



Information

Notice Regarding Issuance of Sustainability-Linked Bonds

September 8, 2023

TOKYO - Nikon Corporation (Nikon) has established the "Sustainability-Linked Finance Framework" (this framework) and plans to issue Sustainability-Linked Bonds (the Bonds) in October. Today Nikon submitted an amended shelf registration statement for the issue of the Bonds to the Kanto Local Finance Bureau. (Nikon has decided to postpone the issuance of Sustainability-Linked Bonds, due to various circumstances. The timing of the issuance is undecided. Added on September 27.2023)

Sustainability-Linked Bond is a type of bonds for which the financial and structural characteristics can vary depending on whether the company achieves predefined sustainability-related objectives. This is the first time that Nikon issues the Bonds.

Background of the Bonds Issuance

One of Nikon Long-Term Environmental Vision, which targets FY 2050, is realizing a decarbonized society. Nikon has set as a target reducing greenhouse gas (GHG) emissions in Scope1 and Scope2 by 71.4% (compared to FY 2013) in Nikon Medium-Term Environmental Goals for FY 2030*1 linked to Nikon Long-Term Environmental Vision, making efforts to achieve these targets.

Through issuing the Bonds based on this framework, Nikon steadily promotes Nikon Long-Term Environmental Vision and aims to realize a sustainable society.

Overview of the Bonds

Name of the Bonds	Nikon Corporation 24th Unsecured Bonds (With special limited inter-bond pari passu clause) (Sustainability-Linked Bonds)	Nikon Corporation 25th Unsecured Bonds (With special limited inter-bond pari passu clause) (Sustainability-Linked Bonds)
Issue date	Early October 2023 at the earliest (expected) (Nikon has decided to postpone the issuance of Sustainability-Linked Bonds, due to various circumstances. The timing of the issuance is undecided. Added on September 27.2023)	
Tenor	5 years (expected)	10 years (expected)
Issue amount	Total amount: About JPY30 billion	
KPI	GHG emission reduction rate in Scope1 and Scope2	
SPT	Reduce Scope1 and 2 GHG emissions by 39.4% by FY 2025 (compared to FY 2018) The determination date: at the end of July 2026	Reduce Scope1 and 2 GHG emissions by 68.0% by FY 2030 (compared to FY 2018) The determination date: at the end of July 2031

<p>Bond characteristics</p>	<p>If a third-party verified report is not received by the determination date that the SPT has been achieved, an amount equivalent to 0.1% of the issuance amount will be (1)donated, or (2)used for purchasing emission credits or certifications.</p> <p>(1)Donations If a third-party verified report is not received by the determination date that the SPT has been achieved, donation will be made to qualified donation recipients by the reimbursement date. Qualified donation recipients are public interest incorporated associations, public interest foundations, international organizations, local government certified non-profit organizations, local governments, and similar organizations related to the improvement of SPT that has not been achieved. The recipients of the donations will be determined by the required resolution prior to the reimbursement date.</p> <p>(2)Purchasing emission credits or certifications If a third-party verified report is not received by the determination date that the SPT has been achieved, Nikon will purchase emission credits (credits of CO₂ reduction value) or certifications (Green Power Certificates, Non-Fossil Certificates, I-REC, etc.) by the reimbursement date. In the event of a force majeure event (a change in trading system regulations, etc.) that prevents Nikon from purchasing emission credits or certifications, Nikon will make a donation to a qualified donor.</p>	
<p>Lead managers</p>	<p>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc. Mizuho Securities Co., Ltd. Nomura Securities Co.,Ltd.</p>	<p>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc. Mizuho Securities Co., Ltd.</p>
<p>Structuring Agent^{*2}</p>	<p>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd</p>	
<p>External Review</p>	<p>Nikon has obtained a Second opinion from Rating and Investment Information, Inc. (R&I), an independent external reviewer regarding the alignment of this framework with the Principles and Guidelines following.</p> <ul style="list-style-type: none"> - ICMA^{*3} Sustainability-Linked Bond Principles 2023 - LMA^{*4}, APLMA^{*5}, LSTA^{*6} Sustainability-Linked Loan Principles 2023 - Ministry of the Environment, Green Bond and Sustainability-Linked Bond Guidelines 2022 - Ministry of the Environment, Green Loan and Sustainability-Linked Loan Guidelines 2022 	

*1 Although this goal has been certified by the Science Based Targets (SBT) Initiative as a "1.5°C" standard, Nikon has now changed our base year to FY2018, applying for certification of the "1.5°C" standard. Even if the base year is changed, the target for GHG emissions (absolute amount) in FY 2030 is the same as the announced target for the base year of FY 2013.

*2 Structuring Agent supports the implementation of sustainability-linked finance through the development of a framework for sustainability-linked finance and advice on obtaining a second opinion.

*3 ICMA: International Capital Market Association

- *4 LMA: Loan Market Association
- *5 APLMA: Asia Pacific Loan Market Association
- *6 LSTA: Loan Syndications and Trading Association

For more information on the Sustainability-Linked Finance Framework and the second opinion, please refer to Nikon's website.

- **Sustainability-Linked Finance Framework**
https://www.nikon.com/company/news/2023/0908_sustainability_2.pdf
- **Second Opinion of Rating and Investment Information, Inc. (R&I)**
https://www.nikon.com/company/news/2023/0908_sustainability_3.pdf