

COO Message

To Be a Company That Grows with Society

Sustainability Strategy

Nikon seeks to fulfill our Vision 2030, aiming for even higher corporate value as we become a key technology solutions company in a global society where humans and machines co-create seamlessly. To this end, we must establish a solid management foundation, which I believe is my mission as the newly appointed president and COO.

Our Medium-Term Management Plan (FY2022-FY2025) describes sustainability strategies as one of the foundations of management. Specifically, we pursue initiatives from the two perspectives of meeting society's expectations to win trust and contributing to society through creativity, under a Corporate Philosophy of Trustworthiness and Creativity and a framework of 12 materialities across four areas.

We believe sustainability initiatives will lead to an increase in corporate value, including financial value, within a certain time frame. Given this background, I intend to continue pursuing sustainability steadfastly as president and officer in charge of the Corporate Sustainability Department.

Making Contributions Through Creativity

Since fiscal year 2023, Nikon creativity has helped us make steady contributions in the areas of safety and work environment, decarbonization, circular systems for resources, health, and enriched spirit.

In terms of health, we established the Nikon Healthcare R&D Center (Shonan) and the Nikon BioImaging Lab R&D Center Lexington, which will serve as bases for R&D, in Japan and the United States, respectively. These centers strengthen our R&D structure for drug discovery support. In addition, Nikon and Group company Nikon Solutions have signed collaboration agreements with universities, hospitals, and other companies conducting cutting-edge research for digital transformation of life science and medical research.

In terms of enriched spirits, we made RED.com, LLC a subsidiary company. RED.com is involved in making professional digital cinema cameras for filming movies and commercials. We intend to develop the professional digital cinema camera market, which we expect to grow in the future, contributing to the development of imaging culture in the film and



A handwritten signature in black ink, appearing to read 'M. Tokunari'.

Muneaki Tokunari
Representative Director and President, COO and CFO
Officer in charge of the Corporate Sustainability Department

video sector.

In terms of safety and work environments, we introduced new products in X-ray/CT systems that allow for non-destructive inspection and measurement. We also introduced modules for robots that work in collaboration with humans in support of leading-edge manufacturing. In terms of decarbonization, we have continued to build on last year's progress related to aircraft, conducting proof-of-concept tests for riblet processing used in connection with wind power generation equipment and ships. Riblet processing is an artificial microstructure that mimics shark skin and reduces frictional resistance on object surfaces. At the same time, we foster circular systems for resources by refurbishing lithography systems and other products.

In November 2023, we established corporate venture capital fund Nikon-SBI Innovation Fund II together with SBI Investment. This fund will invest in the latest technologies and services such as aerospace, energy, and carbon neutrality, which are considered as new areas looking beyond our current Medium-Term Management Plan. Nikon will incorporate the cutting-edge technologies and business models of venture companies, while promoting the creation and nurturing of new businesses and realizing business synergies.

We continue to create and nurture businesses that contribute to sustainable societies.

Responding With Trustworthiness

As part of our efforts toward trustworthiness, we have made significant progress in decarbonization activities. Our previous goal was to use 100% renewable energy sources for electricity in business activities by fiscal year 2050. However, we decided to accelerate this goal 20 years, aiming to achieve 100% by fiscal year 2030. As we have endeavored to achieve carbon neutrality by fiscal year 2050, we set a new goal in line with the requirements of the Science Based Targets (SBT) Initiative. This new goal is to achieve effectively zero* greenhouse gas emissions. This goal was certified by the SBT Initiative as a net-zero target consistent with the 1.5°C target defined under the Paris Agreement.

In April 2024, we performed a ground-up revision of the Nikon code of Conduct, which embodies the basic Nikon approach to CSR and lays down standards for employees to follow. In conducting this revision, we held exhaustive discussions to

ensure that the code is responsive to the expectations of a company with regard to social issues including human rights and the environment, the latest trends in laws and regulations, and changes in the business environment. In fiscal year 2024, we will provide detailed education on a global basis to ensure that every employee understands the new Code of Conduct and acts with integrity.

We are also making progress in initiatives lined up with our materialities. Our efforts here include reviewing our human rights due diligence, pursuing higher degrees of resource circulation through the product lifecycle, conducting supply chain assessments, and engaging in improvement activities. The fruits of our endeavors will prepare us to implement timely and appropriate disclosures in response to trends leaning toward legal mandates or recommendations regarding non-financial information disclosures.

Where the Strength of the Individual is the Strength of the Organization

As president, COO and CFO, I am committed to strengthening global governance, modernizing production plants, and pursuing digital transformation (DX). On the operational side, I will focus on our balance sheet and cash flow while working to improve business portfolio management to optimize capital allocation. Our human capital is key to these efforts. I feel strongly the need for and importance of engagement with our employees. Engagement is a relationship equals, growing and contributing together. I want Nikon to be a company where every employee experiences personal and corporate growth, and to be an organization where employees reach their full potential.

In April 2023, we established the Nikon Global Diversity, Equity & Inclusion Policy. Under this policy, we strive to foster work environments and a company culture where the characteristics and abilities of all team members are accepted and valued. Nikon attracts people with a wide range of attributes, experience, and expertise. An environment in which every one of these diverse employees freely expresses their opinions brings strength to Nikon as an organization and fosters innovation. I believe this movement will help us become a key technology solutions company in a global society where humans and machines co-create seamlessly.

July 2024

* 90% reduction of GHG emissions (Scope 1, 2, and 3) throughout the value chain, with the remaining emissions neutralized according to the criteria established by the SBT Initiative.