

Risk Management

Environment-Related Risk Management System

The Nikon Group works to identify and assess environment-related risks and opportunities from the perspective of avoiding risks and problems that might emerge in the future.

We conduct ISO 14001-based assessments of production facilities that have significant environmental impacts, identifying environmental risks and opportunities at each business facility and at the ISO 14001 Secretariat. In addition, the Risk Management Committee, which handles all forms of risks facing the Nikon Group, conducts risk identification surveys and uses the results to compile a risk map.

The Environmental Subcommittee discusses how to address the identified risks and opportunities within the EMS framework. The Sustainability Committee discusses specific measures. We reflect high priority measures in the Group's Environmental Action Plan. Nikon also regularly verifies and follows up on the progress of these measures.

Risk Deriving from Environmental Regulation and Nikon's Response

There is a risk that violations of laws and regulations relating to energy, greenhouse gases, the atmosphere, water quality, soil, chemical substances, and waste may result in business suspension orders or the need to spend large sums of money on remediation work, which in turn could have a negative impact on company valuation and affect the operations of the Nikon Group as a whole. There is a possibility that regulation may become even more

restrictive in the future. If ensuring compliance results in a high level of expenditure, this could negatively impact the Nikon Group's financial health.

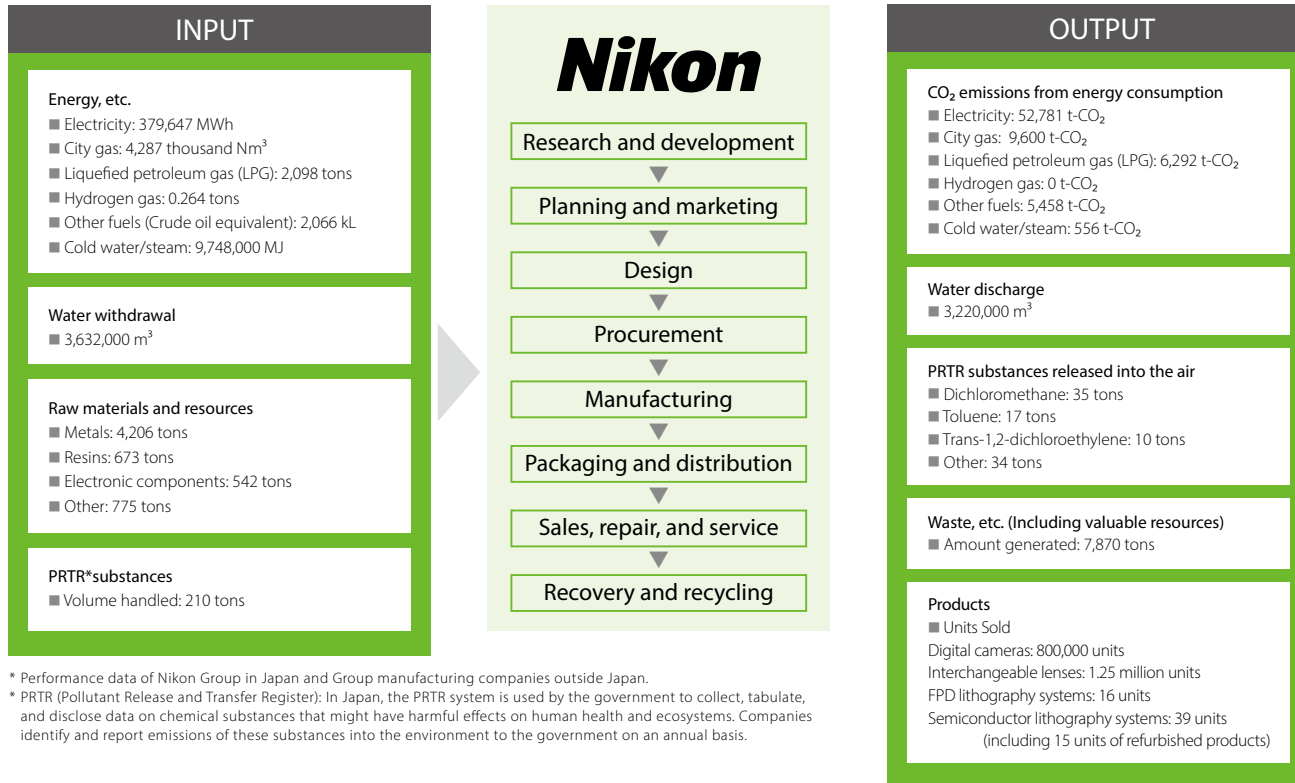
In order to be prepared for these risks, the Nikon Group establishes voluntary, self-directed standards that are more rigorous than each region's statutory requirements. We also establish and revise relevant internal rules, implement education and training for relevant employees, work to strengthen the Group's management systems, and strive to monitor and respond to regulatory changes, etc., in a timely manner.

Business Activities and the Environment

The Nikon Group aspires to be a company that contributes to the sustainable development of society. We ensure that we have a clear understanding of our relationship between the environment and our business activities in order to make an accurate assessment of our environmental impacts and risks. We prioritize initiatives based on this assessment and set goals accordingly, and we attach great importance to carrying out environmental activities to achieve these goals.

Therefore, the Nikon Group is actively advancing the collection of environmental data covering electricity and other forms of energy, waste, water, etc., both inside and outside of Japan.

Relationship Between Nikon Group Businesses and the Environment

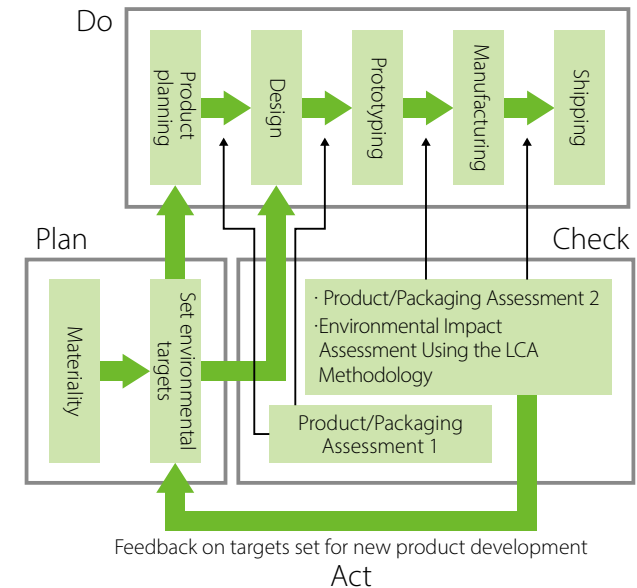


* Performance data of Nikon Group in Japan and Group manufacturing companies outside Japan.
 * PRTR (Pollutant Release and Transfer Register): In Japan, the PRTR system is used by the government to collect, tabulate, and disclose data on chemical substances that might have harmful effects on human health and ecosystems. Companies identify and report emissions of these substances into the environment to the government on an annual basis.

Eco-friendly Product Development

The Nikon Group works to develop what we term as Eco-friendly Products by taking into account environmental impacts starting from product planning and design phases, following the Eco-friendly Product Development Flow provided below.

Eco-friendly Product Development Flow



Nikon Product/Packaging Assessment

The Nikon Group has formulated the Nikon Product Assessment and Nikon Packaging Assessment. These assessments are applied to all newly-developed products and packaging materials so that our product development

will thoroughly incorporate the characteristics of Nikon products and their environmental impact. As illustrated in the figure below, these assessments evaluate the degree of reduction in weight and volume for products and packaging, reduction in hazardous substances, material commonality and recyclability from the product planning, design, prototype, and manufacturing stages.

We made a major revision to the Nikon Product Assessment items and criteria in fiscal year 2023 based on updated laws, social trends, and Nikon materiality. We will begin operating under this newly revised assessment in

fiscal year 2024.

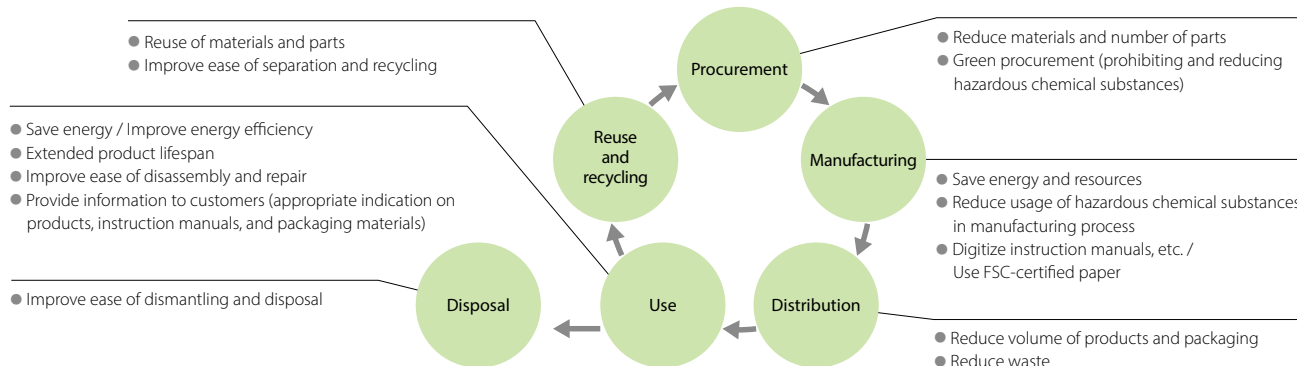
Under these new assessment standards, Nikon will continue in our efforts to create Eco-friendly products. The Nikon Packaging Assessment includes evaluation categories such as the reduction of packaging materials used and a change to materials with less environmental impact. This is one way in which we encourage a reduction in plastic packaging materials and a shift to paper-based materials.


See p.083 for specific initiatives to reduce plastic used in containers and packaging.

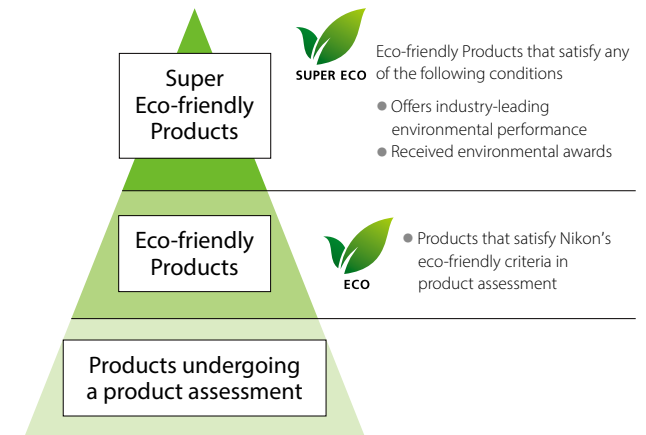
Eco-friendly Products Framework

In the past, all products that had been developed by implementing product assessment were classed as Eco-friendly Products. However, we revised the definition and underlying framework, establishing a new system effective from fiscal year 2017, whereby those products that conform to more rigorous standards in product assessment are classed as either Eco-friendly Products or Super Eco-friendly Products. Along with this, Nikon has created its own unique logos for each of Eco-friendly Products and Super Eco-friendly Products. In fiscal year 2023, approximately 79% of new products were classified as Eco-friendly Products.

Nikon Product/Packaging Assessment Items



 Eco-friendly Products (Certified as of March 2024)
https://www.nikon.com/company/sustainability/environment/eco_product_en2024.pdf



*The above logos are used only for Nikon products recognized as Eco-friendly Products based on our own standards of environmental consideration. The above logos are not affiliated with any environmental organizations.