

Materiality 5

Preventing Pollution and Conserving Ecosystems

Management and Reduction of Hazardous Chemical Substances in Products



Basic Approach

While chemical substances enrich lives, highly hazardous substances can cause serious damage to human health and the environment depending on the method of use and disposal. Countries around world develop laws and regulations on the proper management of chemical substances aiming to prevent health hazards and negative environmental impact. These laws and regulations are tightened each year, spreading to other countries based on European laws and regulations.

The products sold by the Nikon Group consist of numerous components, which contain a variety of chemical substances. In response to these circumstances, the Nikon Group established the Nikon Environmental Activity Policy on the management of hazardous chemical substances in products, environmental friendliness, pollution prevention, and compliance with laws and regulations. In addition, we set Realizing a Healthy and Environmentally Safe Society as a pillars of the Nikon Long-Term Environmental Vision for 2050.



Nikon Environmental Activity Policy

https://www.nikon.com/company/sustainability/environment/environment_policy.pdf

Strategy

Risk

We recognize various risks amid the tightening of laws and regulations on chemical substances contained in products. These risks include costs to respond (recall, compensation, etc.) in the event of non-compliance with laws and regulations, suspension of operations and other penalties, loss of public trust, and investment withdrawals. We also face the potential risk of failure to manufacture products that meet market performance requirements due to the non-use of newly regulated hazardous chemical substances. Furthermore, the Group faces potential risks of delays in product manufacturing due to difficulties in obtaining substitutes for materials and auxiliary materials, as well as delays in technological development using substitutes.

Opportunity

Managing and reducing chemical substances in proper compliance with increasingly stringent laws and regulations enables us to reduce our impact on climate change and biodiversity, as well as reduce health, safety, and environmental risks to society. These efforts will also help us maintain stakeholder trust.

Strategy

To safeguard human health and reduce environmental risks, the Nikon Group strives to implement rigorous chemical substance management that adheres to international regulatory frameworks. More specifically, we established our own Nikon Group standards (Nikon Green Procurement Standards) to ensure compliance with international environmental laws and regulations, including the EU RoHS directive*1 and REACH regulation*2. We follow the latest trends in chemical substance regulations and prohibit relevant substances in our procured products before regulations are enforced to control and reduce said substances. We also tracks developments in each country in advance of the enforcement of laws and regulations to share information and develop alternative technologies.

*1 EU RoHS Directive: RoHS stands for "Restriction of Hazardous Substances." This directive restricts use of specified hazardous substances in electrical and electronic equipment.

*2 REACH Regulations: An EU regulation on chemical substances that came into effect in 2007. REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." Under this regulation, manufacturers and importers of chemical substances are required to register information on the safety and use of these substances.

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Governance

The Nikon Group considers the environmental

friendliness of our products to be an element of product quality. We established meetings under the Quality Committee to comply with environmental laws and regulation for products, pursue the development of eco-friendly products, and to deliberate on the environmental friendliness of containers and packaging. The Product Environment Secretariat, the secretariat of these meetings, gathers information on relevant laws, regulations, and industry trends to provide information to and instruct relevant business units to manage and reduce hazardous chemical substances based on the latest information. The Secretariat confirms results from each business unit and reports to the Product and Environmental Subcommittees. The Environmental Subcommittee checks the status of the target achievement and deliberates on issues and countermeasures. The Environmental Subcommittee then reports these results to the Sustainability Committee twice a year, and the Sustainability Committee escalates important matters to the Board of Directors once a year.

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Promoting Green Procurement → p.113

Risk Management

Nikon products are made from a very large number of materials and components. For this reason, we work closely with our procurement partners to conduct surveys using chemSHERPA*, a scheme that facilitates sharing information on chemical substances in

products. Based on information gathered from these surveys, each business unit confirms whether Nikon products comply with Nikon Green Procurement Standards, striving to manage and reduce hazardous chemical substances in our supply chain.

* chemSHERPA: A shared scheme for communicating information on chemical substances contained in products in the supply chain.

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Main Measures for Chemical Substance Management

1. Researching recent global trends in related laws and regulations
 - Collecting information from external committees, etc.
2. Implementing surveys of hazardous chemical substances in products
 - Conducting surveys via the supply chain
 - Making effective use of IT to realize efficient data management
 - Implementing chemical analysis, etc.
3. Discussing countermeasures of the Nikon Group
 - Utilizing the relevant internal environment-related systems (committees, etc.)
4. Communicating countermeasures, both internally and externally, in a timely manner
 - Reduction of hazardous chemical substances, alternative instructions, etc.
 - Formulating and updating the Nikon Green Procurement Standards
5. Confirming compliance with laws and regulations
 - Implementing product/packaging assessments
6. Confirming how procurement partners manage chemicals and helping to upgrade their processes
 - Implementing Chemical substances Management System assessments for procurement partners
 - Providing support to procurement partners for building Chemical Substances Management System

Indicators and Targets

Indicators and Targets (Target Fiscal Year)

Hazardous chemical substances in products:
Containing zero (FY2030)

► FY2023

Plan

Compliance with laws and regulations of each country and strengthening of management systems

Results

1. Found that the artificial leather on the exterior of certain binocular bodies (Professional Series) contains substances restricted under the REACH Regulation
2. Strengthened the internal management system for hazardous chemical substances contained in products

► FY2024

Plan

Compliance with laws and regulations of each country and strengthening of management systems

Nikon Long-Term Environmental Vision and Medium-Term

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Environmental Action Plan Achievements for the Fiscal Year 2023

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Environmental Action Plan Targets for Fiscal Year 2024 [Summary]

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Major Initiatives

Total Abolition of All Ozone-Depleting Substance and Reduction of CFC Use

As of fiscal year 2008, the Nikon Group has abolished

the use of substances that contribute to the depletion of the ozone layer (HCFCs). These substances had previously been used as refrigerants needed to regulate the temperature in FPD lithography systems and semiconductor lithography systems. For devices previously sold that used HCFCs as their refrigerant, the Nikon Group is developing new types of air-cooling units that do not use HCFCs, and which can be installed in these older devices. With this modification, the Nikon Group is helping to not only reduce the use of HCFCs, but also to extend the product lifespan of older devices.

Europe and other countries are reviewing and strengthening laws and regulations on hydrofluorocarbons (HFCs), a greenhouse gas, in compliance with the new Montreal Protocol. Currently, the Nikon Group strives to reduce HFCs and switch equipment that uses this substance to equipment with lower coefficients of global warming.

Technology Without Hazardous Substances

The Nikon Group works to develop technologies that do not employ hazardous substances.

Use of Lead- and Arsenic-Free Technology

In the 1990s the Nikon Group adopted the use of lead- and arsenic-free glass*, in the recognition that the lead and arsenic used in most optical glass at that time had a serious environmental impact. We are also thoroughly utilizing lead-free solder. Today, with the exception of certain products with special specifications for industrial use, the utilization rate of lead-free solder in new designs is 100%.

*Lead- and arsenic-free glass: Nikon has developed a new type of glass that contains absolutely no lead or arsenic for the optical glass used in the lenses and prisms built into optical instruments. Nearly all of Nikon's product lines have a 100% utilization rate of lead- and arsenic-free glass.

Hexavalent Chromium-Free Technology for Surface Treatment Processes

Nikon has formulated rigorous technical standards in order to discontinue the use of heavy metals (hexavalent chromium, lead, cadmium, and mercury) in all surface treatment processes, including plating. We provide separate technical support to the procurement partners to which we outsource surface treatment processes, and use chemical analysis to check actual products delivered.

Management and Reduction of Organofluorine Compounds

Organofluorine compounds (PFAS), a general term for organic substances that contain fluorine, are extremely stable compounds that we use in numerous products. The stability of PFAS reversely makes it difficult to decompose in nature or in the body, causing countries to review the safety of the substance and expand product content restrictions. PFOS, PFOA, PFHxS, and related substances are a type of PFAS already designated as substances to be eliminated under the Stockholm Convention. The Nikon Green Procurement Standards prohibited these substances prior to the effective regulation enforcement date under national laws in each country. We are working to replace components that containing these substances.

We also designated the intentional use of PFAS in textile products as a prohibited substance as of January

1, 2024 in the Nikon Green Procurement Standards, one year ahead of the January 1, 2025 enforcement of the U.S. California law that prohibits said applications.

The Nikon Group will continue to gather information on the latest trends and ensure strict compliance with laws and regulations, aiming to achieve our 2030 target of zero hazardous chemical substances contained in products.

Use of Substances Restricted by the REACH Regulations

In fiscal year 2023, we suspended shipments of the Nikon Professional series binoculars after the artificial leather attached to the bodies were found to contain levels of bis(2-ethylhexyl) phthalate (DEHP)*2 that exceed the standard value for the total concentration of phthalates specified in the EU REACH Regulations*1. This incident was the result of a lack of thorough guidance and management of parts suppliers in the Nikon Group.

We take this matter very seriously and are reviewing the relevant regulations and re-educating relevant employees on the management of chemical substances contained in products.

To prevent recurrence, we are working to strengthening our investigation process for chemical substances contained in our products and by offering guidance and thorough management to our suppliers.

*1 The REACH Regulations are legal regulations on chemical substance management came into effect on June 1, 2007 in Europe. Articles imported into the EU are subject to registration, evaluation, authorisation, and restriction.

*2 Strict specifications were come into effect concerning the total concentration of four phthalate esters, including DEHP, on July 7, 2020 (Annex XVII Entry 51 to REACH (EC) No 1907/2006).

Management and Reduction of Hazardous Chemical Substances

Basic Approach

Chemical substances can inflict serious damage to health and the environment if mishandled, and countries around the world develop, strengthen, and expand laws and regulations to prevent such damage. Companies are required to establish a system for the proper management of chemical substances and to develop, manufacture, and sell products while complying with laws and regulations. The Nikon Group stipulates compliance with laws and regulations and pollution prevention in the Nikon Environmental Activity Policy, and set Realizing a Healthy and Environmentally Safe Society as one of the pillars of the Nikon Long-Term Environmental Vision for the year 2050.



Nikon Environmental Activity Policy

https://www.nikon.com/company/sustainability/environment/environment_policy.pdf

Strategy

Risk

The inappropriate management and use of hazardous chemical substances lead to violations of laws and regulations if chemical substances released into the air, wastewater, or soil exceed the standard values set by law or ordinance. In these circumstances, we face risk of penalties, costs to respond, and operational difficulties. We also recognize the risk of losing public trust and investment withdrawals due to polluting the surrounding environment.

Opportunity

The proper management and use of hazardous chemical substances enables the Group to comply with laws and regulations and maintain stakeholder trust. These efforts also help strengthen our competitiveness through taking preemptive measures to avoid the use of chemical substances facing potential stricter regulations.

Strategy

The Nikon Group established and enforces the Hazardous Chemical Substances Guideline as a self-directed chemical substances management measure. These guidelines integrate management standards regarding chemical substances used in production processes, safety and health, and contained in products. Management standards have been established in relation to chemical substances used in the production process, according to the risks to the environment and to health. These substances are classified as "Prohibited," "Reduced," "Controlled," or other. In particular, we have set deadlines for terminating the use of "Prohibited" substances as we work toward eliminating these substances altogether.

We not only comply with laws, regulations, ordinances, and other rules to prevent air, water, and soil contamination from hazardous chemical substance emissions, we also enter into agreements with local organizations, set voluntary standard values in said areas, and engage in other initiatives.

Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals → [p.067](#)

Governance

Each site and Group company manages chemical substances, measures air, water, and soil, and reports to the Local Environmental Subcommittee secretariat twice a year. The Local Environmental Subcommittee secretariat compiles the information of the entire Nikon Group and reports to the Environmental Subcommittee twice a year. The Environmental Subcommittee then deliberates on issues and measures. The Environmental Subcommittee then reports these results to the Sustainability Committee twice a year, and the Sustainability Committee escalates important matters to the Board of Directors once a year.

In addition, the Chemical Substance Risk Control Team, a working group spanning each business unit, sets common targets for the Group in order to manage and reduce chemical substances in the product lifecycle.

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Risk Management

The Local Environmental Subcommittee gathers information on the latest laws, regulations, and industries and discusses response measures.

The Nikon Group also implements measures aimed at preventing the incidence of environmental pollution. In concrete terms, the Nikon Group continues to strive to reduce the risk of environmental pollution to as close to zero as possible by implementing environmentally-friendly management of chemical substances, from purchase to use to disposal. When purchasing a new chemical substance, a

system has been established whereby a safety data sheet (SDS)* is obtained and a risk assessment is conducted. Measures based on the results of the assessment are then checked and confirmed by the environment department and the health and safety department from an expert's point of view.

* Safety data sheet (SDS): To promote improvements in the appropriate management of chemical substances by business enterprises, when a chemical substance specified by the Chemical Substances Control Law (CSCL), or a product containing such a substance, is transferred or supplied from one enterprise to another, the transferring or supplying enterprise is required to provide, in advance, a safety data sheet (SDS) noting information about the characteristics of the chemical substance and how it should be handled.

Environment-Related Risk Management System → p.064

Indicators and Targets

Indicators and Targets (Target Fiscal Year)

Zero usage of hazardous chemical substances in manufacturing processes: Use zero (FY2030)

► FY2023

Plan

Implementation of measures to abolish prohibited substances

Results

1. Installed dichloromethane detoxification equipment at the Nikon Kumagaya plant
2. Replaced HFCs used for cleaning with alternative substances
3. Launched a company-wide project on restrictions on PFAS under the EU REACH Regulation; began identifying target substances and alternatives

► FY2024

Plan

Determine measures to abolish prohibited level hazardous chemical substances based on the Hazardous Chemical Substances Guideline; implement measures in order

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Major Initiatives

Control and Reduction of Chemical Substances in Manufacturing

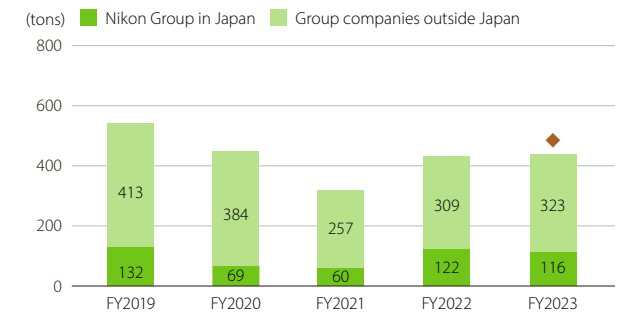
The Nikon Group eliminated nearly all HCFCs, classified as prohibited in the Hazardous Chemical Substances Guideline. Furthermore, we classified HFC greenhouse gases and dichloromethane, which is believed to be carcinogenic, as prohibited substances, and are taking measures against these substances. We are increasingly substituting dichloromethane. For processes in which substitution is difficult, we began operation of equipment in fiscal year 2023 that recovered vaporized dichloromethane back into liquid. These measures will enable us to reduce dichloromethane emissions by more than 70% in fiscal year 2024 compared with fiscal year 2023. For HFCs, our reductions are significantly ahead of the Montreal Protocol, which targets reduction of at least 85% by 2036.

In fiscal year 2018 we began working to terminate the use of 1-bromopropane. We eliminated the use of this substance as of fiscal year 2022.

Nikon Group's PRTR and VOCs

At the Nikon Group in Japan and Group manufacturing companies outside Japan, we use the Hazardous Chemical Substances Guideline to reduce the use of and manage chemical substances subject to inclusion in a pollutant release and transfer register (PRTR)*, and also carry out safety controls on the handling and disposal of these substances based on the safety data sheets (SDS). In addition, the Nikon Group carries out environmental information surveys twice a year to compile data on uses, disposals, transfers, etc. We implement internal management that is more rigorous than the PRTR, conducting surveys for all substances of which 100g or more are handled per year, based on our own standards, as compared to Japan's PRTR system which only requires

● VOC Emissions of the Nikon Group in Japan and Group Manufacturing Companies Outside Japan



◆: Values in Data Index assured by a third party

reporting for substances of which 0.5 tons or more (or 1 ton or more, depending on the substance) are handled per year.

We established reduction targets for our efforts to reduce the amount of volatile organic compounds (VOC) *2 emitted into the atmosphere, implementing measures to make cleaning equipment more airtight, improve the rate of reuse, and otherwise reduce atmospheric emissions. For fiscal year 2023, VOC emissions were on par year on year, totaling 116 tons from the Nikon Group in Japan and 323 tons from Group manufacturing companies outside Japan.

*1 PRTR → p.065

*2 VOCs mentioned here mean the 100 major VOCs as indicated by the Ministry of the Environment

Control and Disposal of Polychlorinated Biphenyl (PCB) Waste

With regard to waste and in-use electrical equipment containing polychlorinated biphenyl (PCB), which can be harmful to living organisms and the environment, the Nikon Group conducts surveys of all Group companies to confirm whether they possess any such equipment, observes stringent safekeeping practices in compliance with relevant laws and regulations, and submits all required notifications to the relevant governmental authorities.

In fiscal year 2019, Nikon completed treatment of all high-density PCB waste in the Nikon Group. As of March 2024, one business facility in Japan possesses condensers which create low-density PCB waste. After consultation with a government-certified waste disposal operator for industrial waste, we intend to carry out treatment of this low-density PCB waste, completing treatment

within the deadline of March 31, 2027 specified in the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law)*.

* The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes: A special measures law aimed at promoting the appropriate processing of polychlorinated biphenyl (PCB) waste.

Prevention of Air, Water and Soil Pollution

Continuing from the previous fiscal year, neither Nikon nor any Group manufacturing company in Japan emitted regulated substances into the air or into wastewater at levels exceeding those permitted by the relevant standards in fiscal year 2023.

Biodiversity Conservation

Basic Approach

Corporate activities are profoundly linked to biodiversity.

We obtain resources needed in our business activities from ecosystems, while causing impacts on ecosystems, such as the emission of chemical substances and greenhouse gases, from our business activities.

Biodiversity is the foundation of society, and conserving biodiversity is extremely important for companies to continue business activities. In December 2022, the second part of the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity was held in Montreal, Canada. During the convention, representatives adopted a new international goal, the Kunming-Montreal Global Biodiversity Framework (GBF). This framework established a 2030 Mission to take urgent action to halt and reverse biodiversity loss and put nature on a path toward recovery. The framework includes 23 new targets with related business goals under each. Companies will have to accelerate biodiversity efforts if they are to achieve these targets. In September 2023, the Taskforce on Nature-Related Financial Disclosures (TNFD)* released the Recommendations of the Taskforce on Nature-related Financial Disclosures (Final TNFD Recommendations v1.0).

The Nikon Environmental Activity Policy of the Nikon Group stipulates that the Group participates in environmental conservation activities, including climate change countermeasures and biodiversity conservation, in cooperation with stakeholders. We also make proactive disclosures and provide information while working together to reduce environmental impact. We also engage in biodiversity conservation to realize a healthy and environmentally safe society, a pillar of the Nikon Long-

Term Environmental Vision, and are implementing related activities to this end.

The loss of nature over that past several years has accelerated climate change. And the world is realizing that climate change is a cause of nature loss. The Nikon Group recognizes this connection with climate change and works to conserve biodiversity and disclose information in line with the Final TNFD Recommendations.

*An international organization that establishes a framework for private companies and financial institutions to assess and disclose risks and opportunities related to natural capital and biodiversity.



Nikon Environmental Activity Policy
https://www.nikon.com/company/sustainability/environment/environment_policy.pdf

Strategy

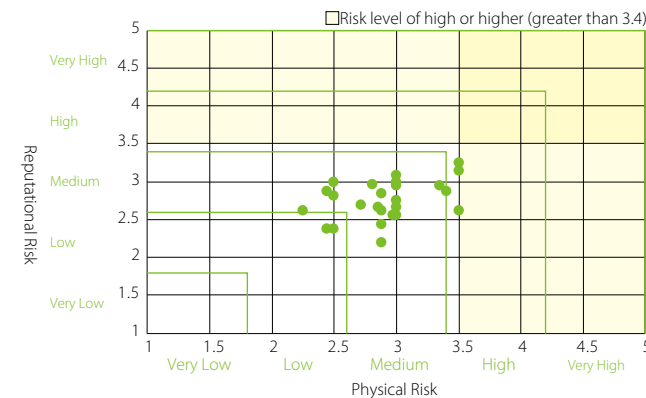
Risk Assessment Through the Biodiversity Risk Filter

The Nikon Group used WWF Biodiversity Risk Filter* to assess physical and reputational risks at 38 major sites. The granularity of physical risk and reputational risk indicated that several business facilities face high physical risk (greater than 3.4). All business facilities ranked below the medium (3.4 or lower) in terms of reputational risk.

However, a closer look at the 33 indicators used in our evaluations indicated certain extremely high risk indicators. We also found that trends in risks differed by region.

* A tool developed by WWF to promote spatial understanding of the natural environment, including forests, oceans, and river basins, from both ecosystem conservation and business perspectives. This tool helps determine issues and priorities for investment and business model considerations. <https://riskfilter.org/>

Biodiversity Risks at 38 Major Sites



Top Risk Indicators at 38 Major Sites (Excerpts)

| Risk Indicator | Risk Level and No. of Applicable Sites | | | | |
|-------------------------------|--|------|--------|-----|----------|
| | Very High | High | Medium | Low | Very Low |
| 3.6 Tropical cyclones | 27 | 3 | 2 | 6 | |
| 3.1 Landslide | 14 | 4 | 19 | 1 | |
| 5.4 Pollution | 10 | 22 | 2 | 4 | |
| 6.1 Protected/conserved areas | | 24 | 4 | 10 | |
| 1.1 Water scarcity | 5 | | 32 | 1 | |
| 3.5 Extreme heat | 13 | 13 | 12 | | |
| 8.1 Media scrutiny | 1 | 12 | 11 | 14 | |

■ Physical Risk Indicators
 ■ Very High
 ■ High
 ■ Medium
 ■ Low
 ■ Very Low
■ Reputational Risk Indicators

● Risk Trends by Region at 38 Major Sites

| Region | Risk Trends |
|----------------|---|
| Japan | Very high risk of tropical cyclones and landslides High risk of pollutions and protected/conserved areas |
| China and Asia | Very high risk of tropical cyclones and pollution High risk of water scarcity and extreme heat |
| The Americas | High risk of tropical cyclones |
| Europe | High risk of pollution High risk of water conditions |

Dependency and Impact Assessment Through Encore

The Nikon Group used Encore* to assess the dependencies on ecosystem services and the impacts on nature that our main Group operations have. While we have previously analyzed and assessed such dependencies and impacts, the Encore results indicate that the Group is particularly dependent on water supply (groundwater and surface water) in ecosystem services. The results also indicate that we impact nature through pollutants to water and soil, greenhouse gases, and waste. Whereas these results indicate no significant differences from previous assessments, we have a clearer understanding of the degree of our dependencies and impacts.

*Encore is a tool developed jointly by the Natural Capital Finance Alliance (NCFA, an international network of financial institutions), the United Nations Environment Programme World Conservation Monitoring Center (UNEP-WCMC), and other organizations to understand the extent of the impacts and dependencies of private companies on nature. <https://www.encorenature.org/en>

● Summary of Ecosystem Service Dependencies and Impacts on Nature (M: Medium H: High NA: Not Applicable)

| Dependencies and Impacts | Dependencies on Ecosystem Services | | Impacts on Nature | | | | | |
|--------------------------|------------------------------------|---------------|--------------------------|-----------------------------|-----------------|-------------|---------------------------------------|-----------|
| | Provisioning services | | Climate change | Pollution/pollution removal | | | Resource use/replenishment | |
| Ecosystem Services | Groundwater | Surface water | Greenhouse gas emissions | Water pollutants | Soil pollutants | Solid waste | Disturbances (noise, light pollution) | Water use |
| Evaluation | M | M~H | NA~H | H | NA~H | M~H | NA~M | NA~H |

Main Risks Related to Biodiversity

The Nikon Group identified the following risks based on our Biodiversity Risk Filter and Encore assessment results.

● Biodiversity Risks

| | | Principle Risks | Related Major Dependencies and Impacts | Financial Impacts | Initiatives |
|-----------------|--------------|--|--|---|--|
| Physical Risk | Acute | Intensifying tropical cyclones due to natural degradation | Dependency: Flood mitigation, storm mitigation Impact: GHG emissions | Suspension of operations and decline in asset values due to damage to major bases | Pursuit of Business Continuity Management (BCM) |
| | Chronic | Changes in precipitation patterns and droughts due to natural degradation | Dependency: Water supply Impact: Water use | Operating rate declines and shutdowns due to inability to extract sufficient water resources | Reduce water withdrawal Promote water resource recycling Assess water risks |
| Transition Risk | Policies | Stricter regulations on pollution | Impact: Pollutant emissions in air, water discharge, and soil; waste emission | Higher management costs for chemical substances contained in production processes and products Lower raw material supplies and price hikes due to stricter regulations; switch to substitutes Higher waste disposal costs | Chemical substance management in production processes Green procurement Waste reduction Proper waste management |
| | | Tighter disclosure regulations | Dependency: Water and other natural resources Impact: GHG emissions, pollutant emissions, water discharge, etc. | Higher costs to respond to assessment that consider biodiversity as well as related information disclosures | Monitoring and appropriate disclosure of environment-related information Response to TNFD |
| | Technologies | Mandates to replace with raw materials having less environmental impact | Impact: Use of chemicals and petroleum-derived raw materials | Inability to switch to raw materials with less environmental impact, resulting in exclusion from the market and weaker competitiveness Higher costs related to raw material procurement | 3R Initiatives for Products and Packaging |
| Reputation | | Lower corporate reputation and brand value due to the use of natural resources that are not environmentally friendly | - | Lower sales and stock price due to loss of public trust | 3R Initiatives for Products and Packaging Paper Usage with Consideration for Biodiversity |

Biodiversity Opportunities

The Nikon Group recognizes business opportunities in biodiversity. We believe it is crucial for the Group to contribute to biodiversity through our business activities. These activities include contributing to the mainstreaming of biodiversity by providing products for education and research and through engaging in corporate citizenship activities. We also provide products and services to improve energy efficiency, reduce waste, and encourage resource recycling.

● Biodiversity Opportunities

| Opportunity Type | | Principle Opportunities |
|----------------------------|---|--|
| Business Performance | Market | Expanded sales of technologies and products that improve energy efficiency and contribute to decarbonization |
| | Resource Efficiency | Expanded sales of technologies and products that reduce resource use and waste |
| Sustainability Performance | Ecosystem protection, restoration, and regeneration | More opportunities to use products and technologies in biodiversity research and conservation activities |
| | | More opportunities to use products in biodiversity education |
| | | Support for Biodiversity Conservation and Restoration |

We are committed to conducting further analysis our unique risks, opportunities, and impacts of our dependencies. At the same time, we will properly assess not only direct operations but also the relationship our value chain has with nature, aiming to incorporate such findings in establishing targets and effective initiatives. We will also continue to deliberate on ways for the Group to contribute to becoming Nature Positive.

Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals → [p.067](#)

Governance

We formulate targets and check initiative progress at meetings related to product environment and at the Local Environmental Subcommittees, and report to the Environmental Subcommittee twice a year. The Environmental Subcommittee checks targets and relevant results, identifies issues, and then implements a PDCA cycle to reflect these factors in new targets and initiatives. The Environmental Subcommittee then reports these results to the Sustainability Committee twice a year, and the Sustainability Committee escalates important matters to the Board of Directors once a year.

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Risk Management

All environmental activities involve biodiversity conservation. The Nikon Group confirms nature-related dependencies, impacts, risks, and opportunities related to our business and products at meetings related to product environment. The Local Environmental Subcommittee evaluates company production process. Not only do we verify laws, regulations, industry information, and other social trends at each of these meetings, but the Environmental Subcommittee

secretariat also collects information. Each party shares information with each other.

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Indicators and Targets

Indicators and Targets (Target Fiscal Year)

Percentage of FSC-certified or recycled paper (catalogs, instruction manuals, packaging boxes): 100% (FY2030)

► FY2023

Plan

Implementation of measures according to paper usage

Results

1. Digitized product catalogs and instruction manuals
2. Approximately 85% of newly ordered product catalogs for use in Japan, North America and Europe are printed on FSC-certified paper, excluding special paper types

► FY2024

Plan

Implementation of measures according to paper usage

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Major Initiatives

Paper Usage with Consideration for Biodiversity

Paper, a forest resource, is one of the resources that the Nikon Group benefits from ecosystem services. The Nikon Group strives to reduce paper consumption as a part of the conservation of biodiversity and forest resources. These efforts include the digitization of product catalogs and instruction manuals.

In addition, under our Paper Procurement Policy, we have recommended conversion to paper use that is mindful of the sustainable use of forest resources.

In product development, we verify the environmental sustainability of the paper resources that we use by implementing the Nikon Product Assessment and Nikon Packaging Assessment at the planning and design stage as well as at the prototyping and production stage, as we promote the utilization of biodiversity-friendly paper resources.

Nikon Product/Packaging Assessment → p.065



Paper Procurement Policy

https://www.nikon.com/company/sustainability/environment/safety/Paper_Procurement_Policy.pdf

Conversion to Using FSC-certified Paper

The Nikon Group is, in accordance with its Paper Procurement Policy, switching over to the use of FSC-certified paper. In initial conversions, we are prioritizing high-quantity paper use cases

with a major impact on society.

In Japan, we are using FSC-certified paper for product catalogs and for printed materials, corporate envelopes, name-cards, and other items issued or used by Nikon's corporate administration divisions.

We have been implementing measures to promote the shift to FSC-certified paper for the paper used by our business units; with the exception of specialty paper, we used FSC-certified paper for 85% of all product catalogs issued in Japan, North America, and Europe in fiscal year 2023. We also completed the switch to FSC-certified paper for packaging boxes for certain products.

* FSC-certified paper: Paper certified as made from wood harvested from appropriately managed forests.

Reducing Paper Resources Used in Products

The Nikon Group is working to save resources in the user's manuals packaged with Nikon products.

For example, in recent years, the amount of paper used for user's manuals for mirrorless cameras has tended to increase as the range of functions that these cameras provide has grown, thus requiring more pages in these manuals. Paper use has also increased with the need to provide replacement manuals or supplementary materials when upgrading firmware. In response to this situation, we have been taking steps to substantially simplify user's manuals provided with our cameras, while providing more detailed information in a timely manner through the Nikon website. Nikon Vision Co., Ltd. revised the instruction manual included in the COOLSHOT 20i GIII GOLF LASER RANGEFINDER, released in April 2024, reducing paper consumption by 43% compared to all models.

The Nikon Group also started utilizing paperless

catalogs and instruction manuals for corporate products. The Healthcare Business provides product catalogs and instruction manuals for certain products on its website. Customers now access the latest information whenever they need it using their preferred device, whether it be their laptop, tablet computer or smartphone. This helps to enhance customer convenience. Further, this initiative not only helps with reducing paper usage, but also contributes to cutting CO₂ emissions associated with printing and product transportation.

Activities in Industry Groups

Nikon participates in the Environmental Strategy Liaison Committee Biodiversity Working Group (WG) formed by the four leading Japanese electric and electronic (E&E) industrial associations*, and works to promote biodiversity conservation and restoration activities alongside the associations' member companies. This working group undertakes a wide variety of activities, including the publication of biodiversity awareness-raising materials and handbooks for activity implementation, the conduction of surveys on biodiversity-related trends, the organization of training activities, and the creation and publication of a public database of case-studies on biodiversity conservation work undertaken by the associations' member companies.

In fiscal year 2023, the working group held GBF Guidance Online Seminars, TNFD study sessions, and OECM training sessions for members of the four leading Japanese electric and electronic (E&E) industrial associations. The working group also created and published a website that features an overview of GBF,

assessments of its impact on the E&E industry, and an introduction to its opportunities, and created educational and awareness tools on biodiversity.

Like the concepts of carbon neutrality and a circular economy, Nature Positive is now recognized as a global issue vital to creating sustainable societies. Therefore, Nikon will continue to deepen our partnership and explore ways to ensure that the industry as a whole and the Company can respond appropriately in fiscal year 2024 as well.

* The four leading Japanese electric and electronic (E&E) industrial associations are as follows. These associations are collaborating on biodiversity initiatives. The Japan Electrical Manufacturers' Association (JEMA), The Japan Electronics and Information Technology Industries Association (JEITA), Communications and Information Network Association of Japan (CIAJ), Japan Business Machine and Information System Industries Association (JBMIA)

Initiatives at Each Plant and Business Facility

The Nikon Group contributes towards the conservation of biodiversity and the protection of the natural environment in local communities.

In addition, having become aware that around 80% of ocean waste was originally urban waste that was washed into the sea, we are making a serious effort to keep the areas around our facilities clean, as well as working to beautify nearby footpaths and flowerbeds, etc. We also actively participate in and collaborate on environmental conservation activities organized by local communities to protect rare plant and animal species, etc., as well as other activities undertaken to revitalize the local community.

A total of 711 employees participated in community contribution activities during fiscal year 2023.

Nikon (Yokosuka Plant, Yokohama Plant, Mito Plant)

With the collaboration of local government authorities, these Nikon organizations implemented clean-up activities for garbage, fallen leaves, and other debris from parks, roads, and footpaths in the vicinity of the respective site.

- Nikon Yokosuka Plant: Became registered business endorsing the Declaration of Action against Marine Plastic Waste; joined beach clean-up activities at Wada Nagahama Beach, Koajiro Bay, etc.
- Nikon Yokohama Plant: Became a registered business as a Hama Road Supporter; engaged in clean-up activities around the plant; planted and managed flower seedlings in roadside planting strips (flower beds)
- Nikon Mito Plant: Became a registered business under the Hinuma Watershed Clean Operation, Hinuma Watershed Clean-up Activities, and Ishigawa River Clean-up Activities



Ishigawa River Clean-up Activities (Nikon Oi Plant)



Clean-up activities around the plant (Nikon Yokohama Plant)

Tochigi Nikon Corporation and Tochigi Nikon Precision Co., Ltd.

These organizations undertake clean-up activities in the vicinity of each facility, and collaborated with a Tochigi Prefecture government-sponsored association for cleaning up the Naka River.



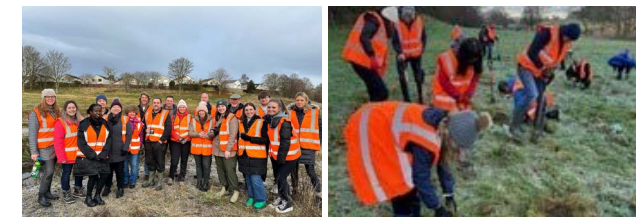
Clean-up activities along the banks of the Naka River

Optos, Inc. (U.S.), Optos Plc (U.K.)

Optos, Inc. partners with NGOs to help conserve forests, including thinning of forests in wildlife refuges in Massachusetts, the United States. The companies also engage in ecosystem protection and pasture clean-up activities. In the Fife Coast and Countryside Trust in the United Kingdom, Optos Plc participate in grassland clean-up activities and local ecosystem protection activities.



Forest conservation activities in wildlife sanctuaries (Optos, Inc.)



Grassland cleanup and ecosystem protection activity (Optos Plc)

Miyagi Nikon Precision Co., Ltd.

Miyagi Nikon Precision Co., Ltd. organized clean-up activities twice around the head office and the Ogawara Plant.



Clean-up activities around the business facility (Miyagi Nikon Precision Co., Ltd.)

Nikon Vision Co., Ltd.

In collaboration with a nature conservation group, Nikon Vision provides children with the experience of observing wild birds and other animals in forests and waterside areas using binoculars and actual microscopes made by the company.

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Nikon (Thailand) Co., Ltd. (Thailand), Nikon Lao Co., Ltd. (Laos)

Nikon (Thailand) Co., Ltd. and Nikon Lao Co., Ltd. organized clean-up activities around their respective plants. Nikon (Thailand) also planted 100 banyan trees on their plant grounds.



Employees and families planting banyan trees (Nikon (Thailand) Co., Ltd.)



Clean-up activities around the plant (Nikon Lao Co., Ltd.)

Nikon X-Tek Systems Ltd. (U.K.)

Nikon X-Tek Systems Ltd. planted trees in collaboration with European environmental NGO Earthwatch Europe. The company prepared the soil using the Miyawaki method, a Japanese tree-planting method, and planted various native forest plants and trees beneficial to wildlife in an area the size of a tennis court.



Tree-planting activities (Nikon X-Tek Systems Ltd.)

Support for Biodiversity Conservation and Restoration

Nikon has been supporting the AKAYA Project of the Nature Conservation Society of Japan (NACS-J) since 2006. This project involves research and verification testing aimed at conservation and restoration of biodiversity in the Akaya Forest, which is centered in an around 10,000 hectare area of national forest in the north of Minakami Town in Gunma Prefecture, and which has been designated by UNESCO as the Minakami Biosphere Reserve, as well as promoting sustainable community development that makes effective use of forest resources. In addition to providing our digital cameras and binoculars to support research activities, Nikon began encouraging employees of the Nikon Group in Japan every year since 2016 to participate in volunteer activities to help regenerate the natural forests.

Furthermore, Nikon helped to plan and create a booklet, AKAYA NOTE, in cooperation with people involved in the Akaya Project, and has been distributing it to the people of Minakami every year since 2019. In Minakami Town, this booklet is utilized in environmental education at schools, where UNESCO biosphere reserve classes are taught by visiting teachers.



Nikon Group employees participate in volunteering activities that seek to accelerate the regeneration of natural forest by removing trees and plants that retard the growth of young trees. Vegetation specialists analyzed the growth and reproduction of the tree species of the natural forest, demonstrating the results of our efforts over the last eight years.