumption / Breakdown of Greenhouse Gas Emissions (Data Index)	P44	* There are no CO2 emissions of biological origin.	
305-2	Energy indirect (Scope 2) GHG emissions	Promoting a Decarbonized Society CO2 Emissions List Breakdown by Scope and Category / CO2 Emissions from Energy Consumption / CO2 and Other Greenhouse Gases Emissions from Non-energy Consumption / Breakdown of Greenhouse Gas Emissions /CO2 Emissions Reduction through the Use of Renewable Energy (Data Index)	P44		
305-3	Other indirect (Scope3) GHG emissions	Promoting a Decarbonized Society CO2 Emissions List Breakdown by Scope and Category / CO2 Emissions from Distribution in Japan, International Shipment and Distribution outside Japan (Data Index)	P44		
305-4	GHG emissions intensity	Promoting a Decarbonized Society CO2 Emissions from Energy Consumption (Data Index)	P44		
305-5	Reduction of GHG emissions	Promoting a Decarbonized Society CO2 Emissions List Breakdown by Scope and Category / CO2 Emissions from Energy Consumption / CO2 and Other Greenhouse Gases Emissions from Non-energy Consumption / Breakdown of Greenhouse Gas Emissions /CO2 Emissions Reduction through the Use of Renewable Energy / CO2 Emissions from Distribution in Japan, International Shipment and Distribution outside Japan (Data Index)	P44		
305-6	Emissions of ozone-depleting substances (ODS)	Abolition of All Ozone-layer-depleting Substances	P59		
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The Nikon Group's PRTR and VOCs PRTR Survey Results for Nikon and Group Manufacturing Companies in Japan / Volatile Organic Compounds (VOCs) Emissions (Data Index)	P60		

GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
<b>GRI 306 : Effluents and Waste 2016</b>					
306-1	Water discharge by quality and destination	Protection of Water Resources Water Discharge (Data Index)	P56		
306-2	Waste by type and disposal method	Promoting Resource Circulation Zero Emission Levels / Amount of Waste (Waste plus Resources with Economic Value) / Breakdown (by Category) of Waste (Waste plus Resources with Economic Value) Generated by Nikon Group in Japan / Landfilled waste (Data Index)	P52	Contributing to a Healthy and Environmentally Safe Society * With the proper waste control complying with local laws to reduce the final (landfill) disposal amount, Nikon has no classification of Hazardous and non-hazardous for the waste.	P58
306-3	Significant spills	* Not applicable Legal Violations Prevention of Air, Water and Soil Pollution	P38 P61		
306-4	Transport of hazardous waste	* Nikon neither imports nor exports hazardous wastes designated under the Basel Convention Annexes I, II, III and VII.			
306-5	Water bodies affected by water discharges and/or runoff	* Not applicable Water Risk Assessments	P56		
<b>GRI 307 : Environmental Compliance 2016</b>					
307-1	Non-compliance with environmental laws and regulations	* Not applicable Environmental Governance	P38		
<b>GRI 308 : Supplier Environmental Assessment 2016</b>					
308-1	New suppliers that were screened using environmental criteria	Promoting Green Procurement * With the contract requirement to follow Nikon Environment Standards, all new suppliers meets the environmental standards.	P72		
308-2	Negative environmental impacts in the supply chain and actions taken	Promoting Green Procurement	P72		
<b>400 Social</b>					
<b>GRI 401 : Employment 2016</b>					
401-1	New employee hires and employee turnover	Number of New Hires / Turnover (Data Index)			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—		Creating an Employee-friendly Working Environment	P84
401-3	Parental leave	Childcare and Long-Term Care Support Number of Employees Taking Childcare Leave / Return-to-Work Rates after Childcare Leave / Retention Rates after Childcare Leave (Data Index)	P84		
<b>GRI 402 : Labor/Management Relations 2016</b>					
402-1	Minimum notice periods regarding operational changes	—		Labor Relations	P77
<b>GRI 403 : Occupational Health and Safety 2018</b>					
403-1	Occupational health and safety management system	Employees' Health and Safety	P85		
403-2	Hazard identification, risk assessment, and incident investigation	Employees' Health and Safety	P85		
403-3	Occupational health services	Employees' Health and Safety	P85		
403-4	Worker participation, consultation, and communication on occupational health and safety	Employees' Health and Safety	P85	Labor Relations	P77
403-5	Worker training on occupational health and safety	Raising Health and Safety Management Standards	P85		
403-6	Promotion of worker health	* All Nikon employees		Mental Health Care	P86
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—		Raising Health and Safety Management Standards	P85
403-8	Workers covered by an occupational health and safety management system	—		Employees' Health and Safety	P85
403-9	Work-related injuries	Employees' Health and Safety Occupational Accidents Attributed/Related to Work / Frequency Rate of Lost Time Accidents (1 or More Days) / Severity Rate of Lost Time Accidents (1 or More Days) / Occupational Accidents Requiring Time Off (1 or More Days) and Fatalities / Types of Occupational Accident and Diseases, Injuries (Data Index)	P85	* Information and data were gathered through Group surveys. Risk analysis and countermeasures are currently underway, but disclosure is a matter for consideration as confidential information is included.	
403-10	Work-related ill health	Employees' Health and Safety Frequency Rate of Occupational Illnesses / Types of Occupational Accident and Diseases, Injuries (Data Index)	P85		

GRI Guidelines		Corresponding item/page	Reference/Reasons for omission	
<b>GRI 404 : Training and Education 2016</b>				
404-1	Average hours of training per year per employee	Human Resources Development Annual Number of Training Days per Employee at Nikon (Data Index)	P80	
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resources Development Diversity & Inclusion	P80 P82	
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 P79
<b>GRI 405 : Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	Promoting the Success of Diverse Employees Directors and Officers / Number of Women and Non-Japanese Appointed as Nikon Group Directors/Officers and Corporate Auditors (Data Index)	P78	
405-2	Ratio of basic salary and remuneration of women to men	Ratio of Basic Salary and Compensation of Women to Men (Data Index)		
<b>GRI 406 : Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	Compliance Promotion System Use of Reporting and Consulting System (Data Index)	P88	
<b>GRI 407 : Freedom of Association and Collective Bargaining 2016</b>				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—		Human Rights Initiatives P75
<b>GRI 408 : Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	Promoting CSR Procurement Human Rights Initiatives * RBA self-assessment and the human rights and labor monitoring in the group found no serious risks.	P68 P75	
<b>GRI 409 : Forced or Compulsory Labor 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Promoting CSR Procurement Human Rights Initiatives * RBA self-assessment and the human rights and labor monitoring in the group found no serious risks.	P68 P75	
<b>GRI 410 : Security Practices 2016</b>				
410-1	Security personnel trained in human rights policies or procedures	—		
<b>GRI 411 : Rights of Indigenous Peoples 2016</b>				
411-1	Incidents of violations involving rights of indigenous peoples	—		
<b>GRI 412 : Human Rights Assessment 2016</b>				
412-1	Operations that have been subject to human rights reviews or impact assessments	Participation in International Initiatives Initiatives for Preventing Human Rights Violations * RBA self-assessment aimed at eight group manufacturing companies outside Japan and the human rights and labor monitoring 82 Nikon and all the group companies.	P9 P76	
412-2	Employee training on human rights policies or procedures	—		Initiatives for Preventing Human Rights Violations *All group employees received in-house newsletters for further understanding on human rights. In-house training for human rights aimed at all group employees was conducted and more than 90% of the employees participated in the course. P76
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—		



GRI Guidelines		Corresponding item/page		Reference/Reasons for omission	
<b>GRI 413 : Local Communities 2016</b>					
413-1	Operations with local community engagement, impact assessments, and development programs	—		Biodiversity Conservation Corporate Citizenship Activities Data on "Corporate Citizenship Activities" (Data Index)	P62 P97
413-2	Operations with significant actual and potential negative impacts on local communities	—			
<b>GRI 414 : Supplier Social Assessment 2016</b>					
414-1	New suppliers that were screened using social criteria	—		Promoting CSR Procurement	P68
414-2	Negative social impacts in the supply chain and actions taken	Promoting CSR Procurement	P68		
<b>GRI 415 : Public Policy 2016</b>					
415-1	Political contributions	0 Yen			
<b>GRI 416 : Customer Health and Safety 2016</b>					
416-1	Assessment of the health and safety impacts of product and service categories	Ensuring Safety of Products and Services * Nikon conducts safety assessments for all of its products.	P28		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ensuring Safety of Products and Services Technology without Hazardous Substances	P28 P59		
<b>GRI 417 : Marketing and Labeling 2016</b>					
417-1	Requirements for product and service information and labeling	Ensuring Safety of Products and Services	P28		
417-2	Incidents of non-compliance concerning product and service information and labeling	Ensuring Safety of Products and Services *In the fiscal year ended March 31, 2020, there were no violations of laws and voluntary regulations regarding safety labeling.	P28		
417-3	Incidents of non-compliance concerning marketing communications	* Not applicable			
<b>GRI 418 : Customer Privacy 2016</b>					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	* Not applicable (There were no violations of GDPR carrying fines.) Results for the Fiscal Year Ended March 31, 2020	P19	Risk Management for Information Assets	P94
<b>GRI 419 : Socioeconomic Compliance 2016</b>					
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 2020 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: IDENTITY CRISIS

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: Shibashis Mukherjee [Nikon India Private Limited]

#### Competition jury's evaluation:

This superb photo opportunity captured an endangered langur parent and child. The catch light in their eyes makes them look alive. I hope this baby monkey will grow up healthy despite the harsh environment. At the same time, I keenly feel the need to sustainably manage forests and halt biodiversity loss, which is Goal 15 of the SDGs.



### Second Place

#### Entry title: A spirit of mother earth watches over us

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: Masaharu Aramaki [Nikon Corporation]

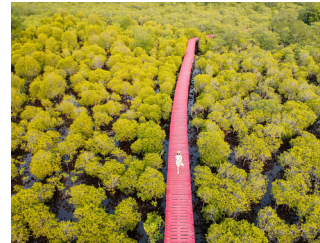


### Second Place

#### Entry title: Snow falling on cherry blossoms in spring

Relevant SDG: Goal 13: Take urgent action to combat climate change and its impacts

Photographer: Haruka Nakai [Tochigi Nikon Corporation]



### Second Place

#### Entry title: Save the mangrove forest Save the ocean

Relevant SDG: Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Photographer: Noppadon Kammak [Nikon (Thailand) Co., Ltd.]



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