

Stakeholder Engagement

Basic Approach

For a company to fulfill its social responsibility, it must disclose its own policies and results to stakeholders in addition to taking feedback and expectations seriously and constantly improving its own activities. Stakeholder engagement is essential for achieving this. The Nikon Group strives to achieve reciprocal communication with stakeholders including customers, shareholders, employees, business partners, and society as a whole. We also work to maintain and develop healthy relationships with them through a variety of opportunities and methods.

● Nikon Group's Main Stakeholders



● Main Forms of Engagement with Stakeholders

Main Stakeholders	Methods of Engagement	Objectives
Customers	<ul style="list-style-type: none"> · Call centers and service counters (as required) · Responses to customers by departments in charge of sales/services (as required) · Sharing of information via the website and other methods (as required) · Exhibitions/events (several times a year) · News releases via mass media and other methods (as required), etc. 	Provision of high quality, high value-added products and services, response to feedback and requests, and provision of appropriate information on products and services
Shareholders	<ul style="list-style-type: none"> · General Shareholders' Meeting (once a year) · Announcements (as required) · Publishing of various types of printed materials including the NIKON REPORT and interim reports (once a year), etc. · Sharing of information via the website and other methods (as required) · Financial Results Conference (four times a year) · Responding to ESG investment (as required), etc. 	Timely and appropriate disclosure of information, acquisition of appropriate evaluation and support from capital markets, fair and highly transparent corporate management, appropriate return of profits
Employees	<ul style="list-style-type: none"> · Sharing of information via company newsletters, the Group portal site and other methods (as required) · Labor and management conferences, and conferences with employee-elected representatives (as required) · Reporting and Consulting System (as required) · Conducting human rights and labor standards surveys at the Group companies (once a year) · Conducting employee awareness surveys and questionnaires (once every one to two years) · President's Town-hall Meetings, etc. (as required) 	Active utilization of diverse human resources, provision rewarding work and workplace environment, proper treatment of workers, enhancement of occupational safety and mental health, positive labor-management relationships
Business partners	<ul style="list-style-type: none"> · Dialog through everyday business activities (as required) · Meetings with procurement partners (once a year) · Briefings/surveys/audits/corrective support for procurement partners on CSR procurement(as required) · Survey/assessments of the establishment of environmental management systems (as required), etc. 	Mutual development through provision of products and services that are useful to society, fair business relationships, smooth sharing of information, joint research and development, and CSR procurement
Society	<ul style="list-style-type: none"> · Participation in local events (as required) · Collaboration with NGOs/NPOs in Corporate Citizenship Activities (as required) · Participation in economic and industry organizations (as required) · Consultations with governmental agencies, academic societies/research organizations (as required) · Issuing of the Nikon Sustainability Report (once a year), etc. 	Compliance with laws and regulations, participation in industry-government-academia collaboration projects, participation in the community as a corporate citizen, contribution to technology development through support for research organizations, and enhancement of our activities through partnerships

● Main Affiliated Organizations Related to Sustainability (As of March 31, 2023)

Organization Name	
Joint Article Management Promotion-consortium (JAMP)	Japan Machinery Center for Trade and Investment (JMC)
Global Compact Network Japan (GCNJ)	Institute of Business Ethics (IBE)
Business Ethics Research Center (BERC)	Japan Business Council in Europe (JBCE) (CSR Committee)
Japan Electronics and Information Technology Industries Association (JEITA) (CSR Committee, Environment Committee, and Responsible Minerals Trade Working Group)	Responsible Business Alliance (RBA)
Keidanren (Japan Business Federation) (Committee on Responsible Business Conduct and SDGs Promotion)	Responsible Minerals Initiative (RMI)
Platform for Learning Innovation - Japan (PLIJ)	SEMI Japan (SDGs/Sustainability Committee)
The four Japanese electric and electronic (E&E) industrial associations, JEITA, CIAJ, JBMA and JEMA (The Expert Committee on Chemical Substances in Products, Expert Committee on Waste and Recycling Measures Relating to Business Facilities, Expert Committee on Chemical Substance Measures Relating to Business Facilities, and Biodiversity Working Group)	

Engagement with Employees

The Nikon Group believes that it is very important for every employee to share the company's vision, to be committed to the company's policies and plans, and to work proactively to put them into effect.

In fiscal year 2022, a special site was set up within our portal site to communicate the newly announced Medium-Term Management Plan to employees, including three videos of discussion with the president about the plan and his thoughts on it, among others.

The President's Town Hall Meeting 2022 was also held as in the previous year. In Japan, a total of three meetings were held where the president and representatives selected from each unit actively exchanged opinions. The live broadcast was accessed a total of 1,200 times, and many employees watched the recorded content, including videos they missed that could be viewed on demand. A total of nine town hall meetings for Group companies outside Japan were also held in an online format. During the discussions between the president and representatives of each company, questions and opinions related to the Medium-Term Management Plan were exchanged.

Separately, we continue to actively disseminate information through the Group portal site, internal newsletters, and e-mails.



Video of an internal presentation discussion about the Medium-Term Management Plan

Engagement with Shareholders and Investors







Nikon set a goal of capital market-oriented management and has been focusing on investor relations activities that emphasize dialogue with shareholders and investors. We firmly believe that for Nikon, which aims to achieve sustainable growth in its corporate value, engagement (i.e., objective- focused dialog) with shareholders and investors is a valuable opportunity to hear views from diverse perspectives. We hold interviews with a total of approximately 500 shareholders, institutional investors and analysts both within and outside Japan throughout the year. In fiscal year 2022, we continued to announce quarterly financial results via a webcast. Moreover, we held our first IR Day the current fiscal year as an opportunity to provide a deeper understanding of Nikon, and the general managers responsible as heads of the various business units explained the financial targets and strategies of the businesses in our Medium-Term Management Plan announced in April 2022. In addition to the online format, top management has quickly resumed face-to-face meetings inside and outside Japan to listen directly to opinions from shareholders and institutional investors. In this way, we have redoubled our efforts to disseminate information regarding the current state of the company's operations in a timely, appropriate manner, through constructive dialog with large numbers of institutional investors and analysts. The feedback and advice that the Nikon Group has received from shareholders and investors has provided the Group with many useful suggestions that the Group can utilize when implementing our growth strategies, business management and restructuring, etc. In particular, we have engaged in frank, wide-ranging exchanges of opinion with investors who are focused on a long-term




perspective, covering matters such as contributions towards addressing social issues through business activities, financial strategies regarding capital allocation, and ESG-related issues (particularly governance). We can make effective use of these opinions when reflecting on our business management and considering our strategies, by sharing them with the Board of Directors and the Executive Committee on a regular basis. Going forward, Nikon aims to enhance its engagement with shareholders and investors in terms of both quality and quantity. In addition, we will listen carefully to stakeholders' hopes and expectations, and will make effective use of what we have learned to improve our business management.

External Evaluation

As a business enterprise that adopts a proactive stance towards sustainability activities, the Nikon Group has received positive evaluations from a variety of external organizations.

● Inclusion in ESG Investment Indexes (As of June 30, 2023)




ESG Investment Index	Selected/Overview
FTSE4Good Index Series  FTSE4Good	Selected: Since 2004 The ESG Investment Indexes by FTSE Russell, wholly owned by the London Stock Exchange
ECPI Indices  ECPI Sense in sustainability	Selected: Since 2011 ECPI is a company based in Milan and Luxembourg that produces research, ratings and indices on companies' ESG performance
SOMPO Sustainability Index  Sompo Sustainability Index	Selected: Since 2013 The SOMPO Sustainability Index is a socially responsible investment product that enables pension funds and other institutional investors to invest broadly in companies with high ESG evaluations
FTSE Blossom Japan Index^{*1}  FTSE Blossom Japan Index	Selected: Since 2017 FTSE Blossom Japan Index is designed to reflect the performance of Japanese companies with excellent track records in terms of ESG
MSCI Japan ESG Select Leaders Index^{*1 *2} 	Selected: Since 2017 MSCI Japan ESG Select Leaders Index selects companies from various sectors with excellent ESG practices from among the top 500 Japanese stocks in terms of market capitalization
Dow Jones Sustainability Indices DJSI World and DJSI Asia Pacific  Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Selected: Since 2018 Every year, the sustainability of major global companies is quantified from three perspectives: economy, environment, and society. Based on the results of evaluation by industry, approximately the top 10% are selected for DJSI World and approximately the top 20% in the Asia-Pacific region are selected for DJSI Asia Pacific

ESG Investment Index	Selected/Overview
S&P/JPX Carbon Efficient Index^{*1} 	Selected: Since 2018 The S&P/JPX Carbon Efficient Index is an index that uses TOPIX, the representative stock index for the Japanese market, as its securities universe and selects composite stocks with a focus on disclosure of environmental information and level of carbon efficiency
S&P Japan 500 ESG index	Selected: Since 2019 The S&P Japan 500 ESG Index is one of the S&P 500 ESG Index series, which was newly announced by S&P Dow Jones Indices LLC, with the main indices in Japan as its universe
MSCI Japan Empowering Women Index^{*1 *2} 	Selected: Since 2019 The MSCI Japan Empowering Women Index selects companies in various industries that have demonstrated superior gender diversity performance, from among the 500 listed Japanese companies with the highest market capitalization
FTSE Blossom Japan Sector Relative Index^{*1} 	Selected: 2022 It is designed to measure the performance of Japanese companies that demonstrate relative environmental, social, and governance excellence in their respective sectors

^{*1} Selected as an ESG index by the Government Pension Investment Fund, or GPIF.

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● ESG Evaluation (As of April 06, 2023)

Rating	Evaluation/Overview
<p>CDP Climate Change A List and CDP Supplier Engagement Leader</p> 	<p>CDP is an NPO whose main activities include requesting that business enterprises and local government authorities disclose information relating to the measures they have taken to address environmental issues, including climate change strategies, waste resource conservation, forest conservation, etc., in line with requests from global institutional investors etc., who are concerned about the environment, and also promoting increased adoption of measures of this type. Organizations that secure an A rating (the highest possible rank) in relation to climate change are included in the CDP Climate Change A List. The CDP awards the title of Supplier Engagement Leader to global leaders that collaborate effectively with suppliers in relation to climate change</p>
<p>AAA MSCI ESG Rating</p> 	<p>The MSCI ESG Ratings adopt a seven-point scale from "AAA" to "CCC," ranking a company's ESG performance according to industry-specific ESG risks and its ability to manage those risks relative to its industry peers. In 2023, we obtained AAA, the highest possible rating</p>
<p>Sustainability Yearbook 2023 Top1% S&P Global ESG Score</p> 	<p>Each year, S&P Global evaluates the sustainability of the world's leading companies from three perspectives: economy, environment, and society. It then selects and honors those companies that receive particularly exceptional scores. The Top 1% S&P Global ESG Score recognizes companies that score within 1% of the highest scoring company in each industry group with a score of 60 or higher</p>

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