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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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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.