



Sustainability-Linked Finance Framework

NIKON CORPORATION

SEPTEMBER, 2023



Contents

1.	Introduction.....	2
1.1	Reference to Principle and Guidelines.....	2
1.2	Overview of the Company	2
1.3	Philosophy & Vision	6
1.4	Vision 2030 "A key technology solutions company in a global society where humans and machines co-create seamlessly"	7
1.5	Nikon's Sustainability	8
1.6	Sustainability Promotion System	9
1.7	Materiality	10
1.7.1	Materiality Goals	10
1.8	Environmental Strategy	13
1.8.1	Nikon Long-Term Environmental Vision	13
1.8.2	Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals.....	13
1.8.3	Reduction of Greenhouse Gases in the Supply Chain	15
2.	Disclosure in line with the relevant Principles such as ICMA SLBP.....	16
2.1	Selection of KPI	16
2.2	Calibration of Sustainability Performance Target (SPT)	16
2.3	Bond/Loan Characteristics.....	16
2.4	Reporting.....	18
2.5	Verification.....	18

1. Introduction

In more than 100 years of history, Nikon has been committed to improving opto-electronics technologies and precision technologies, manufacturing microscopes and cameras, conducting research across numerous fields, and encouraging photographic culture. In this way, we have pioneered a society where humans and machines co-create. We have also provided exposure systems essential for the manufacture of semiconductors and FPDs, advancing the progress of digital society by delivering new human experiences and an ever-widening potential.

Based on Our Corporate Philosophy, Trustworthiness and Creativity, we respond to the expectations of society through trust, constantly evaluating and improving the impact of our business on the environment and society. And we will be even more proactive in the creativity needed to deliver value that contributes solutions to environmental and social issues, while also achieving the SDGs.

In order to raise funds for this initiative, Nikon has developed the following "Sustainability-Linked Finance Framework" (hereinafter, "This framework"). Nikon will execute Sustainability-Linked Finance based on this framework, using the funds raised, we contribute to the creation of sustainable societies, particularly in the areas of decarbonization, circular systems for resources, safety and work environment, health, and enriched spirit.

1.1 Reference to Principle and Guidelines

This framework will communicate in a transparent manner on the key elements and core components recommended by the following principles and guidelines.

- ICMA¹ Sustainability-Linked Bond Principles 2023
- Ministry of the Environment, Green Bond and Sustainability-Linked Bond Guidelines 2022
- Ministry of the Environment, Green Loan and Sustainability-Linked Loan Guidelines 2022
- LMA²,APLMA³,LSTA⁴ Sustainability-Linked Loan Principles 2023

Nikon has obtained a Second opinion from Rating and Investment Information, Inc. (R&I), an independent external reviewer regarding the alignment of this framework with the Principles and Guidelines stated above.

1.2 Overview of the Company

The Nikon Group is comprised of NIKON CORPORATION, its 80 consolidated subsidiaries, and 12 investments accounted for using equity method, running the Imaging Products Business, Precision Equipment Business, Healthcare Business, Components Business, and Digital Manufacturing, etc.

¹ ICMA: International Capital Market Association

² LMA: Loan Market Association




³ APLMA: Asia Pacific Loan Market Association

⁴ LSTA: Loan Syndications and Trading Association

- **Imaging Products Business**

Contributing to the development of imaging culture by further expanding the possibilities for imaging expression.

Main businesses: Digital camera-interchangeable lens type, compact DSC, interchangeable lenses

 <p>Mirrorless Camera "Z 9"</p> <p>The first mirrorless camera flagship model, featuring the highest still image and video functionality and performance in Nikon history.</p>	 <p>A lineup of mirrorless cameras, digital SLR cameras, and compact digital cameras, as well as interchangeable lenses that allow users to fully experience the joy of shooting.</p>	 <p>A robust selection of advanced binoculars, fieldscopes, loupes, and laser rangefinders.</p>
--	--	--

Nikon inspires fun and passion through its Imaging Products Business. Nikon's camera lineup enables wide-ranging image expression to meet the expectations of a diverse community of users, ranging from professional photographers and video creators to first-time camera users. We also offer a variety of software that respond to a broad range of user needs, including NX Studio, which enables the seamless viewing and editing of still image, video functionality and performance in Nikon history; and NX Field, which enables multiple cameras to be linked for remote shooting. Further, Nikon's opto-electronics technologies are used in products from ultra-wide-field binoculars to fieldscopes, loupes, and laser rangefinders. Additionally, through initiatives such as hosting the Nikon Photo Contest, one of the world's largest photo and video contests, we contribute to the development of imaging culture by spreading the fun and excitement that imaging inspires around the world.

- **Precision Equipment Business**

Contributing to the realization of a super-smart society by providing FPD lithography systems and semiconductor lithography systems.

Main businesses: FPD lithography systems, semiconductor lithography systems


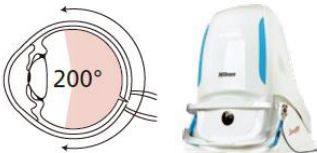

 <p>FPD Lithography System "FX-88S"</p> <p>Gen 8 Plate FPD Lithography System. Supporting panels for high-value-added premium displays, such as smart devices, high-end monitors, and large-screen TVs.</p>	 <p>Semiconductor Lithography System "NSR-S635E"</p> <p>Developed for high-volume advanced node-application manufacturing. Equipped with the high-performance "inline Alignment Station (IAS)." Enabling superior overlay accuracy and remarkable throughput.</p>	 <p>Alignment Station "Litho Booster"</p> <p>Measures grid distortion values quickly for all wafers prior to exposure. Feed-forward enables highly accurate overlay correction, contributing to improvements in semiconductor production yield and ROI (Return on Investment).</p>
---	---	--

A super-smart society is expected to transform our quality of life and work by utilizing IoT, AI, robotics, and information and communications technology. Flat-panel displays (FPDs), including LCDs (liquid-crystal displays) and OLEDs (organic LEDs), as well as semiconductor devices are indispensable for realizing such a society. Nikon produces the lithography systems that expose circuit patterns for such components, covering development, design, production, sales and services. We supply FPD lithography systems featuring a unique multi-lens system for producing large panels used in TVs as well as small- and medium-sized panels used in smart devices. In addition, we provide semiconductor lithography systems, deemed “the most precise machines in history,” which offer precision down to around 1 nm. And their high productivity satisfies a variety of demands, such as for miniaturization and higher integration of semiconductor devices. Through these initiatives, Nikon’s Precision Equipment Business contributes to the realization of a super-smart society.

- **Healthcare Business**

Improving the health and well-being of people around the world.

Main businesses: Biological microscopes, cell culture observation systems, ultra-wide field retinal imaging devices

 <p>Confocal based Super-Resolution Microscope “AX with NSPARC”</p> <p>Capable of capturing a wide and highly detailed range of biological phenomena, including in deep tissue. In addition to drug discovery and development, contributes to the understanding of disease mechanisms related to cranial nerves, cancers, and other diseases, and further expands the scope of potential research.</p> <p><small>*Attaches to the ECLIPSE T12-E inverted research microscope.</small></p>	 <p>Ultra-Widefield Retinal Imaging Device with Integrated UWF-Guided Swept Source OCT “Silverstone”</p> <p>Capable of capturing an ultra-wide-field retinal image covering approximately 80% of the retina and a cross-sectional retinal image at any position in the ultra-wide-field image in one device.</p>	 <p>Cell & Gene Therapy Contract Development and Manufacturing</p> <p>Providing world-class contract services to pharmaceutical and bio venture companies.</p>
--	--	--

The Healthcare Business comprises three solutions based on Nikon’s core technologies in advanced optics and image processing and analysis. “Life Science Solutions” contribute to progress in the fields of bioscience research and drug discovery by making it possible to visualize and analyze various biological events using our microscope technology, which has about 100 years of history. “Eye Care Solutions” provide ophthalmology instruments and systems based on proprietary technology that contribute to early detection of eye diseases and improvement of quality of life. “Contract Cell Development and Manufacturing” provides a broad range of contract development and manufacturing services for cell and gene therapy in Japan. In an era of increasing human longevity, Nikon aims to support the health and well-being of as many people as possible in a society where people lead longer, healthier lives.

- **Components Business**

Providing solutions in a variety of businesses, including optical components.

Main businesses: Optical components, encoders, customized equipment, photomask substrates for FPD

 <p>Ultra-compact machine vision camera "LuFact" A machine vision camera based on proprietary image processing technology gained in long-term digital camera development.</p>	 <p>Intelligent Actuator Unit "C3 eMotion" A joint unit for a collaborative robot that integrates a motor, speed reducer, driver, brake and encoders.</p>	 <p>Foreign Material Inspection System for the Food Industry Uses spectroscopic technology and AI to detect organic substances. (Foreign material inspection system for jam and fruit spreads developed jointly with AOHTA Corporation to enable automatic inspection of foreign material and impurities in the jam and fruit spread manufacturing process)</p>
---	---	---

The Components Business comprises three businesses: Digital Solutions, Customized Products, and Glass. The Digital Solutions Business comprises a variety of businesses, including optical materials and components, and encoders that detect the rotation angle of the joints of industrial robots. There is also the Customized Products Business, which designs and manufactures custom-made products, ranging from cutting-edge space technology development to EUV-related components and inspection equipment for food industry; and the Glass Business, which manufactures FPD photomask substrates. Through these wide-ranging businesses, Nikon contributes to the development of society, industry, and science and technology.

- **Digital Manufacturing Business**

Bringing innovative processing technology and measuring solutions to production facilities.

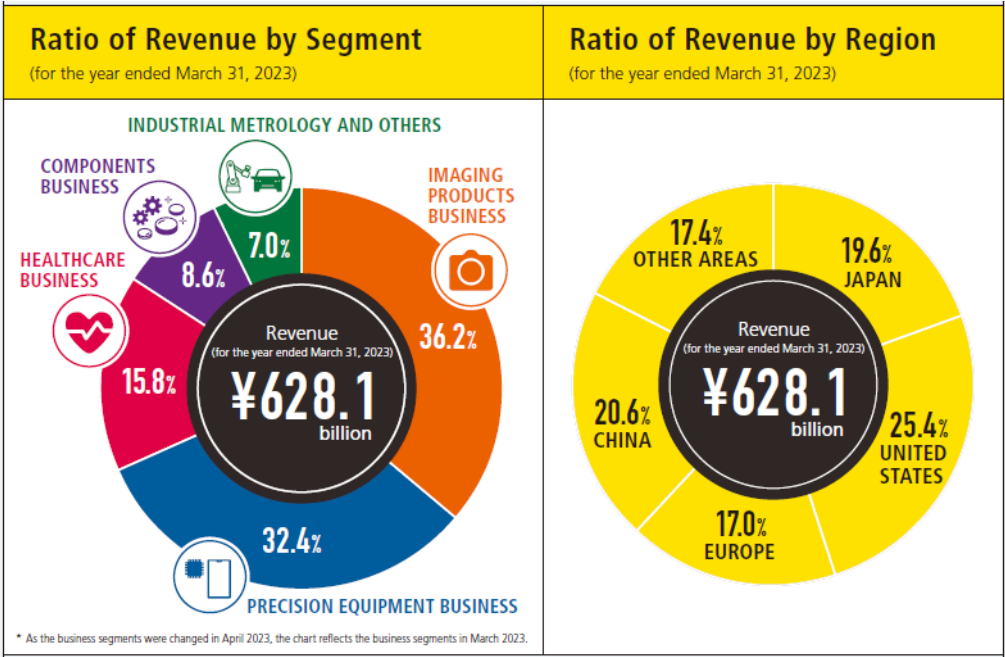
Main businesses: 3D metal printers, optical processing machine, X-ray Inspections, measuring instruments, industrial microscopes

 <p>3D Metal Printers and Optical Processing Machine "Lasermeister" Series An extensive lineup responds to a broad range of material processing needs, from metal additive manufacturing to marking, bonding, and high-precision removal of various materials.</p>	 <p>X-ray and CT Systems "VOXLS 40 C 450" Quickly performs internal defect analysis and shape measurement of a wide variety of inspection targets. Also supports cutting-edge manufacturing such as the production of lithium-ion battery modules for electric vehicles (EV).</p>	 <p>Laser Radar "APDIS" Contributes to improved productivity by enabling non-contact 3D measurement of objects ranging from small automobile parts to large aircraft assemblies.</p>	 <p>Video Measuring Systems "NEXIV VMZ-S" Series Ensures quick and accurate automatic measurement of complex-shaped test objects such as electronics for automotive applications and semiconductor components.</p>
--	---	---	--

The Digital Manufacturing Business innovates manufacturing with high-precision materials processing technology and measurement and inspection technology. Through optical processing machines including the

Lasermeister series, various processing of materials, such as additive or removal processing, becomes highly precise yet simple. Moreover, measurement and inspection technology such as X-ray and CT Systems, Laser Radar, and Video Measuring Systems contribute to the automation of production processes and the improvement of work efficiency and product quality. These technologies respond to a wide range of needs in the manufacturing industry and generate innovative solutions for maximizing the value and potential of digital manufacturing.

(Ratio of Revenue by Segment, Ratio of Revenue by Region)



1.3 Philosophy & Vision

Nikon provides products and services based on the core technologies of Opto-Electronics Technologies and Precision Technologies and through its corporate philosophy of Trustworthiness and Creativity. It is a global company that supports the realization of an even more prosperous society by responding to the hopes and expectations of people and industries.

Our Philosophy

Trustworthiness and Creativity

Our corporate philosophy is "Trustworthiness and Creativity." These are simple words, but they are not easily put into practice. These important words represent unchanging principles to which we will always be dedicated.

Our Vision

Unlock the future with the power of light

Unleashing the limitless possibilities of light.
 Striving to brighten the human experience.
 Focused, with purpose, on a better future for all.
 THIS IS THE ESSENCE OF NIKON.

1.4 Vision 2030 "A key technology solutions company in a global society where humans and machines co-create seamlessly"

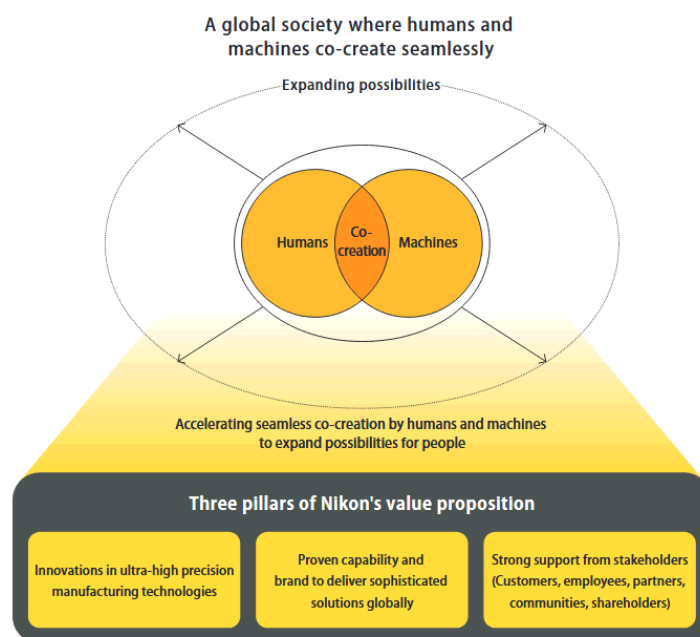
When we imagine society in 2030, there will be changes in people's values and outlook on life, changes in social environments, such as climate change and resource scarcity, and the continuation of technological innovations, such as the arrival of Industry 5.0. In the midst of such great change (a megashift), we believe that people will leave the labor required to live up to machines and humans and machines will co-create seamlessly in order to enable people to focus on more creative work for self-expression and consumption in the pursuit of value.

Nikon has three strengths: innovations in manufacturing technologies, proven capability and brand to deliver sophisticated solutions globally, and strong support from stakeholders. Taking advantage of these, we wanted to continue to provide new value to a global society where humans and machines co-create seamlessly in 2030, and so we formulated our Vision 2030 as "A key technology solutions company in a global society where humans and machines co-create seamlessly." In order to do this, we will accompany our customers and deeply align with customer needs, thereby aiming to be a supporter of customer innovation.

Nikon's value proposition for the future society

By further drawing out human creativity and promoting the building of sustainable environments, humans and machines can co-create seamlessly, whereby we will experience diverse abundance. Such a society is unfolding before our eyes.

In order to expand even further in new directions, Nikon believes it must strive to grasp the true nature of customer needs, and contribute to society with proposals that originate in the future. By leveraging our strength in ultra-precision technologies, which we have consistently refined, we can offer not only end products, but integrated solutions comprising components and services, whereby we aim to be a key technology solutions company in a global society where humans and machines co-create seamlessly.



1.5 Nikon's Sustainability

The Nikon Group defines sustainability as contribution to a sustainable society and achievement of sustainable growth for the company through the realization of its Corporate Philosophy of Trustworthiness and Creativity in its business activities. With this idea as the main statement, the Board of Directors has decided on four intentions that support this idea as the Sustainability Policy. Under this policy, the Nikon Group has established the Nikon Code of Conduct, which embodies Nikon's basic approach to CSR and lays down standards for employees to follow when taking actions based on this approach.

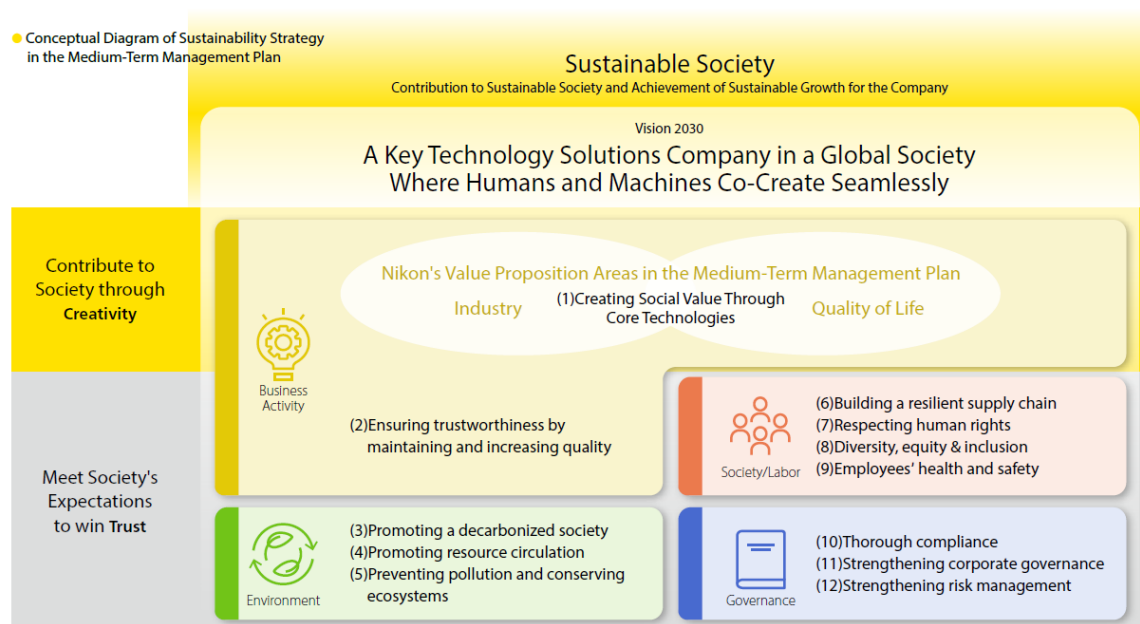
Sustainability goals are defined from the perspective of both creation of social value through business and what is necessary to gain the trust of stakeholders and society, centering on issues defined as materialities. Because it is important that these goals be addressed as an integral part of the business, Nikon formulates them in conjunction with the formulation of its Medium-Term Management Plan and Annual Plan. In addition, the Medium-Term Management Plan announced in April 2022 positions addressing materialities in our business from the perspectives of both trustworthiness and creativity as one element of our management base within our sustainability strategy.

Sustainability Policy

The Nikon Group aims to both contribute to a sustainable society and achieve sustainable growth for itself by putting into practice the Nikon philosophy of *Trustworthiness and Creativity* through our business activities.

- We are committed to helping solve environmental and social challenges and achieve Sustainable Development Goals (SDGs) through our business activities by delivering uniquely Nikon products and services.
- We aim to do better for the environment and for society by objectively assessing the impact our business has on the environment and society and continually striving to make improvements.
- Through active dialog with our stakeholders, we stay abreast of changes in society. We also constantly reflect on our own activities to meet stakeholder expectations.
- We do more than what is required to comply with laws and regulations. We act with integrity and fairness and disclose information appropriately.

● Conceptual Diagram of Sustainability Strategy in the Medium-Term Management Plan



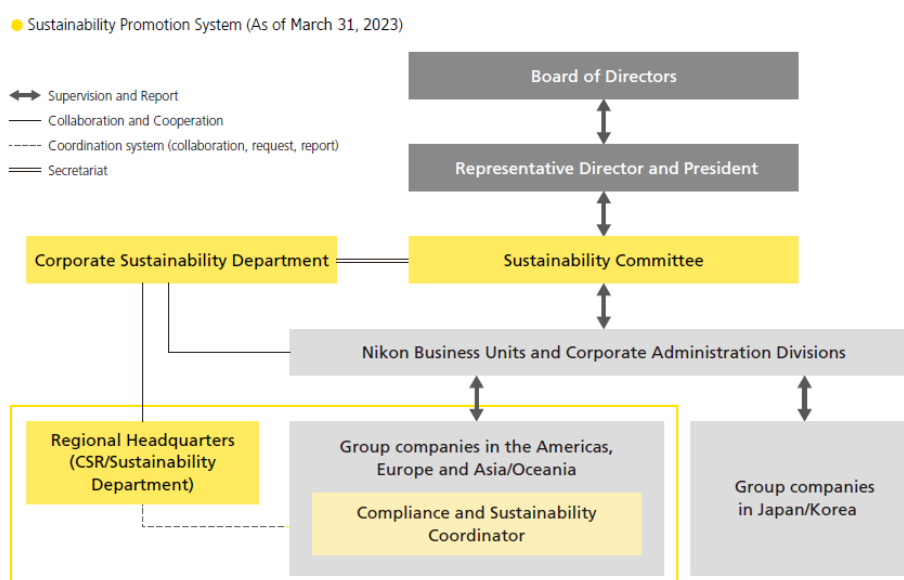
* (1) through (12) are sustainability materiality.

1.6 Sustainability Promotion System

In order to effectively implement the Sustainability Policy, the Nikon Group identifies materialities, sets goals, manages progress, evaluates, and directs improvements regarding sustainability issues through the Sustainability Committee.

In principle, the Sustainability Committee meets twice a year. At the same time, lectures by experts and discussions are held at this committee's meetings to enhance each member's knowledge of global social issues and trends.

The Sustainability Committee is chaired by Representative Director and President, vice-chaired by the responsible officer of the Corporate Sustainability Department, and the members are comprised of the Executive Committee and all general managers responsible as heads of the business units and divisions, with related department managers participating as observers. Deliberations at this committee are reported at least once a year to the Board of Directors, which manages and supervises the appropriateness and effectiveness of activities as well as associated risks.



1.7 Materiality

The Nikon Group has identified 12 materialities in the four areas of Business Activity, Environment, Society/Labor, and Governance. We aim to contribute to the achievement of the SDGs by 2030 by setting forth visions and strategies for each materiality and working on goals and annual action plans based on these.

1.7.1 Materiality Goals

Materiality	Vision	Strategy	Indicator	Goal
1. Creating social value through core technologies	A key technology solutions company in a global society where humans and machines co-create seamlessly	Expansion of growth drivers, services and components	Growth drivers as a percentage of consolidated operating profit	FY2030: 40% or more
			Services and components as a percentage of consolidated operating profit	FY2030: 50% or more
2. Ensuring trustworthiness by maintaining and increasing quality	Providing competitive products and services with safe, environmentally friendly and information security	Advancement and establishment of quality management	Degree of achievement of the plan to review the quality management system in response to changes in the business environment	Every fiscal year: 100%
			Quality management system operation status monitoring/Percentage of improvement plans in place	Every fiscal year: 100%
			Comprehension of basic training on quality (divisions, business Units, Group manufacturing companies)	FY2025: 80% or more
3. Promoting a decarbonized society	Achieving carbon neutrality throughout the supply chain by FY2050	GHG emission reduction in Scope 1, 2, and 3 and accelerate introduction of renewable energy	GHG emission reduction rate of Scope 1 and 2 (compared to FY2013)	FY2030: 71.4% ¹
			GHG emission reduction rate of 3 categories in Scope 3 (Purchased goods and services, upstream transportation & distribution, and use of sold products.) (compared to FY 2013)	FY 2030: 31%

¹ The base year for KPI/SPT in Sustainability-Linked Finance is FY 2018, but the target for greenhouse gas emissions (absolute amount) in FY 2030 is the same as our published target with the base year set at FY 2013.

			Renewable energy adoption rate	FY 2030: 30%
4. Promoting resource circulation	Minimizing resource consumption and maximizing resource circulation throughout the supply chain	Reducing resource consumption and waste, etc.	Rate of reduction in total discharged waste (compared to FY 2018)	FY2030: 10% or more
			Rate of freshwater consumption reduction (compared to FY 2018)	FY2030: 5%
			Rate of use of recycled materials for products	FY2030: 5% or more
5. Preventing pollution and conserving ecosystems	Have zero negative impacts on human health and ecosystems in the supply chain	Appropriate use of chemical substances and reduction of ecological impact and dependence	Use of hazardous chemical substances in manufacturing processes	FY2030: Use zero
			Inclusion of hazardous chemical substances in products	FY2030: Containing zero
			Percentage of FSC-certified or recycled paper (Catalogs, instruction manuals, packaging boxes)	FY 2030: 100%
6. Building a resilient supply chain	A sustainable supply chain that remains sound at all times in the face of business risks and social issues	Building a mechanism for supply chain risk assessments and immediate emergency response	Percentage of human rights due diligence conducted* (Critical procurement partners) *Improvements are completed	FY 2025: 100%
			Understanding BCP systems in the supply chain* *the number of suppliers	FY 2025: 100%
7. Respecting human rights	Minimizing human rights risks throughout the value chain	Spreading awareness of human rights via the Nikon Human Rights Policy and conducting human rights due diligence	Level of awareness of Nikon Human Rights Policy	FY 2030: 100%
			Conformity rate of RBA Code of Conduct (Manufacturing facilities)	FY2025: 90% or more
8. Diversity, equity & inclusion	Realizing a corporate culture that welcomes diversity and harnesses it in business activities	Spreading awareness of the Nikon Global Diversity, Equity & Inclusion Policy, creating an environment in which diverse human resources can participate fully, and applying DEI to business activities	Level of awareness of Nikon Global DEI Policy	FY2030: 100%
			Percentage of female managers (Nikon)	FY2025: 8.0% or more
9. Employees' health and safety	Allowing each individual to fulfill their potential with a sense of physical	Raising awareness of the Nikon Group Health and Safety Policy and	Percentage of findings in periodic health checkups (Nikon)	Every fiscal year: Below the previous national average* *National average for the

	and mental health in a safe and comfortable working environment	implementing health and safety activities		manufacturing industry as published by the Ministry of Health, Labor and Welfare
			Occupational accidents that are attributable to work and related to the performance of work	FY2025: 60 or less
			Highly stressed person rates in stress checks (Nikon)	Every fiscal year: Below the previous national average* *National average as published by stress check contractors
10. Thorough compliance	Zero compliance violations	Spreading awareness of the Nikon Code of Conduct	Establishment of compliance awareness* *Checked by Nikon Group awareness surveys	FY2025: 95% or more
			Awareness level of whistleblower system* *Checked by Nikon Group awareness surveys	FY2025: 95% or more
11. Strengthening corporate governance	Governance that is transparent, efficient, and trusted by stakeholders	Continuously conducting effectiveness evaluations of the Board of Directors and improving its diversity	Assessing Board effectiveness and addressing key issues	Every fiscal year: 100%
			Diversity of the Board of Directors	Every fiscal year: Optimizing the composition of the Board of Directors to meet stakeholder demands
12. Strengthening risk management	Appropriate measures in place to address key risks	Establishing a company-wide risk management system in line with environmental changes and management strategies	Progress in identifying important risks and implementing measures based on risk assessments	Every fiscal year: 100%

1.8 Environmental Strategy

To proactively address environmental risks and regulations, we formulated the Nikon Long-Term Environmental Vision, which looks ahead to fiscal year 2050. The Nikon Long-Term Environmental Vision comprises three pillars believed to be particularly important in consideration of the global situation and the characteristics of Nikon's business, which uses limited resources to manufacture and sell products. We will continue to strive for achievement of carbon neutrality throughout the supply chain by fiscal year 2050 as we aim to realize a decarbonized society. These three pillars are linked with Materiality and with the Nikon Medium-Term Environmental Goals, for which fiscal year 2030 is the target year.

1.8.1 Nikon Long-Term Environmental Vision

The Nikon Group contributes to building a sustainable society through the Nikon Long-Term Environmental Vision, established for Realizing a Decarbonized Society, Realizing a Resource Circulating Society, and Realizing a Healthy and Environmentally Safe Society.

The Nikon Group is committed to developing new businesses and tackling innovations that will contribute to reducing environmental impacts.



1.8.2 Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals

In addition to the "Nikon Long-Term Environmental Vision", the Nikon Group has established its vision, what Nikon will do, and the "Nikon Medium-Term Environmental Goals", and is working to build a sustainable society.

Although the base year for KPI/SPT in Sustainability-Linked Finance is set to fiscal year 2018, the absolute value target is the same as the greenhouse gas emissions reduction target announced in the "Nikon Medium-Term Environmental Goals" with fiscal year 2013 as the base year.

Nikon Long-Term Environmental Vision Target period:FY2050	Vision	What Nikon Will Do	Nikon Medium-Term Environmental Goals Target year:FY2030
Materiality 3 : Promoting a Decarbonized Society			
Realizing a Decarbonized Society	Achieve carbon neutrality throughout the supply chain by FY2050	<ul style="list-style-type: none"> Improve manufacturing facilities and production processes and promote decarbonization. 	<ul style="list-style-type: none"> Reduce greenhouse gas emissions (Scope 1*¹ and Scope 2*²) by 71.4% compared to FY 2013*³ [Targets for FY2025 in Sustainability Strategy of the Medium-Term Management Plan (FY2022 - FY2025)] Reduce greenhouse gas emissions (Scope 1*¹ and Scope 2*²) by 46.5% compared to FY 2013*³
		<ul style="list-style-type: none"> Promote eco-office and diverse work styles to achieve a decarbonized workstyle 	

		<ul style="list-style-type: none">Accelerate renewable energy adoption	<ul style="list-style-type: none">Achieve renewable energy adoption rate to 30%*³ [Targets for FY2025 in Sustainability Strategy of the Medium-Term Management Plan (FY2022 - FY2025)] Achieve renewable energy adoption rate to 18%*³
		<ul style="list-style-type: none">Visualize the environmental impact in each process within products' lifecycles and implement new environmental initiatives harnessing expertise	<ul style="list-style-type: none">Reduce greenhouse gas emissions (in three of 15 Scope 3*⁴ categories—purchased goods and services, upstream transportation & distribution, and use of sold products) by 31% compared to FY2013*³
		<ul style="list-style-type: none">Downsize cargo, promote modal shift and establish a transportation system requiring minimal energy	
		<ul style="list-style-type: none">Require procurement partners to formulate and pursue greenhouse gas reduction targets	
Materiality 4 : Promoting Resource Circulation			
Realizing a Resource Circulating Society	Minimize resource consumption and maximize resource circulation throughout the supply chain	<ul style="list-style-type: none">Reduce waste through streamlining processes from development to manufacturingMinimize the amount of abrasives used.	<ul style="list-style-type: none">Achieve the following zero emission levels*⁵ at all manufacturing companies Japan : Level S Group manufacturing companies in China : Level 1 Other Locations : Levels determined individuallyReduce total amount of waste generated by 10% or more compared to FY2018
		<ul style="list-style-type: none">Promote the 3Rs of water (reduce water consumption, and recycle and reuse water)	<ul style="list-style-type: none">Reduce freshwater consumption*⁶ by 5% compared to FY2018
		<ul style="list-style-type: none">Take into account the impacts that products have on the environment from the initial planning phase onwards and promote the 3Rs*⁷ throughout the product lifecycle	<ul style="list-style-type: none">Reduce waste by extending product life, reducing size, decreasing weight, etc.Reduce the amount of plastic packaging materials used by 10% compared to FY2022Reuse products, parts, materials, and packaging materialsUse at least 5% recycled materials in productsEnsure at least 10% of plastic packaging materials are recycled or biomass plastics.
Materiality 5 : Preventing Pollution and Conserving Ecosystems			
Realizing a Healthy and Environmentally Safe Society	Zero negative impacts on human health and ecosystems in the supply chain	<ul style="list-style-type: none">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 more rigorous voluntary targets	<ul style="list-style-type: none">Zero usage of hazardous chemical substances*⁸ in manufacturing processesZero hazardous chemical substances contained in products*⁹
		<ul style="list-style-type: none">Conduct ecosystem conservation activitiesQuantify and minimize impact and dependence on ecosystems	<ul style="list-style-type: none">Continue activities to preserve the environment in the vicinity of company facilities to contribute to the prevention of marine plastic pollutionProduct Catalog : Electronic data or FSC-certified paper 100%Instruction Manual : Electronic data or FSC-certified paper/recycled paper (80% or more waste paper) 100%Packing box : FSC-certified paper or recycled paper 100%

*1 Scope 1: Direct greenhouse gas emissions from the use of fuel on site.

*2 Scope 2: Indirect greenhouse gas emissions from the consumption of purchased electricity or heat.

*3 Under review and study based on FY2022 results and future environmental strategies.

*4 Scope 3: Indirect greenhouse gas emissions related to business activities in the supply chain (excluding emissions already included in Scope 1 and 2).

*5 Achieving zero emissions level: The concept of zero emissions was first advocated by the United Nations University (UNU) in 1994. It is an approach that seeks to reduce the waste to net zero for society as a whole, by using the waste generated in industrial activity as resources for other industries. The Nikon Group has introduced level-specific targets into its zero emissions initiatives. Zero emissions level 1 refers to a final landfill disposal rate of less than 1%. Zero emissions Level S refers to a final landfill disposal rate of 0.5%.

*6 Freshwater consumption: Sum of withdrawal volumes A, B, and C, minus returned water volume D (A+B+C-D). A: Water withdrawal from municipal water supply facilities (tap water, industrial water, etc.) B: Water withdrawal from surface water (lakes, rivers) C: Water withdrawal from groundwater D: Return water of equal or better quality than the water withdrawal source (applicable to B and C only)

*7 3R: Here, "3R" means to Reduce the amount of resources used and the amount of waste generated, to Reuse products and components, and to Recycle.

*8 Hazardous chemical substances: Here, "hazardous chemical substances" refers to prohibited substances as defined in the Hazardous Chemical Substances Guideline, a voluntary standard.

*9 Zero hazardous chemical substances contained in products: Here, "contained" is defined as having an amount that exceeds the threshold level specified by law.

1.8.3 Reduction of Greenhouse Gases in the Supply Chain

The Nikon Group has established greenhouse gas emission reduction targets as part of its Medium-Term Environmental Goals concerning Realizing a Decarbonized Society, which is a part of the Nikon Long-Term Environmental Vision. In recent years, the impact of climate change has become more apparent, and the trend towards decarbonization in society has picked up speed. With this in mind, in February 2021 Nikon revised its Scope 1 and Scope 2 greenhouse gas emissions reduction target from 26% to 71.4% (compared to the fiscal year 2013). This new target was certified in April 2021 by the Science Based Targets (SBT) initiative as conforming to the criteria for helping to keep the average global rise in temperature within 1.5°C. We have now changed our base year to fiscal year 2018 based on the new standard, applying for certification of the "1.5°C" standard. In March 2021, we also expressed our support for the Business Ambition for 1.5°C initiative launched by the UN Global Compact, the SBT Initiative, and We Mean Business. This initiative encourages companies to set scientifically based greenhouse gas reduction targets for reducing greenhouse gas emissions to net zero by 2050 to keep the average global temperature rise within 1.5°C compared to pre-industrial levels. Going forward, Nikon will further accelerate its initiatives to support decarbonization.

2. Disclosure in line with the relevant Principles such as ICMA SLBP

2.1 Selection of KPI

The following KPI will be used for Sustainability-Linked Finance (Sustainability-Linked Bond (SLB)/Sustainability-Linked Loan (SLL)) executed under this framework.

KPI	GHG emission reduction rate in Scope 1 and Scope 2
-----	--

KPI: GHG emission reduction rate in Scope 1 and Scope 2

<Definition>

A calculation of the reduction rate from FY2018¹ based on the total GHG emissions of Scope 1 and Scope 2 (Market-base), calculated in accordance with the GHG Protocol, covering Nikon, domestic group companies, and overseas group companies as of the end of FY2022².

If there is a change in the scope of aggregation or the base year, the latest information will be published on our website.

<Track record>

Total GHG emissions in Scope 1 and Scope 2 of the base year (FY2018): 233,131 (t-CO₂e)

	FY2019	FY2020	FY2021	FY2022
Total GHG emissions in Scope 1 and Scope 2 (t-CO ₂ e)	209,900	195,677	193,086	174,867
GHG emission reduction rate (%) in Scope 1 and Scope 2 (Base year: FY2018)	10.0%	16.1%	17.2%	25.0%

2.2 Calibration of Sustainability Performance Target (SPT)

For Sustainability-Linked Finance (SLB/SLL) executed under this framework, the following SPT will be established. The SPT to be used, the date of determination of the SPT, and the score of the applicable SPT will be identified and disclosed in the statutory disclosure documents (for bonds) or contract documents (for loans) at the time of each financing execution.

SPT	GHG emission reduction rate for each year in Scope1 and Scope2 consistent with the following (compared to FY 2018) <ul style="list-style-type: none">• ▲39.4% by FY2025• ▲68.0% by FY2030 The reduction rate for each year shall be in line with Nikon's GHG emissions reduction pathway to meet the annual reduction rate required by the SBT "1.5°C" standard target.
-----	--

2.3 Bond/Loan Characteristics

The characteristics of Sustainability-Linked Finance bonds/loans executed under this framework will change depending on the achievement status of SPT. The content of the change may include (1) "step

¹ The base year for KPI/SPT in Sustainability-Linked Finance is FY 2018, but the target for greenhouse gas emissions (absolute amount) in FY 2030 is the same as our published target with the base year set at FY 2013.

² Excluding private funds, companies in the process of liquidation, and companies that have just joined the Nikon group through M&A, etc.

up/step down in interests rate”, (2) “Donations”, or (3) " Purchasing emission credits or certifications" below, but the specific content will be statutory disclosure documents (for bonds) or contract documents (for loans) at the time of each financing to specify.

Even if Nikon changes the SPT after the Sustainability-Linked Finance is executed, the SPT for the Sustainability-Linked Finance that has already been executed will not be changed. However, in the situation of an event that may have a significant impact on the assumptions used in measuring the KPI, setting the SPT, or the scope of the KPI (e.g., M&A activities, significant changes in regulatory or other institutional aspects, or the occurrence of unusual events), we may revise the Sustainability-Linked Finance SPT that we have already executed. The details of the review will be disclosed on Nikon's website.

(1) Step Up/Step Down Interest Rates

In the case of step up

If a third-party verified report is not received by the determination date that the SPT has been achieved, the interest rate will step up at the annual rate specified at the time of financing from the interest payment after the determination date to the redemption/repayment date.

In the case of step down

If a third-party verified report is received by the determination date that the SPT has been achieved, the interest rate will be stepped down at the annual rate specified at the time of financing from the interest payment after the determination date to the redemption/repayment date.

(2) Donations

If a third-party verified report is not received by the determination date that the SPT has been achieved, donation in an amount corresponding to the percentage specified in the above legal disclosure documents will be made to qualified donation recipients by the reimbursement/repayment date. Qualified donation recipients are public interest incorporated associations, public interest foundations, international organizations, local government certified non-profit organizations, local governments, and similar organizations related to the improvement of SPT that have not been achieved. The amount and recipients of the donations will be determined by the required resolution prior to the reimbursement/repayment date.

(3) Purchasing emission credits or certifications

If a third-party verified report is not received by the determination date that the SPT has been achieved, we will purchase emission credits (credits of CO₂ reduction value) or certifications (Green Power Certificates, Non-Fossil Certificates, I-REC, etc.) in an amount corresponding to the percentage specified in the above legal disclosure documents by the reimbursement/repayment date. In the event of a force majeure event (a change in trading system regulations, etc.) that prevents us from purchasing emission credits or certifications, we will make a donation to a qualified donor and disclose the name and amount of the donation on Nikon's website.

2.4 Reporting

Nikon will report on the following items. The reporting period is the fiscal year preceding the fiscal year to which the reporting date belongs. The contents of the report will be published on Nikon's website.

No.	Information to be Reported	Reporting Frequency
1	Performance of the KPI	Annually until the final determination dates, starting from the fiscal year following the year of issuance of each Sustainability-Linked Finance
2	Performance against the SPT	
3	Up-to-date information of Sustainability strategies relative to the KPIs and SPT	
4	If SPT have not been reached and "donations" are made, the amount and recipients of the donations. OR If SPT have not been reached and "Purchasing emission credits or certifications" are made, the amount and the name of the emission credits	Timely

2.5 Verification

The performance of KPI against the SPT is verified by an independent third party on an annual basis until a decision date is reached. The results of the verification will be published on Nikon's website.

(Revision History)

Timing	Details
September, 2023	1st edition