

Stakeholder Engagement

Approach to Communication

Approach and Policy

For a company to fulfill its social responsibility, it must disclose its own policies and results 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 achieve reciprocal communication with stakeholders including customers, shareholders, employees, business partners, and society as a whole. We also work to maintain and develop healthy relationships with them through a variety of opportunities and methods.

● Nikon Group's Main Stakeholders



● Main Forms of Engagement with Stakeholders

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

* In principle, the communication methods used and the frequency of use are as given above. However, in the fiscal year ended March 2022, due to the need to combat the spread of the COVID-19 pandemic, Nikon switched over to holding some exhibitions, events, meetings etc. online, and also temporarily cancelled the holding of and participation in certain activities.

● List of Main Affiliated Organizations Related to Sustainability (as of March 31, 2022)

Organization Name
Joint Article Management Promotion-consortium (JAMP)
Global Compact Network Japan (GCNJ)
Business Ethics Research Center (BERC)
Japan Electronics and Information Technology Industries Association (JEITA) (CSR Committee, Environment Committee, and Responsible Minerals Trade Working Group) Keidanren (Japan Business Federation) (Committee on Responsible Business Conduct and SDGs Promotion)
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)
Japan Machinery Center for Trade and Investment (JMC)
Institute of Business Ethics (IBE)
Japan Business Council in Europe (JBCE) (CSR Committee)
Responsible Business Alliance (RBA)
Responsible Minerals Initiative (RMI)
SEMI Japan (SDGs/Sustainability Committee)

Engagement with Employees

Activities and Results

The Nikon Group believes that it is very important for every employee to share the company's vision, to be committed to the company's policies and plans, and to work proactively to put them into effect. For this reason, in recent years we have held President's Town Hall Meetings and President's Lunch Meetings to facilitate dialogue with employees. These had to be suspended in the fiscal year ended March 2021 in light of the spread of the COVID-19 pandemic.

Although the COVID-19 pandemic continued in the fiscal year ended March 2022, we held seven President's Town Hall Meetings 2021, an online meeting between the president and employees, based on the importance of dialogue with employees.

In addition to the live broadcast on the day of the event, a recording was made available for viewing at a later date in order to inform all employees of the president's thoughts and future plans for each division and department.

We also continue to actively disseminate information through the Group portal site, internal newsletters, and e-mails. At the same time, the Brand Strategy Team, established in July 2020 to enhance brand value and employee engagement, interviewed executives and communicated the current status and policies of each business and division to employees in a frank and easy-to-understand manner via email and the Group portal site. Those interviews include an explanation by the responsible officer at Nikon regarding the content of the Materiality Nikon is reviewing in 2021, the relationship between sustainability and brands, and the Nikon Group's efforts to address climate change issues.

In addition, a survey of employees in relevant divisions was conducted regarding the construction of the new head

office building scheduled for completion in 2024 in order to formulate a detailed plan in line with the policy of promoting flexible work styles.

Engagement with Shareholders and Investors

Activities and Results

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

We hold interviews with a total of approximately 500 shareholders, institutional investors and analysts both within and outside Japan throughout the year. In the fiscal year ended March 2022, as in the previous fiscal year, in light of the spread of the COVID-19 pandemic, the company announced its quarterly financial results via a webcast. In addition, the interviews, which provide great opportunities for the President and CFO to listen directly to the views of shareholders, investors and analysts, were conducted by telephone conference or online. Despite the impact of COVID-19, we have redoubled our efforts to disseminate information regarding the current state of the company's operations in a timely, appropriate manner, through constructive dialog with large numbers of institutional investors and analysts.

The feedback and advice that the Nikon Group has received from shareholders and investors has provided the Group with many useful suggestions that the Group can utilize when implementing our growth strategies, business management and restructuring, etc. In particular, we have engaged in frank, wide-ranging exchanges of opinion with investors who are focused on a long-term perspective, covering matters such as contributions towards addressing social issues through business activities, financial strategies regarding capital allocation, and ESG-related issues





(particularly governance). Some of the opinions expressed can be quite harsh, but we can make effective use of these opinions when reflecting on our business management and considering our strategies, by sharing them with the Board of Directors and the Executive Committee on a regular basis. Going forward, Nikon aims to enhance engagement with shareholders and investors in terms of both quality and quantity. In addition, we will listen carefully to stakeholders' hopes and expectations, and will make effective use of what we have learned to improve our business management.



External Evaluation

Activities and Results

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

● Inclusion in ESG Investment Indexes (As of June 30, 2022)


ESG Investment Index	Selected/Overview
FTSE4Good Index Series  FTSE4Good	Selected: Since 2004 The ESG Investment Indexes is designed by FTSE Russell, wholly owned by the London Stock Exchange.
ECPI Indices  Sense in sustainability	Selected: Since 2011 ECPI is a company based in Milan and Luxembourg that produces research, ratings and indices on companies' ESG performance.
SOMPO Sustainability Index 2022  Sompo Sustainability Index	Selected: Since 2013 The SOMPO Sustainability Index is a socially responsible investment product that enables pension funds and other institutional investors to invest broadly in companies with high ESG evaluations.
FTSE Blossom Japan Index^{*1}  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^{*1 *2} 2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	Selected: Since 2017 MSCI Japan ESG Select Leaders Index selects companies from various sectors with excellent ESG practices from among the top 500 Japanese stocks in terms of market capitalization.
Dow Jones Sustainability Indices DJSI World and DJSI Asia Pacific Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Selected: Since 2018 Every year, the sustainability of major global companies is quantified from three perspectives: economy, environment, and society. Based on the results of evaluation by industry, approximately the top 10% are selected for DJSI World and approximately the top 20% in the Asia-Pacific region are selected for DJSI Asia Pacific.

ESG Investment Index	Selected/Overview
S&P/JPX Carbon Efficient Index^{*1} 	Selected: Since 2018 The S&P/JPX Carbon Efficient Index is an index that uses TOPIX, the representative stock index for the Japanese market, as its securities universe and selects composite stocks with a focus on disclosure of environmental information and level of carbon efficiency.
S&P Japan 500 ESG index	Selected: Since 2019 The S&P Japan 500 ESG Index is one of the S&P 500 ESG Index series, which was newly announced by S&P Dow Jones Indices LLC, with the main indices in Japan as its universe.
MSCI Japan Empowering Women Index^{*1*2} 2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	Selected: Since 2019 The MSCI Japan Empowering Women Index selects companies in various industries that have demonstrated superior gender diversity performance, from among the 500 listed Japanese companies with the highest market capitalization.
FTSE Blossom Japan Sector Relative Index^{*1}  FTSE Blossom Japan Sector Relative Index	Selected: 2022 It is designed to measure the performance of Japanese companies that demonstrate relative "environmental," "social," and "governance" excellence in their respective sectors.

*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, does 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 Evaluation (as of February 10, 2022)

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.
S&P Global Sustainability Awards 2022 Bronze Class Sustainability Award Bronze Class 2022 S&P Global	Each year, S&P Global evaluates the sustainability of the world's leading companies from three perspectives: economy, environment, and society. It then selects and honors those companies that receive particularly exceptional scores. For the Bronze Class, companies are selected if their scores are within 5% to 10% of the highest scoring company in each industry category.