

# Integrated Management of Growth and Sustainability Strategies



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## Trustworthiness and Creativity - Nikon Corporate Philosophy and Materialities

Nikon defined 12 materialities related to sustainability. We divide these 12 materialities related to sustainability into two categories based on the Nikon Corporate Philosophy of Trustworthiness and Creativity: (1) Meet society's expectations to win trust and (2) Contribute to society through creativity.

In terms of trustworthiness, we pursue a range of initiatives related to the environment, social/labor, and governance. In fiscal year 2022, we reduced greenhouse gas emissions from our business facilities by 30% compared with fiscal year 2013. The ratio of women among new graduate hires was 32%, compared with our target of 25%. In April 2023, we established the Nikon Global Diversity, Equity & Inclusion Policy, reflecting our intent to make the most of diversity in managing our businesses.

In terms of creativity, we began seeing tangible results, including in our work with two airlines. We are helping these companies reduce fuel consumption and CO<sub>2</sub> emissions using our proprietary optical processing machines for microfabrication applied to the surface of aircraft. This microfabrication imitates the skin of sharks that swim in the sea at high speed.

In recognition of these efforts, Nikon received the top global score\* in the Dow Jones Sustainability Indices for our industry group. We also received a AAA rating in the MSCI ESG Ratings\*. Furthermore, Nikon shares are included in all six of the ESG investment indices adopted by GPIF\*.

\*Scores and ratings as of August 2023

## Enhancing Corporate Value

We believe sustainability initiatives will lead to greater social and non-financial value at Nikon. And over a certain time frame, these factors will lead to increased financial value, such as ROE, share price, and market capitalization.

To this end, the executive compensations system under the Medium-Term Management Plan we began in fiscal year 2022 incorporates sustainability strategies and human capital management initiatives into KPIs used to determine the amount of PSUs (performance share units), a type of performance-linked stock compensation.

Fiscal year 2022 was one that saw a number of important business developments. However, the expectations of society and stakeholders continue to rise. In my capacity as CFO and officer in charge of sustainability, I continue to pursue sustainability as an integral part of the Company's growth strategy as we aim to enhance corporate value.

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