

CONTENTS

Contents/Editorial Policy/
Nikon Group Profile

Message From the President

Sustainability Management

Creating Value

Environment

- Environmental Management
- Addressing Climate Change
- The 3Rs for Products and Packaging
- Management and Reduction of Waste
- Protection of Water Resources
- Management and Reduction of Hazardous Chemical Substances
- Biodiversity Conservation

Society

Governance

Protection of Water Resources

Environmental Action Plan Achievements for Fiscal Year 2025
[Summary] ▶ p.038

Environmental Action Plan Targets for Fiscal Year 2026 [Summary]
▶ p.039

Basic Approach

Large quantities of water are used in the production processes for optical lenses, part of Nikon's main product category, and for the quartz glass used in these lenses. For example, during the optical lens polishing process, water has to be added frequently in order to keep the polishing agent at the right consistency. Similarly, in the quartz glass production process, our waste gas purification devices require water to remove acid components from waste gases. For these reasons, water is not only an indispensable resource for Nikon Group business, but it also affects the global environment through water discharge and other means. Working to conserve water resources is therefore essential for business continuity. The Nikon Group formulated the Nikon Long-Term Environmental Vision looking ahead to fiscal year 2050. Of the three pillars, realizing a resource circulating society depicts our vision for water and resources, while realizing a healthy and environmentally safe society corresponds to our vision for water safety. To achieve these goals, the Nikon Environmental Policy stipulates the conduct of regular water risk assessments, monitoring of water withdrawal, proactive water reuse, and the establishment and compliance of voluntary standards exceeding legal requirements. In this way, we reduce our environmental impact stemming from water use to the greatest extent possible. In addition, we aim to implement steady initiatives and improve standards through employee training on water-related initiatives and related laws and regulations as part of employee environmental education.

Web

▶ Nikon Environmental Policy

Strategy

Risk

The Company recognizes water-related risks including difficulties in securing sufficient water resources and related operational difficulties due to climate change, extreme weather events, or other disasters. These water risks apply to not only our direct operations but also to our entire supply chain, including procurement partners. Flooding and inundation caused by typhoons and long rains may inflict damage to work sites of the Company or our suppliers and disrupt logistics, leading to potential disruptions in operations. The further progression of climate change may increase the probability of these risks.

If for some reason we are unable to treat wastewater properly and comply with relevant laws and regulations, we recognize the risk of incurring costs to respond, a loss of public trust, and withdrawal of investment resulting from the public disclosure of our company name.

Opportunities

We believe that pursuing the efficient reuse and recycling of water resources will lead to business cost reductions.

Our efforts also represent an opportunity to earn trust by, for example, responding appropriately to stakeholder demands regarding water risk.

Strategy

To conserve water resources, the Nikon Group monitors the amount of water withdrawal, discharge, and reuse, implementing proactive initiatives for effective water use. Beginning in fiscal year 2021, the Group also introduced a new freshwater consumption indicator*, as we believe it is important that water used should be returned at an equal or better quality than when it was withdrawn. The Nikon Group believes that reducing freshwater consumption leads to a

reduction in the load on water withdrawal in each region. We also believe reducing freshwater consumption leads directly to reduced water-related costs, such as water supply costs.

In addition, Nikon Group production sites have created a water balance sheet to visualize water balance and usage according to process for the purpose of efficient and effective water use. Through these efforts, the Nikon Group identifies opportunities for water conservation, reuse, etc., and implements improvement measures accordingly.

For fiscal year 2025, the Nikon Group reduced freshwater consumption by 10.6% to 1,678,000 m³, achieving our Environmental Action Plan goals for the fiscal year to reduce water withdrawal by at least 3% compared with fiscal year 2018.

*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, etc.)
C: Water withdrawal from groundwater
D: Return water of equal or better quality than the withdrawal source (applicable to B and C only)

Nikon Long-Term Environmental Vision and Medium-Term
Environmental Goals ▶ p.030

Governance

The Nikon Group sets reduction targets and manages data for each location and Group company. The Local Environmental Subcommittee secretariat, which operates under the Environmental Subcommittee, checks the results and the status of achievement of targets for each party.

Environmental Management Promotion System ▶ p.032

CONTENTS

Contents/Editorial Policy/
Nikon Group Profile

Message From the President

Sustainability Management

Creating Value

Environment

- Environmental Management
- Addressing Climate Change
- The 3Rs for Products and Packaging
- Management and Reduction of Waste
- Protection of Water Resources
- Management and Reduction of Hazardous Chemical Substances
- Biodiversity Conservation

Society

Governance

Risk Management

Since many water risks are specific to each region, each location and Group company identifies risks, determines initiatives to address identified risks, and incorporates risks into targets. The Local Environmental Subcommittee secretariat leads the assessment of the potential future impact on corporate activities of water-related issues. The secretariat works with outside specialists once every three years to conduct such assessments. In 2019, we conducted a water risk assessment using Aqueduct^{*1} for 16 domestic and overseas business facilities with high water withdrawal. We confirmed that there are no areas with significantly high water stress^{*2} in the regions where the Nikon Group conducts business activities.

In fiscal year 2024, we assessed the water risks of our suppliers in light of recent requests for the Group to understand and identify water risks in our supply chain. Specifically, we conducted a water risk survey of 245 suppliers (262 sites) selected by Procurement Department, identifying priority sites.

The Nikon Group uses an environmental data collection system to monitor data on water withdrawal, water discharge, freshwater consumption, etc., on a monthly basis for each location and Group company. Each site and Group company sets its own standards (voluntary standards) for wastewater quality, which are stricter than legal requirements, and monitors said standards on a regular basis. We set these voluntary standards at appropriate levels based on local government standards, and we notify the competent authorities of our targets as we engage in operations. In the unlikely event that a site or Group company exceeds the standard values, the party in question reports the incident immediately to the relevant parties in accordance with the environmental accident reporting procedures established by the Nikon Group.

^{*1} Aqueduct: A world map and information tool showing global water risks, provided free of charge by the World Resources Institute.

^{*2} Water stress: A condition in which demand for water exceeds supply.

Environment-Related Risk Management ▶ p.035

Main Initiatives

Appropriate Wastewater Treatment

The Nikon Group uses large amounts of water in our manufacturing processes. When discharging water used, the Group applies appropriate wastewater treatment to minimize the environmental impact on waterways in each region.

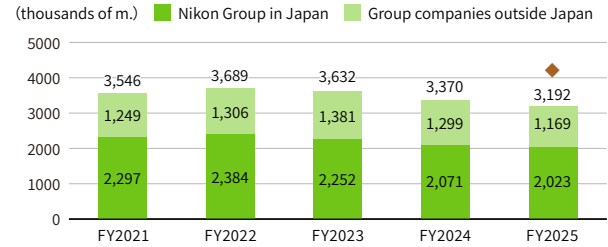
Specifically, we established voluntary standards even stricter than discharge standards found in each region, and we treat wastewater in accordance with wastewater quality levels alongside regular monitoring of the water discharge situation.

Water Withdrawal and Discharge

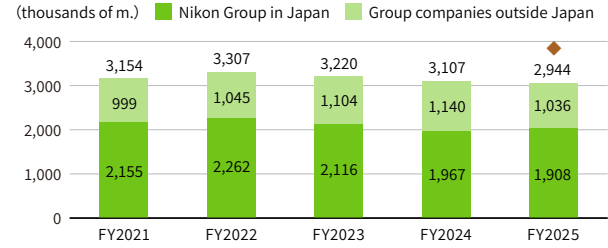
Nikon Group water withdrawal for fiscal year 2025 was 3,192,000 m³ (Nikon Group in Japan accounting for 2,023,000 m³ and Group manufacturing companies outside Japan accounting for 1,169,000m³). Water discharge volume amounted to 2,944,000 m³ (Nikon Group in Japan accounting for 1,908,000 m³ and Group manufacturing companies outside Japan accounting for 1,036,000 m³). We reduced freshwater consumption by 10.6% to 1,678,000m³, achieving our target of reducing freshwater consumption by at least 3% compared to fiscal year 2018.

In addition, at the business facilities and the Group manufacturing companies that make use of considerable amounts of water, we pay special attention to ensuring that wastewater generated in manufacturing processes is properly treated, and endeavor to reuse as much water as possible. The fiscal year 2025 water reuse rate of the Nikon Group amounted to 8.0%.

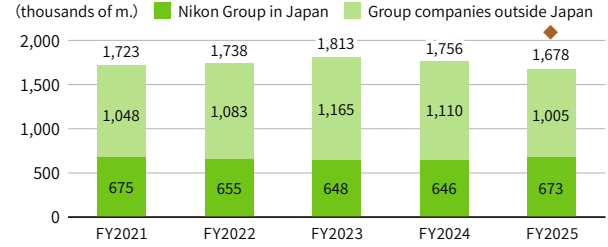
Changes in Water Withdrawal



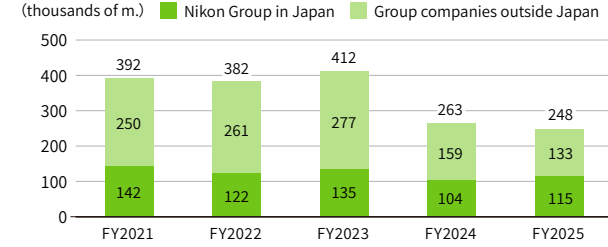
Changes in Water Discharge



Changes in Freshwater Consumption



Changes in Water Consumption



CONTENTS

Contents/Editorial Policy/
Nikon Group Profile

Message From the President

Sustainability Management

Creating Value

Environment

Environmental Management

Addressing Climate Change

The 3Rs for Products and Packaging

Management and Reduction of Waste

Protection of Water Resources

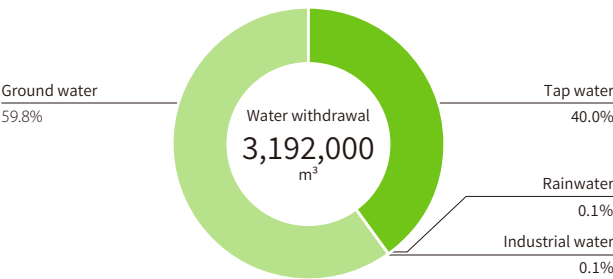
Management and Reduction of
Hazardous Chemical Substances

Biodiversity Conservation

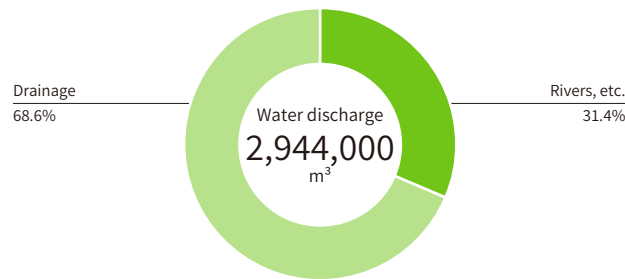
Society

Governance

Breakdown of Water Withdrawal (Fiscal Year 2025)



Breakdown of Water Discharge (Fiscal Year 2025)



Values in Data Index assured by a third party

Water Reuse Measures

Case Example of Wastewater Reuse (Nikon Shonan Branch)

When manufacturing photomask substrates, the Nikon Shonan Branch uses a large amount of water during the polishing and cleaning processes. Accordingly, during fiscal year 2018, the Nikon Shonan Branch implemented a mechanism to reuse the wastewater from the cleaning process as supply water for pure water production equipment. As a result, over the course of fiscal year 2025, the Nikon Shonan Branch reused approximately 9,600 m³ of water discharge, reducing water withdrawal 7.9% compared with water withdrawal prior to adoption.

Effective Use of Concentrated Water (Nikon Kumagaya Plant)

Nikon Kumagaya Plant manufactures semiconductor lithography systems, a process requiring a large amount of ultrapure water. The process of producing semiconductor lithography systems requires large amounts of ultrapure water. To generate ultrapure water, tap water is first fed into an ultrapure water apparatus and separated into pure water and concentrated water using RO membranes. The pure water is treated further to produce ultrapure water. However, the concentrated water had previously been discharged as wastewater. In fiscal year 2018, Nikon adopted a process to reuse this concentrated water effectively to supplement water used in cooling towers. In addition, we have been increasing the number of cooling towers reusing this concentrated water since October 2020. As a result, the Nikon Kumagaya Plant reused approximately 38,000 m³ of concentrated water as supplementary water for cooling towers in fiscal year 2025. This reused water accounted for approximately 12% of the total water withdrawal at the Nikon Kumagaya Plant.

Reuse of Domestic Wastewater and Treated Water (Nikon Lao Co., Ltd.)

Nikon Lao Co., Ltd. (Laos) is located in a district with only basic water supply infrastructure, and has been actively implementing measures to improve water efficiency. The company purifies domestic wastewater for reuse in flushing toilets and in the company garden sprinkler system. Nikon Lao also reuses treated water as a coolant.



Wastewater treatment system at Nikon Lao Co., Ltd.

Changes in Water Reuse at the Nikon Group in Japan and Group Manufacturing Companies Outside Japan

