

Materiality 2

Ensuring Trustworthiness by Maintaining and Increasing Quality



Reason for Prioritization

Ensuring that products and services that are widely utilized in the market are safe to use is an important precondition for development of a sustainable society. In regard to today's rapid evolution of new technologies such as the Internet of Things (IoT) and artificial intelligence (AI), quality assurance—including measures to ensure safety and environmental responsiveness—is just more than necessary. Also customer needs that change in terms of lifestyle, value etc. are 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 achieving creative, efficient *Monodzukuri* (manufacturing). To this end, we optimize our production system from a company-wide perspective and consider each *Monodzukuri* (manufacturing) process from the product planning, development, and design stages, keeping in mind our response to future environmental changes. The most important theme here is quality assurance, which includes product safety and environmental consideration. With the Quality Committee playing a central role, we are working to strengthen our company-wide quality management system and prevent quality problems.

Also, to respond effectively to increasingly diversified and more sophisticated customer needs, it is vitally important to ensure that customers' views, and the views of society as a whole are strategically reflected in our business operations ahead of time. While proactively utilizing open innovation and business alliances, we are also striving to rapidly reflect customer opinions in our products and services, and meet global needs.

Nobuyuki Ishizuka
Executive Vice President
General Manager of Production Technology Division

[Policy for Activities]

- Basic Quality Policy
- Quality Management Directive (QMD)

[System]

- Quality Committee

Goals for the Fiscal Year Ending March 2031 (What Nikon Intends to Achieve)	What Nikon Needs to Do	Related SDGs	Targets for the Fiscal Year Ended March 2022	Scope	Results
Provision of high-quality products and services that are trusted by the customer through creative <i>Monozukuri</i> (manufacturing) that emphasizes customer safety and the environment	Continue to provide high-quality products and services that win customers' trust and meet their expectations	12.4 12.5 12.6	Implement intensive training (a total of 19 sessions) for the development, design, and quality assurance departments in each business unit in order to ensure familiarity with and thorough implementation of the completely revised Safety Design Principle Sort	Nikon Group in Japan	19 training sessions on the Safety Design Principle Sort were held as planned for the development, design, and quality assurance departments of each business unit to ensure thorough knowledge and understanding.
	Reduce quality incidents to zero		Aim to strengthen management and enhance efficiency through company-wide management and listing of conforming products (including coatings, oils, adhesives, resins, etc.) in relation to regulatory requirements in key countries and regions, so as to strengthen the management of chemical substances contained in products	Nikon Group in Japan	Created a list of legally compliant products (paints, oils, adhesives, surface treatment agents, etc.) that conform to the laws and regulations of major countries, and began trial operations as planned.
			Complete re-inspection of the quality management system based on Nikon's comprehensively revised Quality Management Directive (QMD)	Nikon	Inspection of the quality management system based on QMD was conducted mainly in the business units, and issues identified were addressed by formulating improvement plans.
	Enhance customer engagement, identify customer needs, and generate market-in ideas		Establish unified, company-wide standards for Quality Assurance (QA) assessment of procurement partners, and implement QA assessment for at least 30 companies	Procurement partners	QA assessment based on company-wide unified standards were conducted for 52 companies
			Undertake revision of the Nikon website to quickly guide website visitors towards the product information pages, so as to promote digital marketing aimed at strengthening customer engagement	Nikon Group	Redesigned the top page of the corporate and global websites. Increased the number of transitions to each marketing site. In parallel, we prepared for the redesign of the corporate and global websites. We expect that the new design will make site leads easier to understand.

Nikon *Monodzukuri* (Manufacturing)

Monodzukuri (Manufacturing) Vision (2030)

Approach and Policy
System and Framework

The Nikon Group's basic philosophy is Customer and Quality first, and we provide *Monodzukuri* (manufacturing) to realize the products and services that our customers want in the best way for them. We then anticipate our customers' challenges and drive innovation utilizing a variety of solutions. In order to achieve these goals, it is necessary to create a strong production system that can respond to change. The COVID-19 pandemic brought major environmental changes, including changes in work styles, widespread procurement and logistics pressures, and soaring resource prices. The Nikon Group will strive to achieve sustainable *Monodzukuri* (manufacturing) that responds to future environmental changes through production bases, technology, procurement and logistics, quality, and other strategies. As a manufacturer, *Monodzukuri* (manufacturing) is the main source of Nikon's business activities. Going forward, we will further expand the value provided to our customers.

Strategies to achieve Vision 2030

Activities and Results

The Nikon Group has established the Production Technology Division, the Optical Engineering Division, the Advanced Technology Research & Development Division, and the Next Generation Project Division as the organizations that provide a cross-functional framework within each business unit. We are aiming for company-wide optimization of *Monodzukuri* (manufacturing) that transcends the boundaries of individual business units. Specifically, we are enhancing our manufacturing foundation, by building an ECM (engineering chain management) system and framework, along with the corresponding technology, and developing our SCM (supply chain management). We will use this system and framework to promote not only existing businesses, but smoothly establish new ones.

Production Base Strategy

We will build a strong production system that can respond

to changes by developing the unique strengths of each site and promoting cooperation among sites. As an example, Sendai Nikon, which was transferred from the Imaging Business Unit to the Production Technology Division in April 2021, is being reborn as a development and production base for BtoB business by utilizing high-precision manufacturing technology and development design capabilities using X-rays and lasers from digital camera production.

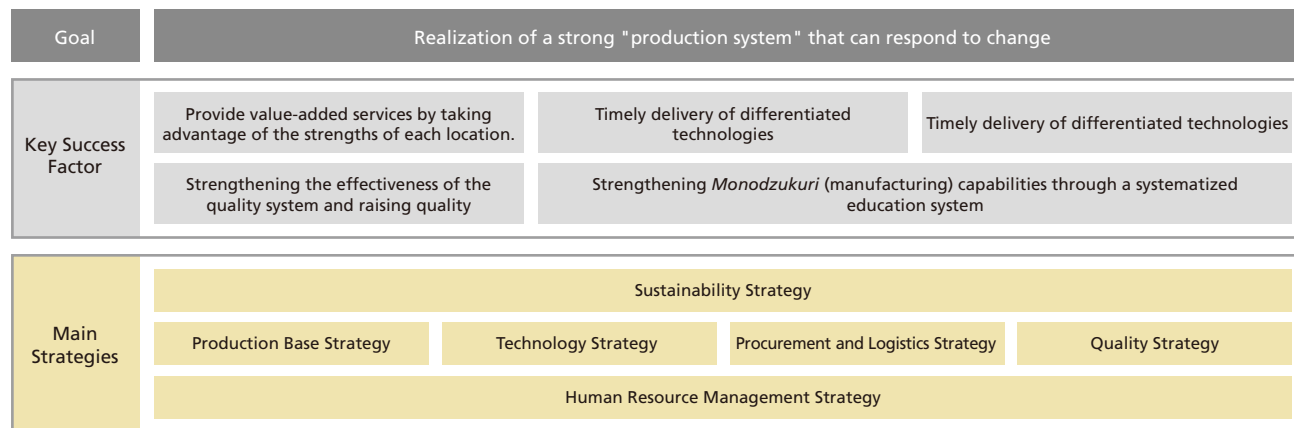
Technology Strategy

We will continue to strengthen the core technologies that underpin Nikon group *Monodzukuri* (manufacturing) as well as develop technological differentiation that will result in future products and services. In addition to the core technologies of materials, processing, and assembly and adjustment, which form the lifeline of optical manufacturers, we will improve productivity and achieve consistency in quality by utilizing IE (industrial engineering) initiatives, equipment development, and digital manufacturing, which make up the foundation of *Monodzukuri* (manufacturing).

Procurement and Logistics Strategy

The environment surrounding the supply chain is undergoing dramatic changes, including soaring resource prices, tightness in material procurement, and logistics disruptions. Cooperation with procurement partners based on a strong relationship of trust is important for stable supply in the supply chain. We aim to work with procurement partners that adhere to the levels of quality and sustainability required by Nikon, to deliver high quality and sustainable products to the world, to earn the trust of our stakeholders, and to sustain our corporate activities.

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



Quality Strategy

In order to always meet customer needs and deliver safe and reliable products (products and services) in a timely manner, we are working to maintain and strengthen the quality systems in each of our business units. To this end, we have established a Quality Committee to deliberate and make decisions on important matters related to quality control. The committee monitors and supervises the quality control status of each division in the group, and strengthens functions related to regulatory compliance, safety assurance, manufacturing technology, and other matters to prevent quality and environmental problems. In addition, as a means of raising quality awareness, we will develop basic principles of *Monodzukuri* (manufacturing) in order to solidify and establish the ideal state of *Monodzukuri* (manufacturing). We will summarize the quality-oriented approach and *Monodzukuri* (manufacturing) actions currently practiced at each production site, develop them as basic principles, and deploy them throughout the Nikon Group to firmly establish a quality-oriented culture.

Strengthening

Activities and Results

Monodzukuri (manufacturing) capabilities

The Nikon Group provides various types of training for promoting high-level *Monodzukuri* (manufacturing) capabilities, including specialized technical training by field for new employees, as well as employee training based on job duties and experience.

Nikon has been providing long-term training, including technical training for new employees to acquire basic *Monodzukuri* (manufacturing) skills as well as basic training to cultivate design developers who will acquire knowledge and experience encompassing all *Monodzukuri* (manufacturing) 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 encouraging skills advancement. Furthermore, Nikon has also been offering training for cultivating optical designers in relation to maintaining and advancing opto-electronics technologies, one of Nikon's core technologies. The training entails both fundamental theoretical knowledge and passing on the Company's unique technology and skills.

As for the Technical College program, which opened in April 2020, 206 courses were held in the fiscal year ended March 2022, with 4,137 participants.

In the fiscal year ending March 2023, we will provide opportunities to systematically learn about a wide range of technical fields, not only for young engineers, but also for career entrants and internal employee reskilling (re-training), in an effort to develop creative engineers with a broad perspective.

Human Resource Development (➡ P113)

Ensuring Quality and Safety

Our Policy on Quality Control Approach and Policy

The Nikon Group has established a Basic Quality Policy centered around the idea of increasing the value we provide to our customers, and the value that we provide to society, through our products and services. In order to put this policy into practice, we have also established the Quality Management Directive (QMD). For each business unit (including the Group companies), we have created a Quality Manual (QM) based on the QMD. This QMD encompasses the requirements of ISO 9001* accreditation, and we are implementing swift and appropriate revisions in response to changes in trends and situations happening around the world. The Nikon Group has obtained ISO 9001 accreditation, primarily at production companies, and the rate of accreditation acquisition at Nikon and the Group manufacturing companies is approximately 50% (percentage of companies).

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

Basic Quality Policy

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

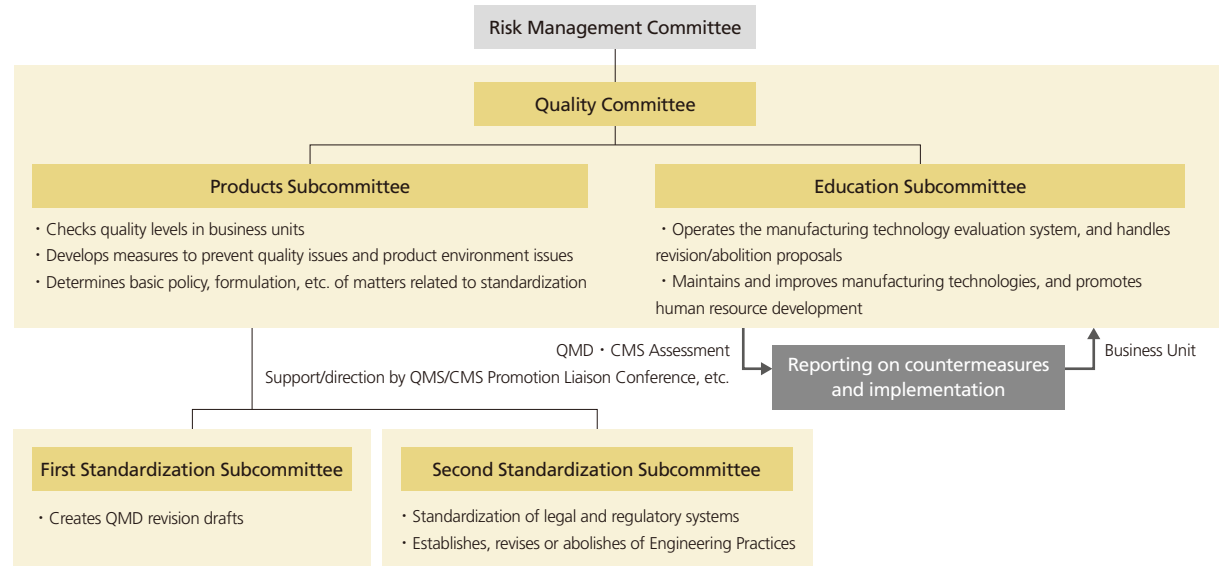
- (1) Enhance brand value and provide high-quality, distinctive products to the market in a timely manner through creative and efficient *Monodzukuri* (manufacturing).
- (2) Provide safe and environmentally considered products and earn the trust of customers and society.

Quality Management System System and Framework

The Nikon Group has established the Quality Committee to deliberate and make decisions on important matters related to quality control for the entire Group. The General Manager of the Production Technology Division chairs the committee, and division managers from each business unit and others serve as standing committee. Under the Quality Committee we have established the Products Subcommittee, and Education Subcommittee—the purpose of these is to strengthen the functions of the Quality Committee in preventing quality and environmental problems, meeting legal and regulatory standards and ensuring security, and maintaining and improving manufacturing technologies.

In the fiscal year ended March 2022, the Standardization Subcommittee was renamed and divided into the First and Second

- Quality Management System (As of April 1, 2022)



Standardization Subcommittees and made subordinate to the Product Subcommittee to unify the chain of command.

Decisions made at the Quality Committee are shared at the QMS*¹ CMS*² 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.

In the fiscal year ending March 2023, we will continue to promote the three-year plan for quality system rechecks for all business units that started in the fiscal year ended March 2022, triggered by the comprehensive review of quality control guidelines in September 2020.

*1 QMS: Quality Management System

*2 CMS: Chemical Substances Management System (Management of chemical substances in products)

Frameworks to Comprehensively Manage Quality

System and Framework

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

In the fiscal year ended March 2022, each business unit made progress in efforts to prevent quality problems by collecting and analyzing market quality information and providing feedback to upstream processes such as the design stage. In the fiscal year ending March 2023, we will visualize quality loss costs in the production process and begin building a system to improve both quality and production efficiency.

Initiatives for Quality Control

Activities and Results

Small Group Activities

The Nikon Group has been promoting small-group activities since 1979, believing that they are essential for ensuring high quality and that each and every employee has a high level of awareness and takes the initiative in improving daily operations. In the fiscal year ended March 2022, 732 groups and 5,783 people engaged in such activities at the Nikon Group in and outside of Japan. Furthermore, every year in July the Nikon Group holds Nikon Group Select Small Group Activity Presentation presided over by the company president, where the best activity groups from each region get together to talk and educate each other. For the fiscal year ended March 2022, the event was held completely remotely for the first time. More than 150 employees participated, and the excellent presentations were used as a reference for improvement activities in each unit within the group.

Quality Training and Raising Awareness

The Nikon Group believes it is imperative that each and every employee acquires the relevant knowledge and quality control skills, tailored to the specific requirements of individual employees' positions, levels and specialties. Based on this approach, starting with the Nikon Group in Japan, we are promoting internal education and awareness-raising related to quality in order to raise the standard for all employees and strengthen and foster the development of selected members from the workplace.

The Technical College program, which opened in April 2020 with the aim of training and educating young engineers, had 1,109 participants in the mandatory training course on quality control in the fiscal year ended March 2022. In addition to this, in the fiscal

year ended March 2022, as part of the reskilling (reeducation) of quality control education, SQC Leader Training for mid-level engineers was newly established, and 110 participants attended. In the e-learning program, we stepped up the content of training from the fiscal year ended March 2021, and in the fiscal year ended March 2022, we provided to all employees of the Nikon Group in Japan the Introduction to Statistical Methods Training and Basic Quality Control Training, which are equivalent to Grade 3 of the Quality Management and Quality Control Examination (QC Exam).

Based on our success in raising the skills of our employees through the previous fiscal year, we plan to take the next step in the fiscal year ending March 2023 by implementing an e-learning program equivalent to the Grade 1-2 QC Exam to further improve the quality management skills of mid-level engineers, quality assurance personnel, and managers. We will also promote the use of teaching materials used in e-learning at Nikon Group companies outside Japan.

Furthermore, every year during Quality Month in November, Nikon hosts the Quality Month Conferences. For the fiscal year ended March 2022, we invited statistician Kei Nishiuchi, well known as the author of the best-selling book *Statistics is the Strongest Study*, to speak on the topic of *Secrets of Using Statistics and Data Analysis for Business Creation: To be a Winner in the Big Data Era*. At the conference, Mr. Nishiuchi gave attendees valuable advice, saying that, "If employees learn statistical knowledge, they can improve productivity by an average of 5% per year by using familiar analytical tools and analyzing business data. This effect is compounded, so productivity doubles in 15 years. Decisions based on this kind of field-level data will be the strength of the company going forward." This lecture was held remotely as a countermeasure against the COVID-19 pandemic, and was attended by 125 Nikon Group executives and employees and 53 procurement partners.

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

- Mandatory training for all employees
 - E-learning for all employees
 - Basic Quality Control Training (QC Grade3)
 - Introduction to Statistical Methods Training (QC Grade 3)
 - Basic Quality Control Training for new employees
- Specialist training for engineers
 - Expert package training (comprehensive training that combines experimental design and multivariate analysis, etc.)
 - SQC leader training (basic training combining Q7, N7, exam and estimation, etc.)
 - Leadership training for small group activities

Implementing QMD CMS assessments*

The Nikon Group conducts QMD/CMS assessments to check the status of quality management and management of chemical substances in products based on QMD, and investigates, confirms, and evaluates the status of quality management operations throughout the Group. This assessment is conducted by the Chairman of the Product Subcommittee of the Quality Committee, who is responsible for the assessment. In the event of an improper situation, we instruct corrective action or improvement and promptly implement such measures to maintain and improve our quality control activities. Additionally, important findings are reported to the Executive Committee and reflected in our internal controls.

In the fiscal year ended March 2022, assessments were conducted for six Nikon divisions and one major group company using assessment check sheets adopted to the organization being assessed. The Nikon Group also made continuous reviews in order to further enhance the effectiveness and efficiency of these assessments.

* From the fiscal year ended March 2022, the Nikon Group began conducting conventional audits, referred to as assessments, related to quality control and management of chemical substances contained in products. These assessments are the same as the audits defined in JIS Q 19011, and refer to a systematic process for objectively evaluating the degree to which QMD requirements are being met.

Initiatives for Procurement Partners

Cooperation from procurement partners is essential in order to promote Quality First initiatives. Therefore, we conclude quality assurance agreements with our procurement partners based on their understanding of the Nikon Group's Quality First philosophy.

To quantitatively understand and manage the state of maintenance of the quality management system, we conduct a self-evaluation using the Quality Assurance (QA) Self-assessment Sheet once every three years. We also conduct QA assessments for procurement partners that we have determined to be important.

In the fiscal year ended March 2022, the Company completed the trials conducted in the fiscal year ended March 2021, and began formal operations, conducting QA assessments for 52 companies. As a result, for procurement partners that did not meet Nikon's required standards, we discussed countermeasures and implemented systematic improvements.

In the fiscal year ending March 2023, we will continue to systematically conduct QA assessments for procurement

partners that we have determined to be important. We also analyze the results of QA assessments conducted in the past, identify issues, and distribute instructions to our procurement partners to alert them to the issues, check the status of implementation, and provide guidance. Furthermore, we will proceed with a high-affinity environmental management system assessment integration study, and determine the integrated assessment rules. This will enable us to maintain more effective and efficient quality and environmental management systems.

Ensuring Safety of Products and Services

System and Framework

Activities and Results

The Nikon Group gives due consideration to the safety of products and services for the entire lifecycle of the product: from the planning stage, right through to disposal. Note that the number of serious product accidents relating to safety* for the fiscal year ended March 2022 was zero.

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

Initiatives to Ensure Safety in Products and Services

The Nikon Group regards safety as an integral part of the quality of its products and services, and believes that its most important mission is to provide safe products and services to its customers. This is also incorporated into the QMD and the regulations of every business unit, which must be adhered to.

In addition, we confirm in our regular QMD and CMS assessments that each division and department is implementing the safety-related matters incorporated in those QMDs and regulations.

In addition, the Nikon Group is obliged to conduct safety assessments for all of its products. In line with the established the Safety Design Principle Sort (Safety Design Principles [General Standards], Common Standards and Product Area-Specific Safety Design Standards) which are based on international standards, etc., we are putting in place safety designs to pin-point and eliminate any potential risks and hazards. In the fiscal year ended March 2022, Standards summarizing safety-related descriptions in Nikon product operation manuals were added to the Safety Design Principle Sort. In addition, training sessions were held for the development, design, and quality assurance

departments of each business unit to familiarize them with and ensure their thorough understanding of the above. The Nikon Group ensures safety through design reviews at the development and design stages and inspections of manufacturing processes during mass production. We also obtain certification from third-party certification bodies as necessary.

Initiatives for Product Security

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

In the fiscal year ended March 2022, we continued to make sure the Product Security Countermeasures Standards established in 2020 were reflected in the regulations of each business unit. Also, we issued the Wireless Communication Standards, as regulations that need to be applied to products and services with wireless communication functions, based on the latest laws and regulations, and technical requirements, and held training sessions for the development, design, and quality assurance departments in each business unit.

Product and service safety training

To ensure the safety of our products and services, the Nikon Group conducts a variety of periodic safety education programs for employees, including the Safety Design Principle Sort that define standard of safety design, the Product Liability Act, and the Electrical Appliance and Material Safety Act.

In the fiscal year ended March 2022, approximately 1,800

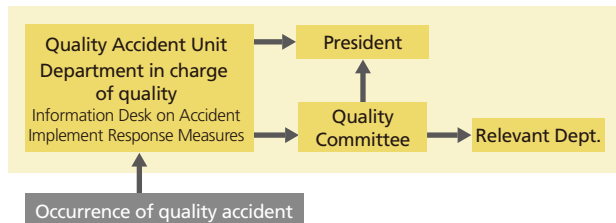
employees of the Nikon Group in Japan took educational training courses provided by the Quality and Environmental Administration Department of the Production Technology Division and the Technical College. Multiple training sessions were conducted for newly formulated Product area-specific Safety Design Standards (Industrial Equipment, IT/AV Equipment, Measurement Equipment) in particular, and we ensured all eligible employees took part. In addition, we provided education on safety rules and regulations in new areas that are relevant to the business environment, and encouraged participation in external training courses on safety design technology.

Response in Case of an Accident

The Nikon Group carries out planning, design, manufacturing, quality assurance, sales, logistics, and services with sufficient consideration to product safety. In the event of a problem in the market, including those concerning not only safety but also quality, or even if there are concerns regarding such an occurrence, we will immediately cooperate with the relevant departments to ascertain the facts and promptly take any necessary measures in accordance with our response procedures. Quality problems that have a significant impact on customers are reported to top management and disclosed promptly, and a system is in place to respond appropriately to customer inquiries.

Following these procedures, in the fiscal year ended March 2022, there were 7 incidents in which we took measures to prevent damage from spreading and recurrence, and disclosed any necessary information. These measures are also reviewed annually, and suitably revised if needed. There were no quality problems that occurred during the fiscal year ended March 2022.

● Flowchart Outlining Communication after Accidents Occur



FY2021 Quality Issues

The Nikon Group manages the use of specified hazardous substances to comply with the laws and regulations of each country with respect to chemical substances contained in our products. We require procurement partners to provide information on chemical substances contained in their products.

The straps attached to some Nikon binoculars (MONARCH 5, etc.) were found to contain polycyclic aromatic hydrocarbons (PAHs)*², a restricted substance under REACH*¹ regulations, in excess of the standard values. We suspended shipments of the affected products. We are now engaged in efforts to prevent a recurrence of this situation.

*1 REACH regulations: Acronym of Registration, Evaluation, Authorisation, Restriction and Chemicals. A European legal regulation related to chemicals management that began on June 1, 2007.

*2 Polycyclic aromatic hydrocarbons (PAHs): Since December 27, 2015, the inc

Restricting the Use of Substances Restricted Under the REACH Regulations (➡ P82)

Information Provision for Safe Use

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

Information which needs to be disclosed is stipulated in Nikon's proprietary Safety Design Principle Sort that have been formulated based upon relevant international standards, 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 sold. For example, products with wireless functions are labeled as compliant with the radio laws of various countries.

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

Customer Satisfaction

Our View on Customer Satisfaction

Approach and Policy

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

Initiatives aimed at Customer Satisfaction

Approach and Policy

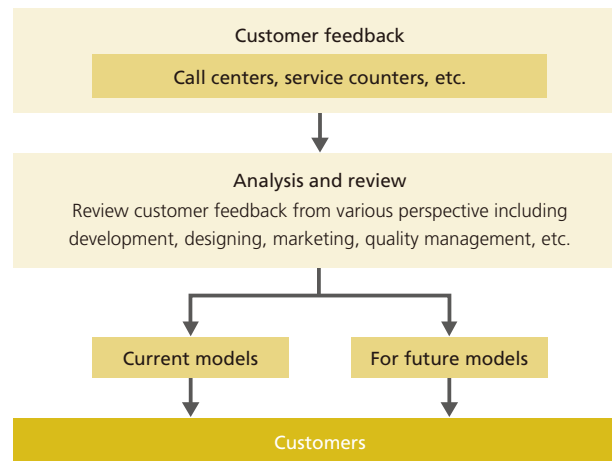
Activities and Results

Product development for Imaging Products based on customer feedback

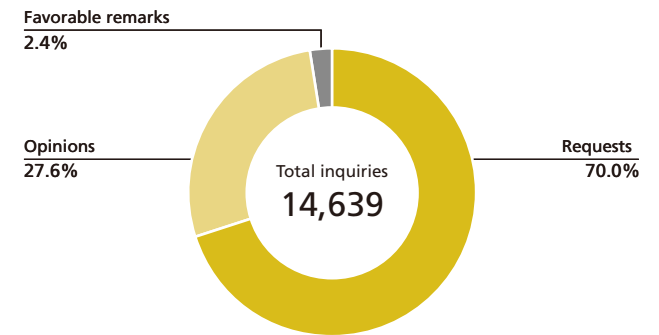
At the Nikon Imaging Products, feedback is received through call centers, service counters and NPS* staff from general and professional users as well as users who use photographic equipment in businesses worldwide. After careful analysis, customer feedback is examined from a range of different perspectives by departments such as the Product Development, Design, Marketing, and Quality Assurance Department. The results are reflected in our products and services leading to improved customer satisfaction.

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

Customer Feedback Flowchart (Imaging Products)



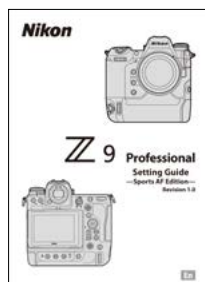
Breakdown of call center inquiry analysis and investigation (Japan, fiscal year ended March 2022)



* This breakdown of call center inquiries does not include questions regarding retail stores or product usage of the total 60,000 inquiries received.

Responding to Requests for Additional Functionality

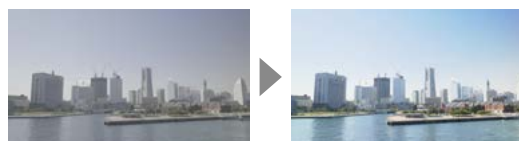
Nikon has released mirrorless cameras for professional and serious amateur photographers, including the Z 6II/Z 7II, the entry-level Z 5, the Z 50, and the Z fc, but a flagship mirrorless has been long awaited, and the Z 9 was launched in December 2021. Until now, mirrorless cameras have lacked the 3D-tracking mode part of the AF function that has been popular with digital SLR cameras, and many customers have requested this feature. We have taken this request seriously and included 3D-tracking in the Z 9. It also supports 9 types of subject detection (people, dogs, cats, birds, bicycles, motorcycles, cars, trains, and airplanes). You'll never miss that decisive image with a diverse range of subjects. We have created the Z 9 Settings Guide -Sports AF Edition- to provide recommended settings so that the performance of this model can be better demonstrated in sporting situations.



Z 9 Settings Guide -Sports AF Edition-

Responding to Requests for Function Descriptions

The Z 9 is the first flagship model in the Nikon Z series, which combines Nikon's cutting-edge technologies and offers the best functions and performance in Nikon's history. With enhanced functionality for images and video, the Z 9 Technical Guide - N-Log 3D LUT - was created as a support document for the video function. These can be downloaded from the Download Center. They can also be checked on the NPS Global Site and have been very well received.



Materials prior to applying N-Log 3D LUT

After applying N-Log 3D LUT

Initiatives to Improve Services in the Imaging Products Business

For our imaging products business, along with our "customer first" mindset, we aim to provide after-sales service that makes customers say, "I am really glad I purchased a Nikon product." In order to make this a reality Nikon has created a Service Division at the Nikon Head Office. As of the end of March, 2022, we have an organization that can provide consistent service quality to more than 220 repair service facilities and direct contact points (customer service counters) in 70 countries and regions around the world. We are also striving to improve services through diverse initiatives.

● Maintaining and Improving Repair Quality

Once a year, an assessment is conducted at all Nikon service locations to check the accuracy of the equipment and tools is within standards. Additionally, in order to monitor repair quality at each site, repair data is collated by the Service Division headquarters at the Nikon Head Office on a monthly basis to verify the absence of any issues. 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 through which we offer regular guidance to all service facilities, including local distributors and authorized repair service providers, in those countries and regions where Nikon does not have its own service facilities, with the aim of maintaining and improving service quality.

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 assessments of each authorized repair service provider based on their own unique assessment list as well as visiting each service provider individually to hold technical seminars.

● Enhancing Customer Satisfaction

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

In addition, the Imaging Business Unit is working to collect actual customer feedback, collate this data at the Service Division headquarters, and share the information globally in order that the individual staff members involved with service

understand the product concepts, and provide customers with advice regarding the optimal camera settings for the images they want to capture. We also offer a maintenance package that includes cleaning and an accuracy inspection for customers who wish to maintain their equipment prior to shooting. We have posted a trouble-shooting guide on the Nikon website so that customers can diagnose issues before requesting service. Through measures such as these, we are working to not only sell products, but also provide added value.

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

● Customer Satisfaction Survey Results (%)

	FY03/ 2018	FY03/ 2019	FY03/ 2020	FY03/ 2021	FY03/ 2022
Customer satisfaction	85.8	87.9	86.6	87.0	86.9

* The above figures include satisfaction with call center response in the Americas, Europe, and China (Fiscal year ended March 2018 figures also include four countries in the Asia/Oceania region).

Column

Strengthening Customer Engagement Through Interactive Communication

Nikon conducts interactive communication with customers through a variety of online and offline contact points. In September 2021, the winners of the Nikon Photo Contest 2020-2021 were announced. A collection of photo and video works with a strong sense of storytelling was gathered. The winning works were exhibited on the streets of Shibuya, New York, and London, sharing the various situations and thoughts of photographers from around the world through images.


Based on the belief that we should value the contact points between customers and the Nikon brand, Nikon Imaging (China) Sales Co., Ltd. opened Nikon Store Shanghai, Nikon's first directly managed store in Shanghai, China on November 24, 2021. In the online age, we want to provide a realistic, high-quality experience. This new directly managed store, which goes beyond a mere showroom, embodies Nikon's aspirations. It aims to be a place where young creators can gather and disseminate information by offering "touch and try" opportunities where they can freely hold products in their hands and experience them, as well as workshops to satisfy their curiosity about self-expression and image creation.

In February 2022, we exhibited at CP+2022 Online, in which many speakers participated, including not only photographers but also YouTubers, professional travelers who take travel photos, video creators and film directors. The chat and comment sections were opened to allow real-time, interactive communication with viewers, bringing viewers and presenters closer together. A total of 12,522

simultaneous views and 211,207 million total views were achieved (as of March 31, 2022).

In addition, Nikon is also promoting the formation of communities by holding photographic events in countries around the world where users of Nikon products can interact with each other.

The Nikon Group will provide new experiential value that enables deeper and more interactive communication with each and every customer than ever before. And we will continue to listen to our customers' voices and wishes as we develop our next products and improve our services.

 Nikon Photo Contest
<https://nikon-photocontest.com/jp/>



Nikon Store Shanghai, Nikon's first directly managed store in China



Many people spoke at the CP+2022 Online.

Strengthening the foundation of the organization to utilize design in management

System and Framework

Activities and Results

The Nikon Group has established an organization and operational structure that encourages design to enhance the value of the experience of products and services delivered to customers, to continuously evolve to become a valuable brand for society, and to create innovation within the company. By deepening our understanding of our clients' essential needs and utilizing the design process in our approach to their solutions, we aim to revitalize our efforts. In addition, in order to deliver even more value to the customer's experience of our products and services, we are focusing on traditional graphic design for not only all contact points items, but also on movie and exhibition booth design. In this way, we will continue to make use of design in our management to make the Nikon brand more valuable to our customers.

Column

Cameras that fit our customers' lifestyles and become an essential part of their lives.

The Z fc mirrorless camera was launched in July 2021. The camera features a heritage design inspired by the Nikon FM2 released in the 1970s. The idea behind the planning of this product was to encourage younger users who are less familiar with Nikon to use the camera. In these days of high-spec cameras, it is very important to think about the customer's lifestyle, how the camera can interact with that lifestyle, and to communicate this to the customer, rather than just appealing to them with numerical functions.

In the early stages of development, the Design Center, Product Planning, and Communication Strategy members worked together to clarify the target users and their preferred lifestyles and magazines, while creating a concrete worldview for the product. As a result of persistently continuing this collaboration through to the stage at which the final content was created, and through consistent communication down to the smallest detail, such as the images used, the catalog and the choice of clothing for the models, we were able to convey the concept behind this product to our customers without destroying the world view we had created in the early planning stages. These efforts also helped create attachment to new services and products. The Premium Exterior Service, which was rolled out with the launch of the camera, is the first service offered by Nikon that allows users to select the images used and color of their choice for the leather-toned material. By reupholstering instead of color variation, customers can change the color as often as they like. It also reflects Nikon's hope that people will continue to use one camera they have developed an attachment to, rather than having to buy a new camera over and over again.

In creating the service experience, we examined the flow of how the customer encountered the camera, and how they learned about and used Nikon service. We then considered all of this when creating contact points. The box is made of recycled paper, both ethical and textured, and is designed so that it can be put on display instead of being thrown away. Recycled paper was blended with recovered paper. Making it was difficult as we had to match specific quality standards, but the process of understanding its characteristics provided the impetus for *Monodzukuri* (manufacturing) in anticipation of the SDGs. A leaflet with an original illustration and QR code was enclosed in the packaging box,

creating an opportunity for customers who opened the box to learn about the service and the world of the product, and to use the service as is.

Through these exhaustive efforts, we were able to increase not only the number of fans from the past, but also the number of purchasers who did not know about FM2. The product was able to reach its intended target audience, with women in their 20s and 30s outnumbering men in their 60s as a percentage of users of premium exterior services*. Inspired by this development, we would like to deliver more experiences to our customers that fit into their lifestyles and build long-lasting relationship between camera and their users.

*The percentage of service users is based on data from domestic Nikon Direct purchasers.



Z fc can be reupholstered with premium exteriors in 6 colors



Z fc packaging box is made of recycled paper that is both ethical and stylish.