



# Corporate Report 2022

## Editorial Policy

NIDEK continues to conduct our “Eye & Health Care” business globally while always being true to our core values and we observe the letter and spirit of all laws and regulations in Japan and abroad, and act with a strong sense of ethics and fairness to contribute to the development of a sustainable world society. This report aims to inform those interested of our environmental and social activities of fiscal year 2021.

### ■ Guidelines Referenced

Global Reporting Initiative (GRI)  
GRI Sustainability Reporting Standards  
(2016/2018/2019)

- ※ The color scheme of this report was created with reference to the Model Color Palette for Color Universal Design (URL: <http://www.cudo.jp/colorset>)
- ※ This report uses easy-to-read universal fonts (UD fonts) that are designed to convey information appropriately to as many people as possible, based on the concept of universal design.

**UD FONT**  
by MORISAWA

## Profile

### Basic Information

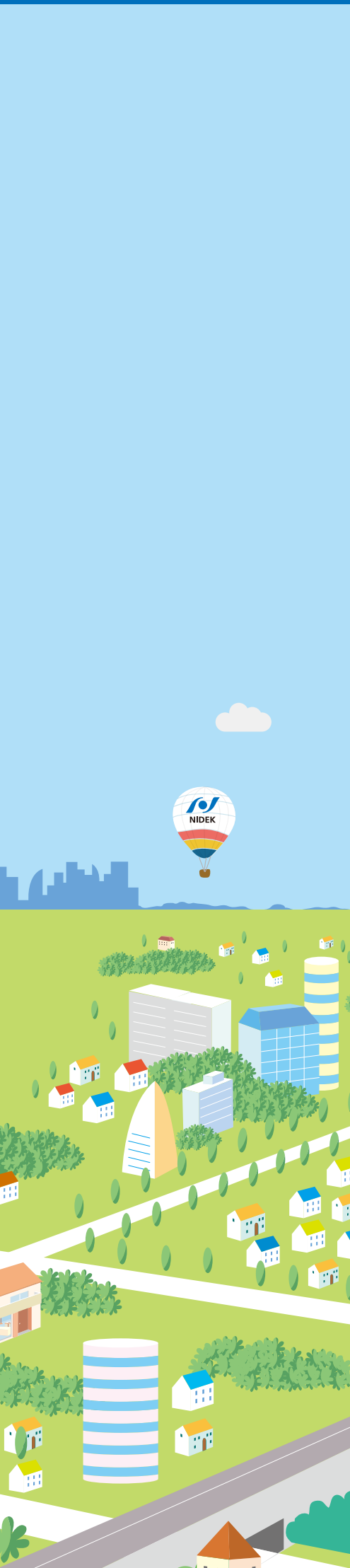
Covered Organization	NIDEK COMPANY LIMITED - Headquarter (Hiroishi Plant) - Hamacho Plant - Tsurugahama Plant - Higashihama Plant - Osawa Plant
Covered Period	Apr. 1, 2021 - Mar. 31, 2022
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For further information about our social responsibility activities, please see our website.



[Web](https://www.nidek-intl.com/csr/)  
<https://www.nidek-intl.com/csr/>





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Training and Education / Diversity / Fair Business Practices / Information Security / Product Liability / Social Responsibility etc.

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Learn more about us in our official website  
URL: <https://www.nidek-intl.com/>



# About NIDEK CO., LTD.

## Company Profile (As of March 31, 2022)

Company name	NIDEK CO., LTD.
Head Office	34-14 Maehama, Hiroishi-cho, Gamagori, Aichi, 443-0038, Japan TEL: 81-533-67-6611
President and CEO	Motoki Ozawa
Foundation	July 7, 1971 (Initiated: August 8)
Capital	461.89 million JPY
Employees	1,641 (Male: 1,277 / Female: 364)

Note: Company officers and advisors are excluded.

## Business

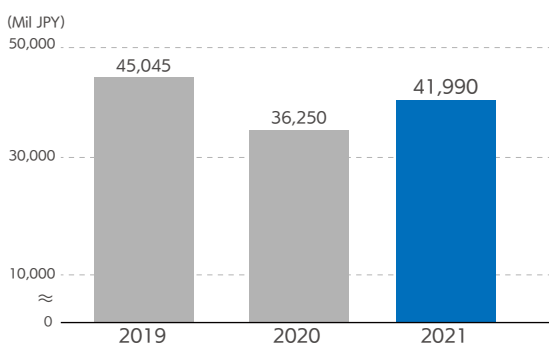
Business Fields	Major Contents
Ophthalmology & Optometry	The structure of the eye is complex and delicate. It is therefore essential to have precise and detailed examination data and accurate surgical equipment. Based on our long history of R&D, we have created a variety of products utilizing our advanced technology.
Lens Edging	High quality lenses and frames are not enough to make a comfortable pair of glasses accurate and reliable lens processing technologies are necessary to deliver a perfect fit of lenses and frames. We remain committed to developing innovative lens edgers in order to promote comfortable vision life all over the world.
Coating	Our thin film coating technology enhances the performance of day-to-day advancements in electric displays and optical components. Combination of nano-level thin films allows transmission and reflection of specific light wavelengths according to customers' various needs.

## Offices

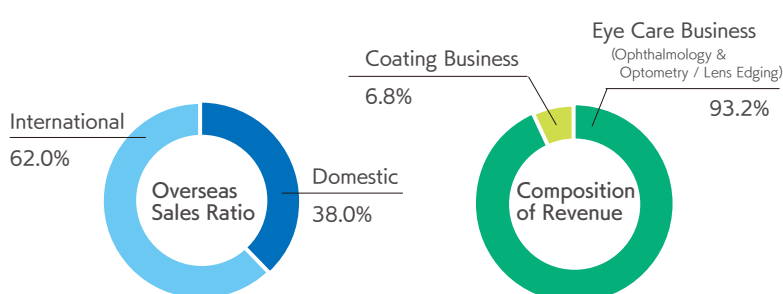


## Data

### ● Revenue



### ● Sales Ratio of Fiscal Year 2021



# TOP MESSAGE

Provide the joy of vision and health care through our technology, and deliver unwavering commitment to people all over the world.

President & CEO

小澤素生



## NIDEK's Initiatives for Fiscal Year 2021

In the year 2021, COVID-19 vaccination progressed, and the Japanese economic growth rate recovered moderately to 2.5%. Additionally, the world economic growth was 5.6%, led by Europe and the United States. However, the sudden increased demand for semiconductors led to supply shortage and logistics crises grew into serious problems. In the year 2022, the Russian invasion of Ukraine and China's zero-COVID policy accelerated the confusion in supply chain.

Under these adverse conditions, we celebrated our 50th anniversary in August 2021. We would like to take this opportunity to express our sincere appreciation for the support of our long-time customers, local residents and to any other persons concerned. We also announced the "NIDEK SDGs Declaration" and determined our reason for existence by declaring that we will "Provide the joy of vision and health care through our technology, and deliver unwavering commitment to people all over the world". We will focus on actions to ensure the realization of our declaration.

In terms of reevaluating values of tasks, we have launched projects and are working to un-

derstand systems, operations and tasks scattered throughout the company. Additionally, we emphasized the value of intellectual property and its use in management strategies, accelerated internet usage and overseas cooperation to alleviate restrictions on activities. Sales improved significantly from the previous year and exceeded the sales budget, despite the adverse economic conditions. The operating profit for the full year, as summarized in the monthly settlement, was a record high.

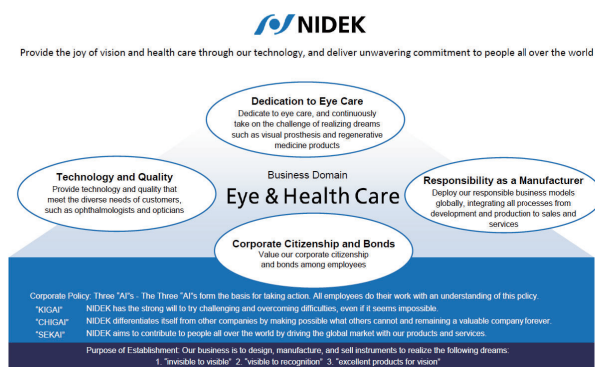
## For the next 50 years

Problematic situations continues in 2022 due to not just COVID-19 but also to parts supply shortages and logistic issues. However, we understand that we must change to deal with this unpredictable world. It is important for us to go back and think of what the three pillars of our company are; "bring invisible to visible", "visible to recognition" and our "desire to enhance the eye with our products." We will continue to provide solutions to our customers through our products and services, aiming to being a leader in "Eye & Health Care", and strive to renew our business so that we can provide value to our customers around the world.

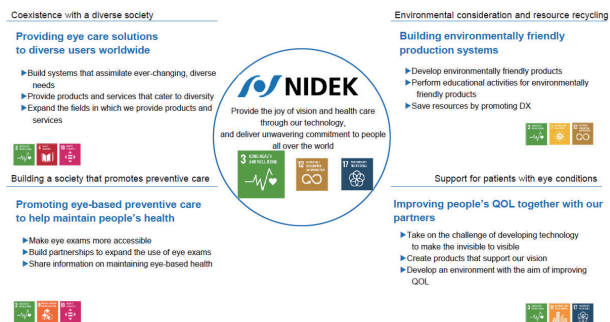
# Materiality and main activities of NIDEK

NIDEK agrees to the aim of the Sustainable Development Goals (SDGs) adopted by the United Nations and made a declaration in August 2021 to commit to contributing to realization of a sustainable society.

## Purpose and Core Competence



## Materiality



Please click here to read the "NIDEK SDGs Declaration."

[https://www.nidek-intl.com/themes/en/upload/company/nidek\\_SDGs\\_2021\\_E.pdf](https://www.nidek-intl.com/themes/en/upload/company/nidek_SDGs_2021_E.pdf)

### What is SDGs?

SDGs is an abbreviation for "Sustainable Development Goals", a term that was adopted at the UN Summit in September 2015 by 193 UN member countries to be achieved within 15 years from 2016 to 2030. "Sustainable Development Goals" are 17 goals and 169 targets to achieve a sustainable world.



## Business Model

### Coexistence with a diverse society

#### Providing eye care solutions to diverse users worldwide



**Build systems that assimilate ever-changing, diverse needs**

- Strengthening systems for cooperation between business partners, distributors, and local opinion

Building an ophthalmology network by expanding our business to sites worldwide while strengthening systems for cooperation between business partners both in Japan and overseas. Thus, providing eye care solutions worldwide.

**Provide products and services that cater to diversity**

- Universal designs for products and strengthened services

Developing systems that can handle diverse needs worldwide and providing services such as products with intuitive operations that are non-dependent on visual function or language, and manuals in video format.

**Expand the fields in which we provide products and services**

- Proposing the value of eye care in new business fields
- Expanding sales distributors and strengthening partnerships

Supporting society through the value of eye care, such as by developing eye examination devices for professions where maintaining visual function is important.

Expanding our partnerships with sales distributors, delivering products to more users while also promoting joint activities such as eye care education.

### Environmental consideration and resource recycling

#### Building environmentally friendly production systems



**Develop environmentally friendly products**

- Product development with the aim of saving resources

Developing products with less environmental burdens by promoting resource reduction in product manufacturing processes, industrial waste reduction, the standardization of parts, and recycling of packaging material.

- Proposing solutions to environmental measures that customers engage in

Application of manufacturing systems that reduce environmental burdens, with the aim of producing products using 100% renewable energy.

### Perform educational activities for environmentally friendly products

- Production using renewable energy

Promoting customer understanding of the environmental performance of our products and proposing appropriate reuse of resources and waste water treatment. Also proposing services that maximize resource utilization in consideration of the usage environment.

### Save resources by promoting DX

- Promotion of service digitalizations
- Productivity improvements based on company-wide system optimizations

Enhancing our websites and remote functionality to support customers who use our products and services. Thereby, improving our service quality while also saving resources by reducing the movement of people and things.

Revising our business processes to make effective use of ICT and optimizing companywide systems, reducing both resource and energy consumption.

## Building a society that promotes preventive care

### Promoting eye-based preventive care to help maintain people's health



#### Make eye exams more accessible

- Development of technologies to make examinations more routine

Developing portable products that are simple, lightweight, and easy to handle, and enabling self-examinations and online eye diagnoses through mobile devices. These types of products and services are to make eye examinations easy to access.

#### Build partnerships to expand the use of eye exams

- Cooperation with companies and other organizations to expand examination opportunities

Cultivating new partnerships with groups such as research organizations, hospitals, health centers, industry bodies, and dealers to expand examination opportunities, thereby creating a system that supports eye care across society as a whole.

#### Share information on maintaining eye-based health

- Communicating and highlighting the importance of eye examinations together with partners

Promoting educational activities for eye care management by cooperating with partners in measures such as information sharing and workshops. Supporting the training of ophthalmologists and health care professionals in developing nations.

## Support for patients with eye conditions

### Improving people's QOL together with our partners



#### Take on the challenge of developing technology to make the invisible to visible

- Visual prosthesis
- Regenerative medicine
- Biotechnology research

Our dream and goal since the foundation of our company has been to develop technologies that make the "invisible to visible", thereby providing the joy of vision.

Contributing to the growth of ophthalmology through the development of products that use regenerative medicine technology.

Promoting technological research for QOL improvements based on biotechnology.

#### Create products that support our vision

- Providing products for a more comfortable life

Not only providing medical devices, but also proactively developing products that make people's lives richer and more comfortable while utilizing our technological capabilities to improve QOL.

#### Develop an environment with the aim of improving QOL

- Eye-friendly urban planning
- Joining and supporting organized

By implementing model cases of various activities through partnerships with local governments, hospitals, companies, and other organizations, we enable urban planning that is considerate of people with eye conditions. From here, we will expand these activities worldwide.

Proactively joining organizations that support health both in Japan and overseas, and supporting organizations that contribute to global health.

# CSR Activities

## NIDEK Corporate Conduct Charter

We continue to conduct our “Eye & Health Care” business globally while always being true to our core values and we observe the letter and spirit of all laws and regulations in Japan and abroad, and act with a strong sense of ethics and fairness to contribute to the development of a sustainable world society.

### 1. Respect for Human Rights

We respect the human rights of all people. We do not give discriminatory treatment, undermine human dignity, or allow child labor or forced labor.

### 2. Promoting Transparent Corporate Activities

We promote highly transparent corporate activities by communicating with various stakeholders and disclosing corporate information as appropriate.

### 3. Ensuring Safety and Quality of Products and Service

We make an effort to create new opportunity for healthy and comfortable life of people, provide safe and high quality products and services, and try to obtain satisfaction and loyalty from our customers.

### 4. Proactive Environmental Responsibility

We recognize the importance of global and regional environment preservation and continue to improve activities to contribute to formation of a recycling society.

### 5. In Harmony with Society

We strive to promote social responsibility programs actively as good corporate citizens and be harmonized with the local community. In addition, we respect international cultures and customs and hopefully contribute to development of the region.

### 6. Creating a Wholesome and Comfortable Working Environment

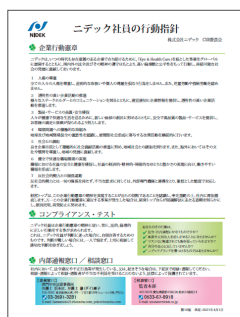
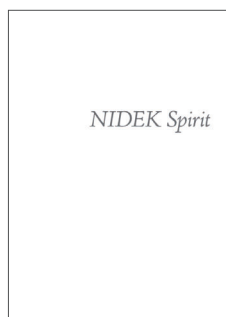
We secure the safety and health of our employees in their workplace and establish an ideal working environment in order to bring about economic, mental and temporal comfort and affluence to our employees.

### 7. Banning any Relations with Anti-Social Forces

We do not have any relationship with anti-social forces, and resolutely deal with unreasonable demands by working with specialized external agencies.

Our management team recognizes the realization of the spirit of our corporate charter is their responsibility. Management will offer a good example and raise awareness of our charter to our employees. If incidents contrary to the principles of this charter occur, top management themselves must take the lead in solving problems, and take action to investigate the cause and prevent recurrence.

This corporate conduct charter is the foundation of our company's CSR activities. It is described in various tools including compliance manuals, corporate philosophy booklets and websites so that employees can refer to it at any time.



(Left) Booklet “NIDEK Spirit”. This summarizes NIDEK’s company philosophy.  
 (Middle) NIDEK’s compliance manual  
 (Right) NIDEK’s conduct policy. This is posted in all workplace.



## NIDEK's CSR Committee






We established the CSR committee to build good relationships with all stakeholders through CSR activities which coincides with our business in order to continue being a reliable and sustainable company.

### Roles of the CSR Committee

1. Make and plan CSR policies and activities.
2. Monitor and supervise the executing situation of CSR activities.
3. Manage internal and external disclosures of CSR-related information, and conduct public hearing activities.
4. Provide education and disseminate CSR.
5. Resolve CSR-issues, conduct necessary investigations or request relevant departments for investigations.
6. Instruct to take corrective action in CSR activities and to report the results.
7. Coordinate the efforts and outcomes of committees and departments related to CSR.

## Stakeholder Engagement

We have various stakeholders involved through our business. Our business actions reflect thoughts and requests heard through communication with stakeholders.

Stakeholder List	Responsibilities	Ways of Communication
<b>Customers</b> 	<ul style="list-style-type: none"> <li>● Providing safe and high quality products</li> <li>● Promoting environmentally friendly design</li> <li>● Responding to inquiries</li> <li>● Offering suitable products and services</li> <li>● Providing appropriate support to customers</li> </ul>	<ul style="list-style-type: none"> <li>● Business activities</li> <li>● Cooperative researches</li> <li>● Support center</li> <li>● Contact form in NIDEK's website</li> <li>● Showrooms and exhibitions</li> </ul>
<b>Business Associates</b> 	<ul style="list-style-type: none"> <li>● Enforce fair and square business trades</li> </ul>	<ul style="list-style-type: none"> <li>● Briefing sessions</li> <li>● Technology displays</li> <li>● Negotiating regularly</li> <li>● Information desks of each supply and sales department</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>● Development and utilization of human resources</li> <li>● Respect diversified human resources and working styles</li> <li>● Considering industrial safety and health</li> <li>● Respecting human rights</li> </ul>	<ul style="list-style-type: none"> <li>● Human resource development programs</li> <li>● Help desks</li> <li>● Company newsletters</li> <li>● Safety Management Committee</li> <li>● Company Benefits Committee</li> <li>● Conversations and Meetings</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>● Community contribution</li> <li>● Accident and disaster prevention in workplaces</li> </ul>	<ul style="list-style-type: none"> <li>● Volunteer activities</li> <li>● Taking part in community events</li> <li>● Plant tours</li> <li>● Visiting lectures</li> <li>● Emergency drills</li> </ul>
<b>Government</b> 	<ul style="list-style-type: none"> <li>● Legal compliance</li> <li>● Labor management</li> <li>● Responding to legal reforms</li> </ul>	<ul style="list-style-type: none"> <li>● Trainings divided by hierarchy</li> <li>● Trainings divided by positions</li> </ul>



# Environment

## Environmental Policy

NIDEK has recognized the importance of corporate social responsibility and global environment conservation. For this reason, we perform the improvement activities continuously which contribute to the establishment of a recycling-based society.

### Environmental Policy

#### 1. Products in Harmony with the Environment

We will provide eco-friendly products that take into consideration the environmental impact from the procurement of raw materials to the disposal of products throughout the product life cycle.

#### 2. Energy Efficiency

We will promote the reduction of carbon dioxide emissions by introducing product design and production processes that consume less energy.

#### 3. Reduction of Waste and Resource Conservation

We will reduce total emissions by making effective use of resources and promoting the reduce, reuse, and recycle policy.

#### 4. Environmental Social Contribution

We will contribute to society in terms of both solving social issues and the environment by waste management.

#### 5. Compliance with Environmental Laws and Regulations

We will comply with environmental laws, regulations, ordinances, and other agreements including proper handling of chemical substances, related to our business activities.

#### 6. Environmental Education

We will ensure that all employees understand our environmental policy and are aware of the need for sustainable global environmental protection.

We will assess the environmental impact of our business activities, set environmental goals, and work with all employees to prevent pollution, use resources sustainably, mitigate and respond to climate change, protect biodiversity and ecosystems, and continually improve our environmental management system to enhance our environmental performance.

We will also ask our affiliated companies for their understanding and cooperation.

## ISO 14001 Certification

NIDEK's headquarters and all production bases are certified ISO 14001 environmental management system.

Certification body (as of 2022)  
TÜV Rheinland Cert GmbH

Certificate number (as of 2022)  
01 104 065534

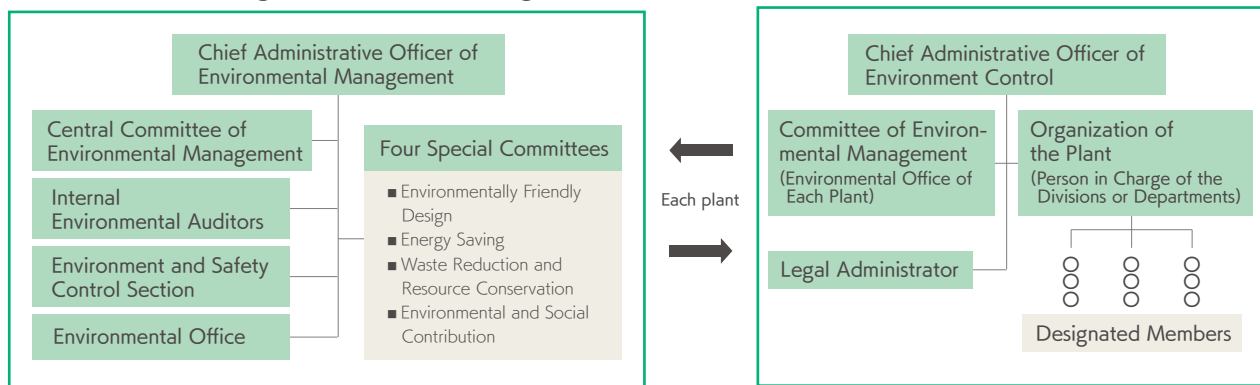


## Environmental Management System

We have the Central Committee of Environmental Management and four special committees under the Chief Administrative Officer of Environmental Management. Each plant has the Committee of Environmental Management to make efforts toward further environmental improvement.

Reports from each plant are shared for continuous improvement of the whole company.

### Environmental Management Promotion Organization Chart



### Environmental Accounting

Environmental accounting is a system for recognizing the costs of environmental conservation in business activities and the effects (economic effects) obtained from such activities, and for measuring them as quantitatively as possible. Items are reviewed as appropriate to promote appropriate initiatives in accordance with the Environmental Accounting Guideline 2005 issued by the Ministry of the Environment. In fiscal year 2021, we invested a total of 350.18 million yen in investments and expenses.

(million yen)

Categories Corresponding to Business Activities	Contents	Breakdown			
		FY 2021		FY 2022	
		Investments	Costs	Investments	Costs
<b>Business Area Cost</b>					
Pollution Prevention Cost	Cost for preventing air, water, noise, vibration and odor pollution as well as ground contamination and sinkage.	0	4.63	0	8
Global Environmental Conservation Cost	Cost for energy conservation including expenses for curbing the emission of greenhouse gases.	1.07	36	182	52
Resource Circulation Cost	Cost for disposal and recycling of industrial and municipal waste.	0	70	0	79
Upstream / Downstream Costs	Costs for containers and packaging materials, resale, etc. (downstream cost).	0	0	0	0
Administration Cost	Cost for monitoring environmental impact and environmental training	0	24.5	0	25
R&D Cost	Cost for environmental conservation in research and development.	—	—	—	—
Social Activity Cost	Cost for environmental conservation social activities such as clean campaigns with no direct relationship to the business activities of the company or other organization.	0	3.39	0	3.18
Environmental Remediation Cost	Cost to restore the natural environment back to its original state, cost to cover degradation suits connected with environmental conservation.	0	6.28	0	1
<b>Total</b>		<b>1.07</b>	<b>144.8</b>	<b>182</b>	<b>168.18</b>

#### <Business Area Cost>

- Only the cost for major facilities are counted. (Major facility: A facility whose annual cost exceeds 1 million yen)
- Facilities that are related to both pollution prevention costs and global environmental conservation costs are accounted in one category.
- No cost prorating of applicable to composite costs has been performed.
- Electricity costs are not aggregated.

#### <Upstream and downstream costs>

- The cost of green procurement is not included.

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## Green Supply Chains

Under our Environmental Policy, we promote environment-centric procurement by requesting suppliers to agree to organizing an environmental management system based on ISO 14001 certification.

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## Eco-Friendly Products

We have reduced harmful substances from products as well as striven for the minimum environmental load in developing and manufacturing products.

We released two eco-friendly products in 2021. All accomplished lightweight, energy-saving and high degradability and material recyclability among with improving their performance and function.

### ● Optical Coherence Tomography / Fundus Camera Retina Scan Duo™ 2

Retina Scan Duo™ 2 is a new model that adds new functions to our existing Retina Scan Duo™, a multi-function device that combines an optical coherence tomograph, which takes cross-sectional images of the retina, and a mydriatic fundus camera, which takes images of the fundus of the eye.



The new system retina map enables simultaneous imaging and analysis of both the macula and optic disc. This not only improves the accuracy of screening tests during fundus examination, but also reduces the time required for imaging and diagnosis by acquiring data in a single shot, instead of the multiple shots required in conventional products, thereby reducing the burden on both the physician and the examinee.

Despite being a multi-functional device, the main unit weighs only 38 kg and consumes a maximum of 0.35 kVA, making it both environmentally friendly and power saving.

### ● Auto Ref/Kerato/Tono/Pachymeter TONOREF™ III Plus

TONOREF™ III Plus is an ophthalmology device that has the main measurement functions—refraction measurement, corneal radius of curvature measurement, intraocular pressure measurement, and corneal thickness measurement—and the KKI (Keratometer Keratoconus Index) function, which displays a conical cornea screening index calculated from the keratometric value—corneal radius of curvature.

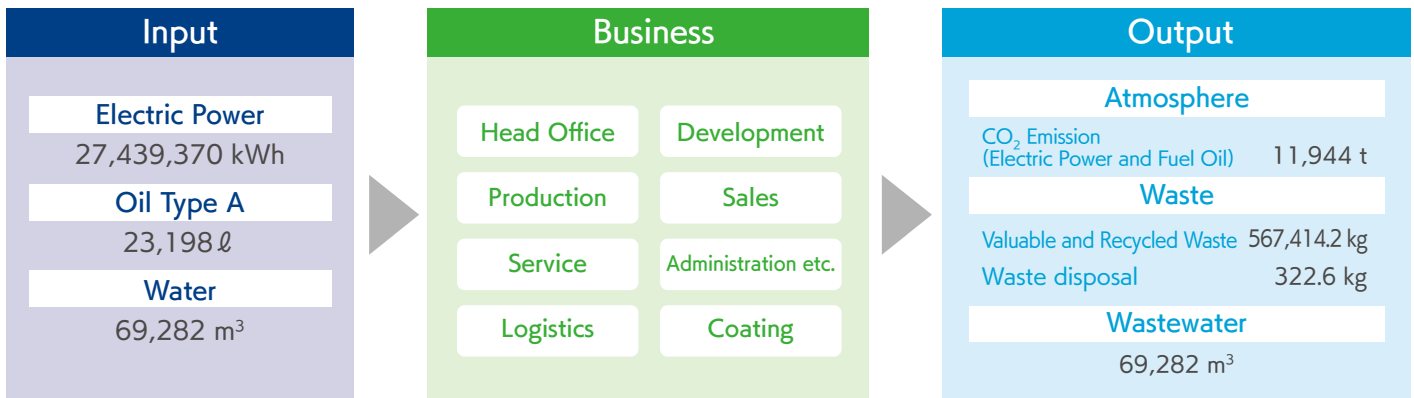


Despite its many functions, the device itself weighs only 22 kg and consumes a maximum of 0.1 kVA, making it both environmentally friendly and power saving.

When we create eco-friendly products, we consider environmental influences from material procurement to disposal of waste. We place high importance on eco-friendly from the product planning and designing stage. Based on our Product Environmental Assessment Provision, we cooperate with our developing departments, manufacturing departments, and supply chains in using reusable materials, simplifying product structures for easy disassembling, reducing numbers of parts and screws used, saving package waste and providing disposal procedures as well as weight reducing and electric power saving. We will continue promotion of developing and producing eco-friendly product so that we can reduce environmental loads.

Environmentally Friendly Design Committee

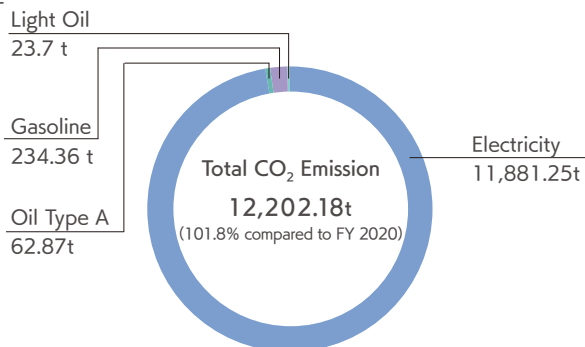
## Overview of Environmental Impact



## Actions on Climate Change

We work on performing business activities which concerns the protection of the environment and protecting ecosystems by reducing CO<sub>2</sub> emissions. Comparing the each resource's usage by converting them into CO<sub>2</sub> emissions, electric power emitted the most. Therefore, we conduct a company-wide basis power saving activity on daily basis.

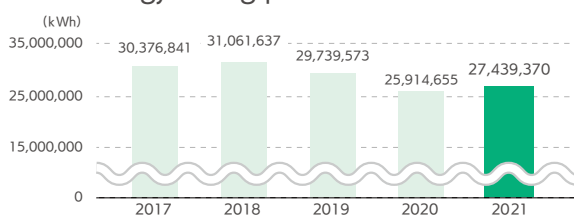
### CO<sub>2</sub> Emission



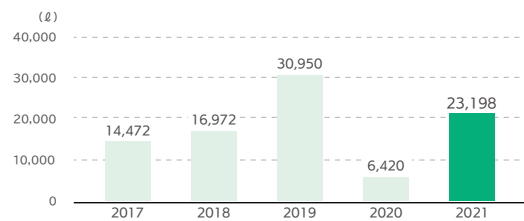
Note: Includes gasoline and light oil used in company cars of five plants and Gamagori branch.

### Electric Power Consumption

As the production recovered from the production cuts caused by the coronavirus pandemic, the power consumption increased. However, we are working on energy-saving activities and replacement of equipment with energy-saving products.

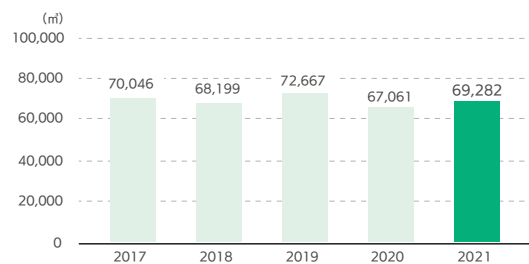


### Fuel Oil Consumption



### Water Consumption

As the production recovered from the production cuts caused by the coronavirus pandemic, the water consumption increased. However, we are working to save water by improving the efficiency of the cleaning process.



## Reducing Waste Volumes

To achieve zero waste emission, we have been auditing our final disposals and improving the recycling rate. In 2021, we were able to recycle more than 99% of our waste.

	FY 2021
Valuables / Recyclables	567,414.2
Final Disposal	322.6
Total	567,736.8
Recycling Rate	99.9 %



## Social

### Safety Management Policy

NIDEK considers that securing health and safety of all employees is a foundation of company management and a social responsibility. We have made efforts to ensure a safe and healthy workplace by following the guideline of NIDEK's corporate conduct charter.

#### Safety Management Policy

1. NIDEK will comply with all laws, internal regulations and standards related to safety management activities.
2. All employees including management will make efforts to appropriately conduct an occupational health and safety management system according to their responsibilities and actions.
3. We will inform the importance of safety management activities to all employees and raise awareness through necessary training and educations.
4. We will conduct safety management activities with the cooperation of all employees, and endeavor to ensure the safety and health of all employees and their families.
  - (1) Health and Safety  
We will endeavor to create a comfortable workspace by properly managing risk assessment, risk prediction, near miss reporting and chemical substances control.
  - (2) Health  
We will endeavor to maintain the health of all employees by promoting mental and physical health activities.
  - (3) Traffic Safety  
We will work on decreasing traffic accidents by enhancing road safety and promoting road safety measures.
  - (4) Disaster Prevention  
We will secure employee safety including visitors by promoting proactive measures against possible disaster risk.

### Safety Management Activities

We have constructed a safety management system based on the Occupational Safety and Health Management System. Four special committees (Safety and Sanitation / Health / Traffic Safety / Disaster Damage Prevention) are to ensure employees' safety and health.

#### ● Industrial Accident Prevention Programs

For the purpose of eliminating industrial accidents and enhancing safety consciousness, we conduct risk prediction educations and risk assessment to new, mid-career and transferred employees. In the fiscal year 2021, we educated our employees by e-learning to enhance safety consciousness. The subjects were NIDEK's occupational accident occurrences in 2020, basics of safety & health and occupational

accident prevention, and basics of chemical substances.

#### ● Emergency Drills

An emergency drill for employees is held every year in October or November. In addition, information sharing on emergency reporting and first aid methods was conducted in July 2021 to strengthen our abilities to cope with any disaster.



Fire extinguisher training during an emergency drill

#### ● Traffic Accident Prevention

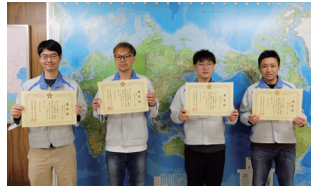
Our company cars are equipped with driving recorders that support safe driving. By visualizing dangerous driving based on driving condition data and providing feedback to drivers, we are striving to make safe

driving take root among our drivers.

### ● Perfect Driver 100-Day Campaign

Twelve teams participated in the Perfect Driver 100-Day Campaign sponsored by the Gamagori City Safety Driving Management Council. Ten teams achieved a perfect no-accident and no-violation record.

Awards ceremony for the representatives of the teams that achieved the goal.



### ● Business Continuity Planning

We have a business continuity plan (BCP)\* in preparation for large-scale disasters and such. In December 2021, a desk training exercise was conducted for members of the Disaster Response Headquarters under the assumption that an earthquake and tsunami inundation had made it impossible to move from one plant to another, providing an opportunity to apply the exercise to future activities.

\*Business Continuity Plan outlines procedures of daily activities and emergency actions to enable prompt recovery/continuity of its business activities in the face of accidents/disasters. Such emergencies include natural disasters, fires, novel influenza and terrorism.

## Health Activities

### ● 2022 Certified Health and Productivity Management Organization (Large Enterprise Category)

In March 2022, we were selected as "2022 Certified Health and Productivity Management Organization (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry for the third year of succession.



### ● Aichiken Kenkou Keiei Suishin Kigyō

In November 2019, we were registered as an organization which promotes maintaining and improvement of



employees' health.

### ● Medical Checkup

We provide annual medical checkup for employees and in addition, special medical checkup for employees who handle hazardous substances. We also support employees who need secondary checkup.

To employees who became 35 years old, and employees who are 40 years old and over, we provide lifestyle disease checkup. To employees who need improvement in their lifestyle, we give specific health guidance.

### ● Mental Health Care

Again in 2021, we conducted the annual Stress Check Program for the entire staff. We also have a consultation counter for employees and their families to support employees from the viewpoint of mental aspect.

Stress Check Screening Rate (%)

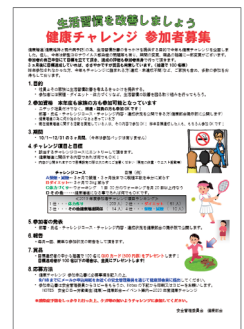
	2019	2020	2021
Stress Check Screening Rate	87.5	91.5	93.6

### ● Health Promoting Activities

We have designated a three-month period from September 1 to November 30 as the "Health Challenging Period" with the aim of enhancing health promotion (health maintenance and prevention of modern diseases) and lifestyle improvement.

The program is open to employees and their families, and participants set goals to improve their lifestyles, such as quitting smoking, losing weight and building physical fitness. The participants then self-report their achievements.

In 2021, 195 people participated in the program and 169 people achieved their goals.



A poster promoting Health Challenging Period

## Personnel System

We have renewed our personnel system in April 2019 in order to respond to requests from our employees about human resource development and performance rating.

### Concept of the New Personnel System

Simple	Easy to understand
Communicative	Value communication
Challenging	Create a challenging environment

## Training and Education Systems

### ● New Employees Education

The first two months from joining the company is training period for new employees. We have two programs, group training and on-the-job training. Autonomy and creation as a theme, we deepen the understanding of our company, deepen bonds between newly hired employees and teach the basics as working people and NIDEK employees.

Our own group training program is planned, reviewed, operated, and conducted by senior employees selected from within the company. Through group work and lectures, new employees learn how to prepare themselves as a member of society by understanding business manners, product knowledge, etc.

### Education Systems

	New Employees	Regular Employees	Senior Staffs	Section Managers	General Managers and Officers
Training by Position	New Employees Education			Managerial Education	Workshop for Senior Managers and Directors
Training by Objective		Business Skills Training	Next Generation Leaders Program		
Foreign Language Trainings	TOEIC				
	Language Training				
Outside Trainings	Open Seminars, Academic Conference Attendance, etc.				

In the workplace training, new employees basically acquire the practical knowledge required for their respective assignments.

### ● Foreign Language Training

There are many situations when we need language skills in our work. We strengthen our employees' foreign linguistic ability by providing trainings such as TOEIC IP tests and English conversation trainings.

### ● Education System in NIDEK

We reconsider our training program every year to make the system more effective. In addition, the knowledge and information necessary for each department is acquired through on-the-job training, outside seminars and academic conferences. We collect the latest technology and information to improve our knowledge, ability and technology.

### Major trainings held in 2021

Program	Summary
Next Generation Leaders Program	Training for next generation leader candidates
Promotional Training	Training for newly appointed evaluators
Evaluator Training	Training for newly appointed evaluators
Third year Training	Training for employees in their third year of employment
Second Career Training	Training for employees 55 years old

### ● Conducting in-house internships

In fiscal year 2021, we began operating an "in-house internship system." In fiscal year 2021, the



system was implemented for 53 employees. We are trying to promote employees' skill development and career formation.

## Respecting Diversity

### ● Working Hours Management

Long working hours may affect not only one's health but also their private life. In order to have everyone live a healthy and fulfilling life, we work on providing a good working environment by promoting the use of paid vacations and having no-overtime days and such.

In January 2022, we introduced a telecommuting system to improve work-life balance and increase work productivity. In addition to institutionalizing telecommuting which looks ahead to the work styles of the new era, we have also created an environment and facilities that enable remote workers to work efficiently.

#### Monthly Average of Non-scheduled Working Hours per Employee (Hours)

	2017	2018	2019	2020	2021
Non-Scheduled Working Hours	18.88	16.00	19.33	11.05	15.79

### ● Paid Leave

We provide ten days of paid leaves for the first year. Thereafter, two days are added each year until up to twenty days. Conserved holidays can be carried over to the next year and up to forty days are granted for one year.

#### Average of Days Received for Paid Leave (Days)

	2017	2018	2019	2020	2021
Paid Leave	11.9	12.5	13.7	11.9	14.0

### ● Systems Balancing Childcare, Family Care

#### Parental Leave Utilization Rate (%)

	2017	2018	2019	2020	2021
Mothers	100	100	100	100	100
Fathers	10	25	43	24	49

## List of Systems

System	Summary
Systems Related to Child Care (Before Birth)	<ul style="list-style-type: none"> <li>● <b>Commuting Relaxation During Pregnancy</b> Employees who are pregnant can choose either staggering working hours or working fewer hours.</li> <li>● <b>Working Time Options</b> Used when doctor's appointment such as medical checkup is needed.</li> <li>● <b>Childbirth Leave</b> Up to six weeks (14 weeks in the case of multiple birth) are given to mothers.</li> </ul>
Systems Related to Child Care (After Birth)	<ul style="list-style-type: none"> <li>● <b>Child Care Leave</b> Child care leave can be taken until the day before the child's first birthday (up to child's second birthday for special reasons).</li> <li>● <b>Working Time Options</b> Short-time working system for child care can be used until the child reaches fourth grade. Up to two hours of shortage per day can be requested. If there are special reasons, working hours can be shortened to four and a half hours at the shortest.</li> <li>● <b>Sick/Injured Child Care Leave</b> Up to five days (ten days if there are more than two children who are under fourth grade) can be taken.</li> </ul>
Systems Related to Child Care (Others)	<ul style="list-style-type: none"> <li>● <b>Childbirth Attendance</b> One day as a special paid leave</li> <li>● <b>Restrictions on Overtime and Night Labor</b></li> <li>● <b>Staggered Work Hours</b> With the approval of the head of the department, work hours may be staggered within one hour before or after regular work hours until the employee's child reaches the fourth grade.</li> </ul>
Systems Related to Family Care	<ul style="list-style-type: none"> <li>● <b>Family Care Leave (Long term)</b> Up to 93 days can be taken.</li> <li>● <b>Family Care Leave (Short term)</b> Up to five days (ten days if there are more than two people who needs family care) can be taken.</li> <li>● <b>Working Time Options</b> Up to two hours of shortage per day can be requested for three years. If there are special reasons, working hours can be shortened to four and a half hours at the shortest.</li> <li>● <b>Restrictions on Overtime and Night Labor</b></li> <li>● <b>Staggered Work Hours</b> With the approval of the head of the department, work hours may be staggered within one hour before or after regular work hours.</li> </ul>
Health and Employment Supporting System	In order to support balancing continuous injuries or illness treatment and employment, we provide adjustment of work days, working time options, commuting relaxation and such.

We provide a day-care center in Gamagori City for employees to return to work without anxiety.

Inside the day-care center



● Next Generation Certification

In June 2020, we have achieved Kurumin Mark as a company supporting work and family-life balance, certified from the general of Aichi Labour Bureau.



● Aichi Josei Kagayaki Company

We are certificated by Aichi Prefecture as an “Aichi Josei Kagayaki Company (Aichi's Company with Active Participation of Women)”, a company whose top management promotes active participation of women by expanding employment, expanding work areas, training, appointing managers, promoting

work-life balance and creating an environment where childcare and nursing can be done while working. We aim to enlarge women’s “stability” and “success” in the workplaces.



● Respect for Human Rights and Prohibition of Discrimination

All employees at NIDEK respect the human rights of all people and act in accordance with the NIDEK Corporate Conduct Charter in order to create a workplace free of discriminatory treatment and actions that undermine individual dignity.

● Employment of Persons with Disabilities

We continue to make efforts to employ persons with disabilities. As of March 2021, the employment rate of them was 2.3%, maintaining at the same rate as the statutory employment rate.

## Quality Policy

NIDEK’s business is to realize “Invisible to Visible” and “Lively and Healthy Society.” For people’s healthy and comfortable life, we will create new opportunities and provide safe and high quality products and services.

Based on our quality policy, we are working on maintaining and improving quality on a company-wide basis. We have regular internal audits and in addition, we work on “quality education” for our employees.

1. Contribution to the improvement of QOV

NIDEK will provide high-quality products and services which meet the requirements to contribute to the improvement of patient’s QOV (Quality of Vision).

2. Quality Assurance from the Customer’s Perspective

We will assure quality from customer’s perspective in all stages of product design, production, and service.

3. Continual Improvement of the Quality Management System

We will establish a quality management system

and make continual improvements to maintain its effectiveness.

4. Setting Quality Targets

We will set quality targets for each fiscal year and strive to achieve these targets in order to implement our quality policy.

5. Publication and Review of the Quality Policy

We will present the quality policy in order that it is clearly understood by all employees. In addition, we will reconsider the policy as necessary to maintain its suitability.

## Approaches to Quality

### ● Quality Assurance System

Based on the international standard ISO 13485, we have product development, production and sales activities under our quality management system. Each process has strict quality reviews to work continuously on improvements. Customers' voice and market information collected will be used to make better products.

Additionally, we review the effectiveness of our quality management system in regular meetings of our quality assurance committee.

### ● Quality Management System (QMS)

Our business is to develop, manufacture, sale and have customer service of medical devices based on our business domain "Eye & Health Care." Medical devices could be sold only when they pass the laws of each country, related to QMS and are permitted to sell only products manufactured according to the law. In recent years, QMS review tends to be stricter due to the growing needs for quality and safety for medical devices. We have established internal procedures at each stage of our operations, from design development to after-sales service of products. Also, we are working daily to properly operate and improve our quality management system to enhance compliance rate with regulations and to make them more effective. We continue to provide safe and reliable products to our customers.

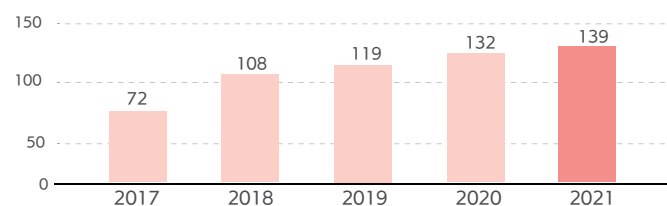
### ● Quality Management Education

We are working on raising awareness to quality in order to gain knowledge that is useful in our operation such as quality management's way of thinking, methodology and problem-solving process. In the relevant departments, employees take the QC KENTEI (Quality Management and Quality Control Examination)\*. A total number of 139 people passed grade 1 to 3 (March 2022).

\*QC KENTEI which is held under the Japanese Standards Association and the Union of Japanese Scientists and Engineers, can objectively evaluate the knowledge about quality control.

### Successful Examinees of QC KENTEI Grade 1 to 3

(Total Number)



### ● Periodic Internal Audit

We conduct internal audits regularly to confirm that our quality management system complies with the laws and regulations of medical devices in each country. We operate our business based on our manuals and that our quality management system.

### ● Implementation of Quality Control

In order to improve quality in general and mass produce products of particularly high quality, we have developed our own quality control system.

We displayed important indicators such as "complaint rate," "non-conformance rate," and "CAPA (corrective and preventive action)" on the factory electronic display with automatic updates every hour. In addition, traffic signal color-coded indicators (green: normal, yellow: caution, red: warning) have been introduced as monitoring indicators.

### ● Certification of International Standards

We are certified ISO 9001 and ISO 13485 Medical devices.



#### ISO 9001

Registration Institution (2022):  
TÜV Rheinland Cert GmbH  
Registration Number (2022)  
01 100 107201



#### ISO 13485

Registration Institution (2022):  
DEKRA Certification B.V.  
Registration Number (2022)  
4202064

● Visualization of Process Risks in Manufacturing Plants

In our Production Engineering Dept., Instruments Production Dept., and Quality Assurance Dept, we visualize risks in the manufacturing and inspection processes and integrate them with product risk management. We are promoting integrated risk management activities to evaluate risks and take countermeasures as necessary.

● In-house production of UDI labels

“The Unique Device Identification (UDI) system” is designed to ensure the traceability of medical instruments by attaching a barcode to each product so that they can be individually identified. In recent years, UDI regulations have been enforced internationally, requiring medical instruments and such to have barcodes attached. In July 2021, we established the system so that we start in-house production of UDI labels from 2022.

● Customer Support

We have a system for customer support by the product and the areas of customers’ in order to respond to customers inside and outside the country.

● Effort to Obtain National Trade Certificates

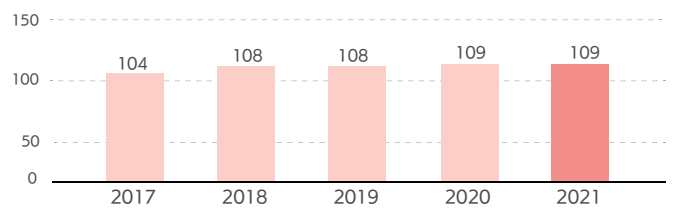
In order to develop human resources who are responsible for manufacturing, we actively support the acquisition of trade skill tests for “Electronic Equipment Assembling\*” and “Optical Instruments Manufacturing\*\*”, which are designed to help employees at production sites acquire practical skills and knowledge. We are focusing on the development of human resources in manufacturing by holding voluntary in-house study meeting, during which employees who have passed the tests in the past serve as instructors.



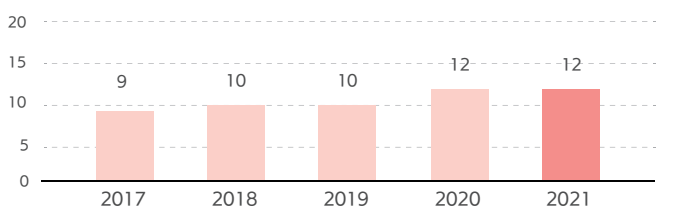
\*Academic and practical tests for assembling electronic equipment conducted by the Prefectural Vocational Ability Development Association.

\*\*Academic and practical tests for manufacturing optical equipment conducted by the Prefectural Vocational Ability Development Association.

Trade skill tests for Electronic Equipment Assembling  
Total number of successful applicants (Expert to 2nd Grade)  
(Total Number)



Trade skill tests for Optical Instruments Manufacturing  
Total number of successful applicants (1st Grade)  
(Actual Number)



In 2021, there were no successful employees for either “Electronic Equipment Assembling” or “Optical Instruments Manufacturing.”

● Practical skills guidance by Monozukuri Meisters

The "Monozukuri Meister scheme" is a scheme designed to effectively pass on skills and train successors. Under the scheme, "Monozukuri Meisters," who have excellent skills and experience in manufacturing, provide practical skills guidance and promote the attractiveness of manufacturing at small and medium enterprises and schools. We have two “Monozukuri Meisters” who teach the assembly of electronic devices at high schools and small and medium-sized companies in Aichi Prefecture.



Skills guidance at a school

## Guideline for procurement

In order to continue to be a company that is trusted by society based on the Charter of Corporate Behavior, we aim to build a good relationship with all stakeholders connected to our company. In our procurement activities, we will promote the establishment and maintenance of fair and appropriate relationships with our business partners.

### 1. Fair and Equitable Transaction

We will always strive to enhance communication with our business partners and conduct fair and equitable procurement activities.

### 2. Compliance with Laws and Regulations

We will comply with the laws, regulations, and other social norms of the countries and regions where our business partners operate, and strive to build relationships of trust with our business partners.

In addition, we will appropriately protect and manage the information of our business partners obtained through our procurement activities.

### 3. Environmental Conservation and Protection

In accordance with our "Environmental Policy", we will strive for green procurement that considers environmental conservation, such as procuring parts and materials as minimal environmental impact as possible.

### 4. Promotion of CSR Procurement

We will strive to promote CSR activities together with our business partners to realize a sustainable society. We will seek the understanding and cooperation of our business partners based on "the Supply Chain CSR Procurement Promotion Guidebook."

## Supply Chain Management

### ● Briefing Session

At the beginning of each year, we hold a presentation for "Optica," the group of companies that manufacture and supply the parts used in our products. The purpose of this presentation is to clarify our current situation, present our future plans and policies, align our vectors, and deepen our understanding and cooperation in production activities.

We are always appreciative of the cooperation the Optica companies have provided to take measures to improve the quality of our products.



The briefing session was held remotely in 2021

### ● Supply Chain CSR Procurement Promotion Guidebook

CSR activities, which are the social responsibility of a company, began with environmental issues and have expanded to include human rights issues and information security. Interest in CSR activities is increasing year by year. In April 2020, we created the Supply-Chain CSR Procurement Promotion Guide-

book to promote a common understanding throughout our supply chain.

### Supply Chain CSR Procurement Promotion Guidebook Main Issues

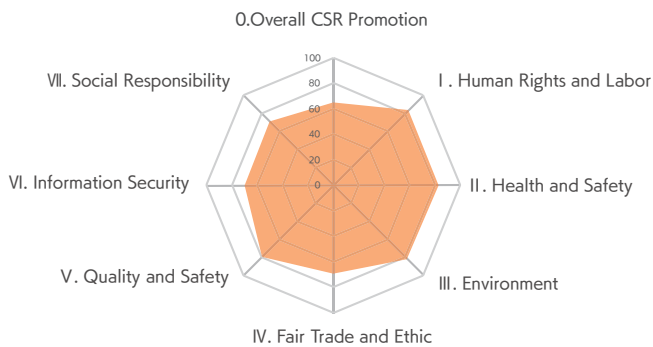
- Human Rights and Labor
- Health and Safety
- Environment
- Fair Trade and Ethic
- Quality and Safety
- Information Security
- Social Responsibility

### ● Conduction of CSR Procurement Self-Assessment

Since 2021, we have conducted a CSR procurement survey with questionnaires based on the "CSR/-Sustainable Procurement Self-assessment Tool Set" published by the United Nations Global Compact to quantitatively grasp the status of our suppliers' initiatives.

In 2021, we asked 31 of our suppliers to complete the survey and received responses from 29 companies.

Average percentage of companies surveyed (%)



## Social Contribution Activities

We are engaged in various social contribution activities including environmental preservation such as local clean-up and environmental preservation.

Following are some of our activities of social contribution in 2021.

### ● Donation to the Japan Braille Library

Donation to the Japan Braille Library is becoming periodically. In 2021, the donation was used to make a book for people with visual disability and as operating funds for the library.

Audio book and player



### ● Collecting Eco-Caps

Since 2009, we have been rolling out the "Eco Cap Movement" to exchange collected plastic bottle caps for vaccines. In 2021, 187,394 caps (about 218 vaccines) were collected throughout the company.

### ● Collecting and Donating Used Stamps

We have collected 1.2kg of old stamps in 2021, and donated them to the General Support Center for the Visually Handicapped.

### ● Lectures for Local Elementary and Middle Schools

We have continued lectures for students in elementary and middle schools since 2009 to have them more interested in eyes. In 2021, in addition to in-person lectures, we have begun full-fledged online lectures. We delivered lectures to approximately 12,345 students and their parents at a total of 59 elementary and junior high schools, mainly in Aichi prefecture.



### ● Sponsorship to the Para-sports Sailing Association of Japan (PSAJ)

We have been supporting PSAJ since November 2016. We will support the association continuously.

### ● Cooperation in Gamagori City activities

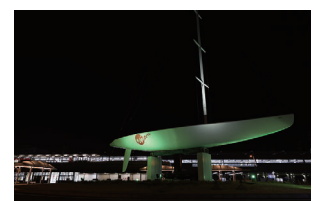
In Gamagori City, "Kururin Bus" is in operation in each district of the city to eliminate public transportation deserts. We have been supporting this activities since 2019.



### ● Sponsorship to Light-Up in Green

We sponsor the "Light up in Green campaign" held by the Japan Glaucoma Society during World Glaucoma Week.\* In 2021, we lighted up the yacht, the Nippon Challenge, which competed in America's COP in green, the symbolic color of glaucoma, at the south entrance of Gamagori Station in cooperation with Gamagori City from March 6 to 12, 2022. Light Up in Green is an event to raise awareness of Glaucoma by lighting up famous landmarks in green.

\*World Glaucoma Week is an event by World Glaucoma Association. It is held all over the world since 2008.



The yacht "Nippon Challenge" lighted up

## TOPICS Celebrating our 50th anniversary in August 2021

On August 8, 2021, we marked our 50th anniversary. We celebrated this milestone with all our employees. We also took this opportunity to reflect on the history and achievements we have made and to renew our pride in our company.

### Theme of our 50th Anniversary

#### CONNECT (KIZUNA)

~Thank to everyone, Challenge to everything~

### Corporate logo renewed



While this symbol continues using the image of an eye, the elegant lines shaped like an "N" express

the growth of NIDEK. The symbol has a design that gently wraps the earth as well as the eye which expresses our aim to be a global company.

### Memorial ceremony

Date: Saturday, August 7, 2021

Venue: Seminar Hall A&B, Hiroishi Plant, NIDEK CO., LTD.

(Employees at other plants participated online via Zoom)



Seminar Hall A&B

At the ceremony, we received congratulatory speeches from Toshiaki Suzuki, Mayor of Gamagori City, and other guests. Motoki Ozawa, Our president and CEO also reviewed the company's 50-year history and presented plans for the future and the "NIDEK SDGs Declaration."

In the second part, a commemorative performance was given by invited blind guitarist Hirooaki Tagawa.

### Commemorative company history book

To commemorate our 50th anniversary, we

produced a company history to carry our 50-year history into the future. It was compiled based on interviews with employees and alumni who knew the company in the past. In December 2021, we produced an English version and distributed it to employ-



### Donation and sponsorship for the 50th anniversary

#### ● Donation of equipment to Gamagori City

In June 2021, we donated a full-spec set of "Scanning Laser Ophthalmoscope Mirante" to Gamagori City. This device provides high-resolution fundus examination functionality.



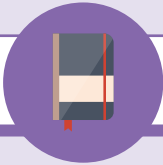
#### ● Donation to Chubu Guide Dog for the Blind Association



In August 2021, we donated 1,000,000 yen to the Chubu Guide Dog for the Blind Association (Location: Nagoya City) for guide dog training.

#### ● Sponsorship to the "Gamagori Bench Art Project"

We sponsor the "Gamagori Bench Art Project", in which benches created by artists and so on are placed along the seashore in Gamagori City. Our bench art was completed in July 2022.



# Governance

## Compliance Policy

NIDEK considers that acting in accordance with common rules and norms of society is essential for continuing business and it is an important task for us to take the initiative. We do not just observe laws in letter as well as spirit, but also fulfill our ethical and social responsibilities which are required by rules and social norms.

We urge all of our employees to comply with "NIDEK Corporate Conduct Charter" not to break the trust of any stakeholder including our customers.

### Major Regulations and Handbooks Concerned to Compliance

#### Compliance Manual

In accordance with the "NIDEK Corporate Behavior Charter," we explain the purpose of each action guideline and what we should follow.

#### NIDEK Privacy Policy

[https://www.nidek-intl.com/information/privacy\\_policy.html](https://www.nidek-intl.com/information/privacy_policy.html)

#### European Personal Information Protection Regulations

A basic policy regarding the protection of personal information in the course of our business activities in the European Economic Area.

#### Rules for Handling Health Information and Others

A basic policy regarding the handling of information on as to the physical and mental conditions of our employees.

#### Guideline for Transparency (Japanese)

<https://www.nidek.co.jp/csr/transparency.html>

#### Guideline for Public Research Funding (Japanese)

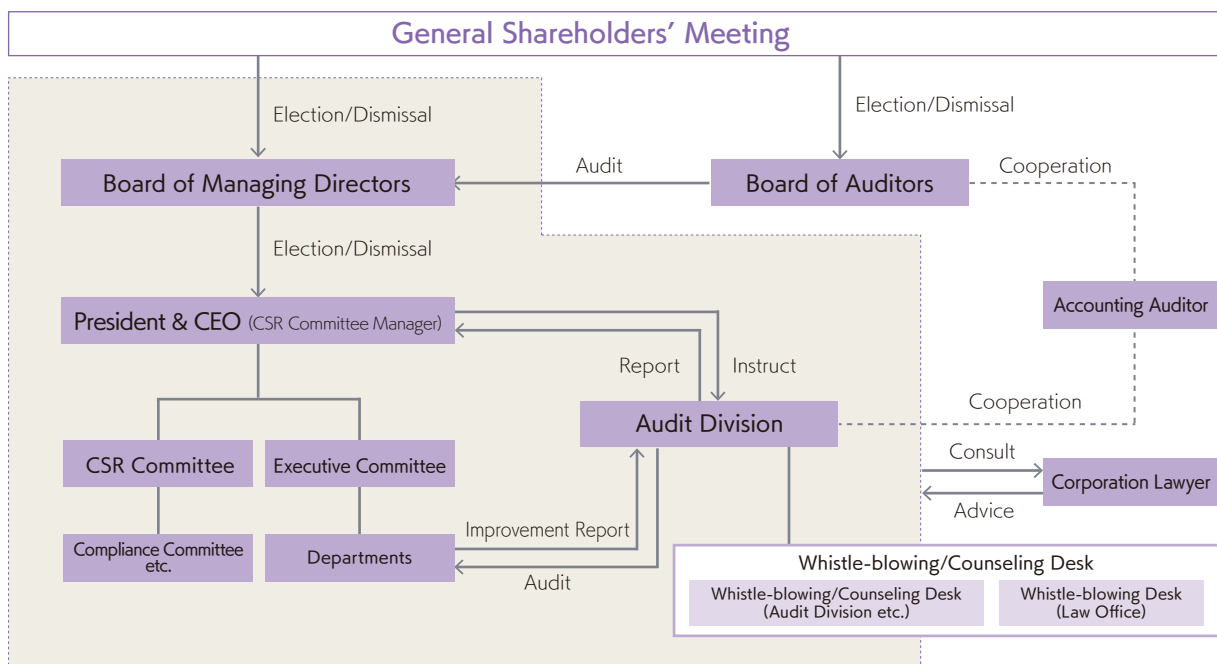
[https://www.nidek.co.jp/csr/public\\_research\\_spending.html](https://www.nidek.co.jp/csr/public_research_spending.html)

#### Procurement Guideline (Japanese)

[https://www.nidek.co.jp/csr/procurement\\_policy.html](https://www.nidek.co.jp/csr/procurement_policy.html)

## Corporate Governance System

We have established a highly objective and transparent governance system, such as setting up a whistle-blowing desk outside the company along with a whistle-blowing/counseling desk inside the company.





## Compliance Promotion

We have established the Compliance Committee to understand the compliance condition, to prevent violations of laws and regulations, and to prepare appropriate measures against the violation of laws and regulations.

### Roles of the Compliance Committee

1. Establishing, maintaining and managing the internal compliance system
2. Formulating and reviewing the compliance manual
3. Providing education and enlightenment on compliance
4. Monitoring implementation status of compliance activities
5. Investigating and addressing problems regarding compliance
6. Being in charge of the compliance counseling desk

### ● Conduct Policy of our Employees

In order to raise the awareness of compliance among our employees, we have created a poster of "NIDEK Conduct Policy" and posted it in each workplace.

In this poster, the NIDEK Corporate Conduct Charter, the compliance test (checklist), whistle-blowing desk information and such are described.

### ● Compliance Education

We focus on compliance education for our employees and provide regular training programs by job classifications and job categories according to the annual agenda established at the beginning of the fiscal year. We set common themes in each year and provide opportunities to discuss in each workplace in order to improve the awareness and call out attention toward compliance.

Educations and Trainings in 2021

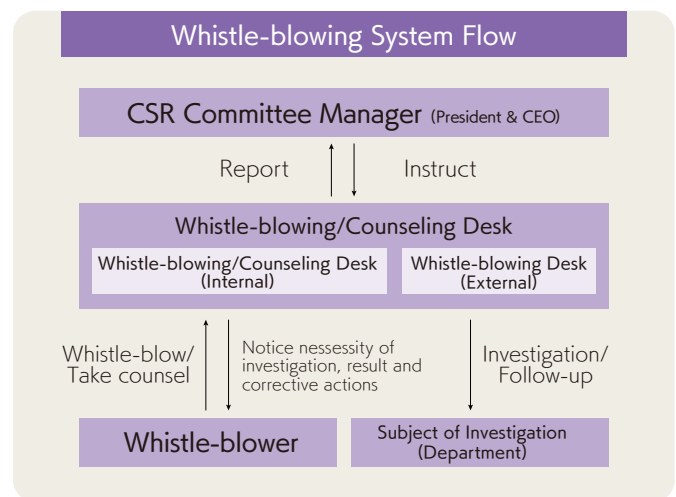
Managers	<ul style="list-style-type: none"> <li>● Compliance Training (e-Learning)</li> <li>● Labor Management Education</li> </ul>
Employees of Sales Departments	<ul style="list-style-type: none"> <li>● Compliance Training for sales persons (Domestic/International) (e-Learning)</li> </ul>
Employees of Development Departments	<ul style="list-style-type: none"> <li>● Research Ethics Education</li> </ul>
Newly Entered Employees	<ul style="list-style-type: none"> <li>● Compliance Training</li> </ul>

## Whistle-blowing System

### ● Whistle-blowing and Counseling System

We have an external whistle-blowing desk along with an internal whistle-blowing/counseling desk which are promoted to our employees. This system is aimed to provide early detection and correction of fraudulent acts and to ensure the enhancement of regulatory (safety) compliance.

Additionally, to prevent any unfair retaliation against the employee who reported or took counsel, we have company regulations to protect the whistle blower



### ● Global System for Whistle-blowing

We expanded the whistle-blowing system in France and Italy in 2021 by establishing an external contact point for whistle-blowing in which an external lawyer receives reports. In addition, we are working on the establishment of systems and mechanisms for whistle-blowing at our overseas subsidiary in the United States.

### ● Compliance Survey for Employees

In October 2021, we conducted a compliance survey for all employees to understand the status of their awareness of (safety/regulatory etc...) compliance. We have analyzed the results of the questionnaire and will use it for our future compliance promotion activities.

## Basic Policy on Prevention of Improper Use of Public Research Funds

Based on guidelines such as Guidelines for Managing and Auditing Public Research Funds at Research Institutions, we have established a basic policy for proper operation and management to prevent unauthorized use of public research funds.

**1. Observe Guidelines, Rules and Guiding Principles**  
NIDEK will observe laws relating to prevention of unauthorized use of public research expenses and such guiding principles and guidelines by countries and funding agencies.

**2. Clarification of Allocation of Responsibilities**  
The allocation of responsibilities are as below.

Person in Charge	Job Title
Chief Administrator	President and CEO
General Manager	General Manager of Administration Division
Compliance Controller	Person in charge of public research funds in each division/department

**3. Establishment of Regulations and Operation Rules**  
We will establish codes of conduct, regulation of managing public research funds and prevention of unauthorized use as well as any other operation rules and procedures related

to them, and inform them to all of our employees (researchers, office workers, person in charge) who are concerned with public research funds.

**4. Formulation and Implementation of Plan to Prevent Unauthorized Use**

A plan to prevent unauthorized use of public research funds will be formulated and implemented.

**5. Monitoring**

To execute public research funds properly, we will check the state of implementation of ordering / acceptance / payment and fiscal statements, and conduct inspection of materials.

**6. Establishment of Help Desks and Contact Offices**

We will establish help desks and contact offices for accusation of unauthorized use of public research funds and wrongdoings in research activities.

## Fair Business Practices

### ● Elimination of Anti-Social Forces

We have no relationship with any anti-social forces and will take a resolute attitude and cooperate with outside specialized agencies against unreasonable demands.

### ● Prevention of Corruption and Bribery

We determine in our compliance manual that we must not allow any illegal money transfer and unappropriated receptions and gifts, and strengthen anti-corruption through our whole business activities.

### ● Transparency with Medical Institutions

We disclose funds paid to medical institutions and other organizations based on the "Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organization" by the Japan Federation of Medical Devices Associations (JFMDA) to improve the transparency and credibility of the relationship with medi-

cal institutions and other organizations and to contribute to the development of Eye & Health Care.

## Prohibition of Bribery, Inappropriate Gifts or Such and Conflict of Interest Transactions

### ● Prohibition of Bribery

- We must not offer benefits such as money to take unfair advantages.
- We must not receive money in return for unfair advantages of customers and clients.
- We must not make demands for unfair advantages by using an advantageous position.
- We must not compel the distributors or people concerned, or to be involved in illegal transaction to take unfair advantages.

### ● Prohibition of Inappropriate Gifts or Such

- We must not provide or receive excessive gifts or such in terms of conventional wisdom and common sense.

### ● Prohibition of Conflict of Interest Transactions

- We must not engage in competition that leads to a company's disadvantage such as establishing the additional posts of executive officers or employees of other companies or doing a profit-oriented business.
- We must not engage in competition that leads to a company's disadvantage such as establishing the additional posts of executive office.
- We must not conduct business with a company or for oneself or for a third party, such as selling products.
- Actions that might be contrary to the interest of the company must be openly revealed.
- We must not pocket company's fund or personal use of information obtained in work.

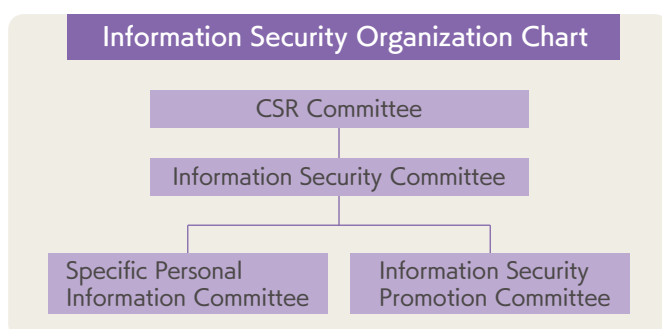
## Information Security

We believe that it is essential to achieve and maintain a high level of information security to protect our customers' and business partners' information. As a comprehensive measure of information security, we have established the Information Security Management System and have made efforts to protect our information assets from any threats.

### ● Information Security System

We have the Information Security Committee to maintain and strengthen information security. The committee decides company-wide information security policies such as data breach crisis management.

The committee consists of two subcommittees; the Specific Personal Information Committee and the Information Security Promotion Committee. The Specific Personal Information Committee creates internal rules for proper handling of Social Security and Tax Numbers, develops and repairs systems that support them, considers management measures for specific personal information and conducts in-house trainings and educations. The Information Security Promotion Committee perform substantive maintenance and management of information security such as preparing, revising and deliberation of discarding documents.



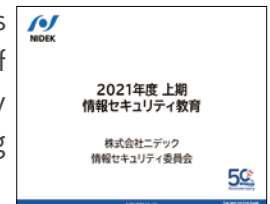
### ● Information Security Education

We have been training our employees to improve consciousness to information security on a regular basis.

In fiscal year 2021, we conducted e-learning education for all employees (including officers, advisors, and employees seconded overseas) with the theme

of strengthening measures against information leaks.

In addition, we are working to ensure proper handling of information assets by providing reminders of revisions to information security handbooks and explaining common security breaches.



### ● Response to Risk of Data Breach from information equipment

To deal with risk of data breach, we restrict data export to media, manage data storage device take-out log and record PC log.

Restricting data export: We restrict data export to USB flash drives, SD cards and such. To devices that are needed in work, we limit its function and keep its use at a minimum.

Managing data storage device take-out: When employees take PC's and smartphones out of the office, they need permission of their manager. In addition, we take inventory of external storage device once a month.

Recording PC logs: We record and manage operation logs of in-house PCs in order to prevent data breach and to use the logs for follow-up investigations in case of accidents.

In addition, we have established rules for data breach accidents/incidents and have built a system to keep the damage at a minimum.

### ● Information Security Management System Certification of Registration

We have received the external surveillance audit for the Information Security Management System of the department's handling information assets. Our Information Security Management System was recertified in December 2021 to satisfy and maintain the requirements of ISO/IEC 27001: 2013 and JIS Q 27001: 2014.

We will continue to strengthen our internal information security measures and work to maintain our certification registration.



ISO/IEC 27001:2013 /  
JIS Q 27001:2014

Registration Institution (2022)  
British Standards Institution

Registration Number (2022)  
IS 580917

Note: This Registration operates system at the  
Information System Department and the  
NAVIS Support Center.

## Intellectual Property

### ● History of Our Intellectual Property Department

From 1995 to about 2005, we were under U.S. patent litigation related to business survival, during which we won 11 consecutive victories.

Since then, our employees have gained respect for intellectual property (IP). From 2006 to 2016, based on the experience of the U.S. litigation, we strengthened our system for rights acquisition and clearance activities, responded to the proceedings to revoke the trial decision with in-house human resources, and won the case. From 2017 to 2021, with the medium-term vision of "conversion from managing type IP to planning type IP (conversion to proposal type organization)", we strongly promoted aggressive IP activities represented by the IP landscape, and have promoted both conventional rights acquisition and clearance activities.

### ● Purpose and Mission of Our Intellectual Property Department

NIDEK has placed great importance on the three

“アイ’s” (pronounced ái) which are strong will (kigai), differentiations (chigai) and global (sekai), as our corporate policy. Achieving what others cannot do or are not working on leads to differentiation from our competitors. Our Intellectual Property Department creates and protects IP that leads to differences and protects the value of our unique products while respecting the IP of other companies. In addition, we will actively utilize IP landscapes, propose strategies for management and business divisions that lead to “difference” and foster a culture of innovation by preparing IP training programs to developers.

### ● Intellectual Property Promotion System

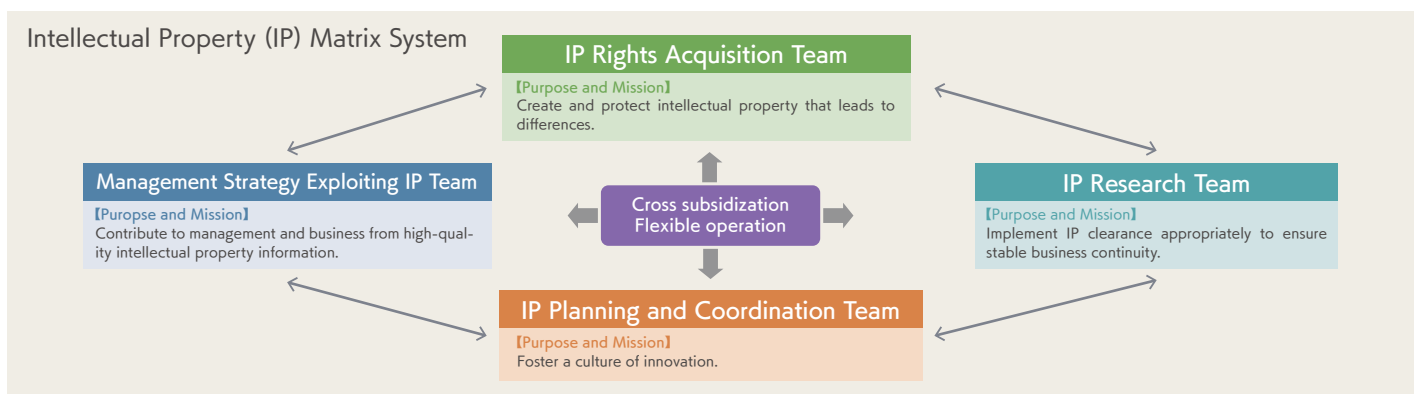
By using in-house production of patent specifications as a base, we have established four teams.

The IP Rights Acquisition Team mainly performs rights acquisition work, such as drafting specifications and responding to intermediate processes.

The IP Management Strategy Team formulates IP strategies and provides IP information to management and business divisions by conducting IP landscapes, and performs other tasks related to management strategies.

The IP Research Team conducts patent search-related activities, such as patent searches and the operation of search tools.

The IP Planning and Coordination Team performs IP management and various planning-related tasks, such as managing IP-related deadlines and budgets, and planning training programs for human resource development.



## Intellectual Property Activities

To contribute to the improvement of our business value, we engage in unique activities that aim to maximize the value of intellectual property.

### ● Insourcing Patent specification

To create high-value patents, many of the specifications are written in-house. Producing specifications and intermediate processing in-house improves our skills to create and interpret patent claims at the same level as external patent offices and our ability to determine the value of patents which makes us able to create high-value patents.

### ● Intellectual Property Circulation System

We have established and are implementing the IP Circulation System that circulates a series of processes, such as acquiring various types of information—(1) marketing information, (2) information on other companies' applications, and (3) information on our own applications—conducting IP landscape based on various types of information— (4) IP landscape—providing proposals and information based on IP landscape results to the management and business units, and receiving feedback on proposals and information provided.

### ● Intellectual Property Management Sheet

At the beginning of each term, we formulate an intellectual property activity policy according to the situation and strategy of the business division.

Then, we create materials that summarize the formulated intellectual property activity policies and share them with management and business divisions.

### ● Activities with External Parties

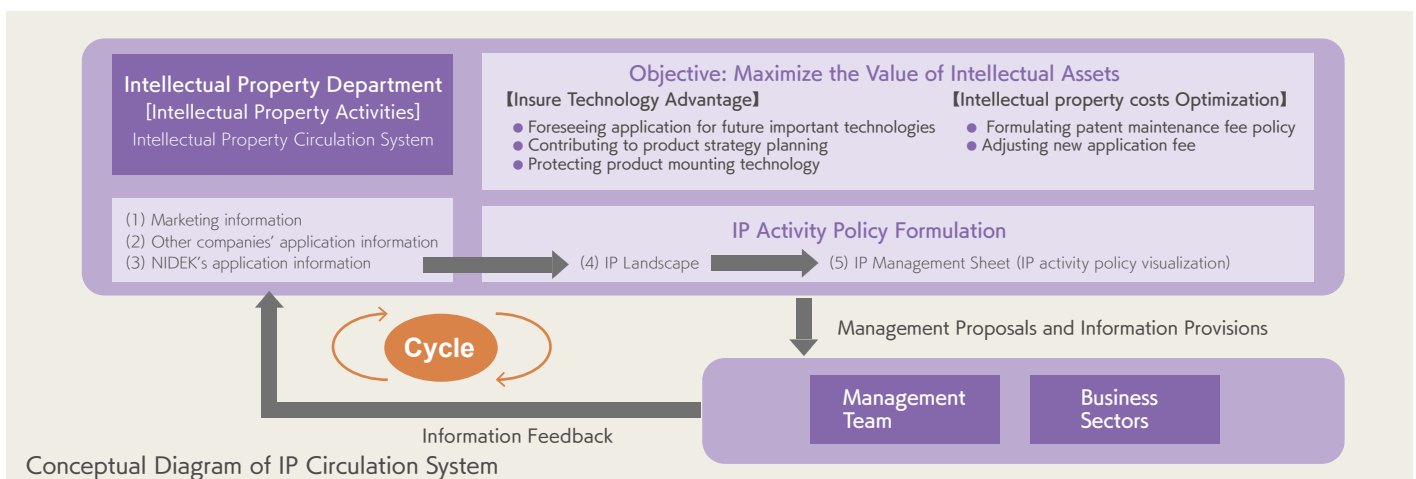
In the panel discussion “Efforts to Practice IP Strategy Efficiently and Effectively” at the Global IP Strategy Forum 2022 sponsored by the Japan Patent Office and the National Center for Industrial Property Information and Training, our activities were introduced as advanced initiatives: the IP Matrix System, IP Circulation System and Intellectual property activities such as intellectual property management sheets.

### ● Patent Application Information

Based on our intellectual property activity policy, we actively file not only domestic patent applications, but also overseas patent applications to ensure global competitiveness.

In the fiscal year 2021, we filed 91 new domestic patent applications and 52 new overseas patent applications. In 2022, by region, the percentages of patents held were 54.2% in Japan, 14.2% in the United States, 21.3% in Europe, 9.0% in Asia, and 1.3% in other regions.

We are also promoting patent applications for technologies to reduce the burden on the environment, such as “technology for environment-friendly products such as lens processing machines and unique dyeing systems”.



# GRI STANDARDS INDEX

This chart shows the correspondence between the contents of the ESG Report 2022 and the GRI Sustainability Reporting Standards document. The ESG Report 2022 refers to the GRI Sustainability Reporting Standards document.

	Description	Reference	Page
GRI 102: General Disclosures 2016	<b>Organizational profile</b>		
	102-1 Name of the organization	Corporate Profile	p.3
	102-2 Activities, brands, products, and services	Business	p.3
	102-3 Location of headquarters	Corporate Profile	p.3
	102-4 Location of operations	Corporate Profile	p.3
	102-5 Ownership and legal form	Corporate Profile	p.3
	102-6 Markets served	-	-
	102-7 Scale of the organization	Corporate Profile	p.3
	102-8 Information on employees and other workers	-	-
	102-9 Supply chain	Supply Chain Management	p.20
	102-10 Significant changes to the organization and its supply chain	-	-
	102-11 Precautionary Principle or approach	Eco-Friendly Products	p.11
	102-12 External initiatives	Quality Management System (QMS)	p.18
	102-13 Membership of associations	-	-
	<b>Strategy</b>		
	102-14 Statement from senior decision-maker	Message from the President & CEO	p.4
	102-15 Key impacts, risks, and opportunities	Message from the President & CEO	p.4
	<b>Ethics and Integrity</b>		
	102-16 Values, principles, standards, and norms of behavior	NIDEK Corporate Conduct Charter	p.7
	102-17 Mechanisms for advice and concerns about ethics	Compliance System Whistle-blowing System Use of Public Research Funds	p.25 p.24 p.25
	<b>Governance</b>		
	102-18 Governance structure	Corporate Governance System	p.23
	102-19 Delegating authority	Corporate Governance System	p.23
	102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate Governance System	p.23
	102-21 Consulting stakeholders on economic, environmental, and social topics	-	-
	102-22 Composition of the highest governance body and its committees	Corporate Governance System	p.23
	102-23 Chair of the highest governance body	Corporate Governance System	p.23
	102-24 Nominating and selecting the highest governance body	Corporate Governance System	p.23
	102-25 Conflicts of interest	-	-
	102-26 Role of highest governance body in setting purpose, values, and strategy	-	-
	102-27 Collective knowledge of highest governance body	-	-
	102-28 Evaluating the highest governance body's performance	-	-
	102-29 Identifying and managing economic, environmental, and social impacts	-	-
	102-30 Effectiveness of risk management processes	-	-
	102-31 Review of economic, environmental, and social topics	-	-
	102-32 Highest governance body's role in sustainability reporting	-	-
	102-33 Communicating critical concerns	-	-
	102-34 Nature and total number of critical concerns	-	-
	102-35 Remuneration policies	-	-
	102-36 Process for determining remuneration	-	-
	102-37 Stakeholders' involvement in remuneration	-	-
	102-38 Annual total compensation ratio	-	-
	102-39 Percentage increase in annual total compensation ratio	-	-
	<b>Stakeholder Engagement</b>		
102-40 List of stakeholder groups	Stakeholder Engagement	p.8	
102-41 Collective bargaining agreements	-	-	
102-42 Identifying and selecting stakeholders	Stakeholder Engagement	p.8	
102-43 Approach to stakeholder engagement	Stakeholder Engagement	p.8	
102-44 Key topics and concerns raised	Stakeholder Engagement	p.8	

# GRI STANDARDS INDEX

	Description	Reference	Page	
GRI 102: General Disclosures 2016	<b>Reporting practice</b>			
	102-45	Entities included in the consolidated financial statements	-	-
	102-46	Defining report content and topic Boundaries	-	-
	102-47	List of material topics	-	-
	102-48	Restatements of information	-	-
	102-49	Changes in reporting	-	-
	102-50	Reporting period	Profile	p.2
	102-51	Date of most recent report	Profile	p.2
	102-52	Reporting cycle	Profile	p.2
	102-53	Contact point for questions regarding the report	Profile	p.2
	102-54	Claims of reporting in accordance with the GRI Standards	-	-
	102-55	GRI content index	GRI Standard Index	-
102-56	External assurance	-	-	
<b>Management Approach</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	-	-
	103-2	The management approach and its components	Safety Management Policy Respecting Diversity Personnel System System and Mechanism (Human Rights) System and Mechanism (Fair Business Practices) Transparency with Medical Institutions Basic Policy on Prevention of Improper Use of Public Research Funds Information Security Management Activities Information Security System Quality Policy Environmental Policy Environmental Management System Eco-Friendly Products	p.13 p.16 p.15 p.15 p.25 p.25 p.25 p.26 p.26 p.17 p.9 p.10 p.11
	103-3	Evaluation of the management approach	Corporate Governance System	p.21
<b>Economic Performance</b>				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Environmental Accounting	p.10
	201-2	Financial implications and other risks and opportunities due to climate change	Environmental Accounting	p.10
	201-3	Defined benefit plan obligations and other retirement plans	-	-
	201-4	Financial assistance received from government	-	-
<b>Market Presence</b>				
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-
	202-2	Proportion of senior management hired from the local community	-	-
<b>Indirect Economic Impacts</b>				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Social Contribution Activities	p.21
	203-2	Significant indirect economic impacts	-	-
<b>Procurement Practices</b>				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	-	p.21
<b>Anti- corruption</b>				
GRI 205 : Anti- corruption 2016	205-1	Operations assessed for risks related to corruption	Prevention of Corruption and Bribery	p.16
	205-2	Communication and training about anti-corruption policies and procedures	Compliance Education Prevention of Corruption and Bribery Prohibition of Bribery, Inappropriate Gifts or Such and Conflict of Interest Transactions	p.24 p.25 p.25
	205-3	Confirmed incidents of corruption and actions taken	-	-
<b>Anti-competitive Behavior</b>				
GRI 206: Anti-competi- tive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	-

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GRI 301: Materials 2016	301-1	Materials used by weight or volume	Overview of Environmental Impact Reducing Waste Volumes	p.12 p.12
	301-2	Recycled input materials used	-	-
	301-3	Reclaimed products and their packaging materials	-	-
<b>Energy</b>				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Actions on Climate Change	p.12
	302-2	Energy consumption outside of the organization	-	-
	302-3	Energy intensity	Actions on Climate Change	p.12
	302-4	Reduction of energy consumption	Actions on Climate Change	p.12
	302-5	Reductions in energy requirements of products and services	Actions on Climate Change	p.12
<b>Water and Effluents</b>				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	-	-
	303-2	Management of water discharge-related impacts	Overview of Environmental Impact Actions on Climate Change	p.12 p.12
	303-3	Water withdrawal	-	-
	303-4	Water discharge	Overview of Environmental Impact	p.12
	303-5	Water consumption	-	-
<b>Biodiversity</b>				
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-
	304-2	Significant impacts of activities, products, and services on biodiversity	-	-
	304-3	Habitats protected or restored	-	-
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-
<b>Emissions</b>				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG missions	CO <sub>2</sub> Emission	p.12
	305-2	Energy indirect (Scope 2) GHG emissions	-	-
	305-3	Other indirect (Scope 3) GHG emissions	-	-
	305-4	GHG emissions intensity	-	-
	305-5	Reduction of GHG emissions	Eco-Friendly Products	p.11
	305-6	Emissions of ozone-depleting substances (ODS)	-	-
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	-	-
<b>Effluents and Waste</b>				
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	-	-
	306-2	Waste by type and disposal method	-	-
	306-3	Significant spills	-	-
	305-4	Transport of hazardous waste	-	-
	305-5	Water bodies affected by water discharges and/or runoff	-	-
<b>Environmental Compliance</b>				
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	-	-
<b>Supplier Environmental Assessment</b>				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-	-
	308-2	Negative environmental impacts in the supply chain and actions taken	-	-
<b>Employment</b>				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	-	-
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Respecting Diversity	p.16
	401-3	Parental leave	Systems Balancing Childcare, Family Care and Treatment Parental Leave Utilization Rate	p.16 p.16



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<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system	Safety Management Policy	p.13
	403-2	Hazard identification, risk assessment, and incident investigation	-	-
	403-3	Occupational health services	Safety Management Activities	p.13
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Management Activities	pp.13-14
	403-5	Worker training on occupational health and safety	Safety Management Policy	pp.13-14
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	403-8	Workers covered by an occupational health and safety management system	-	-
	403-9	Work-related injuries	-	-
	403-10	Work-related ill health	-	-
<b>Training and Education</b>				
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	Education System in NIDEK	p.15
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Education Systems Personnel System	p.15 p.15
	404-3	Percentage of employees receiving regular performance and career development reviews	-	-
<b>Diversity and Equal Opportunity</b>				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	Respecting Diversity	p.16
	405-2	Ratio of basic salary and remuneration of women to men	-	-
<b>Non- discrimination</b>				
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	-	-
<b>Freedom of Association and Collective Bargaining</b>				
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	-
<b>Child Labor</b>				
<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	-	-
<b>Forced or Compulsory Labor</b>				
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	-
<b>Security Practices</b>				
<b>GRI 410: Security Practices 2016</b>	410-1	Security personnel trained in human rights policies or procedures	-	-
<b>Rights of Indigenous Peoples</b>				
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1	Incidents of violations involving rights of indigenous peoples	-	-
<b>Human Rights Assessment</b>				
<b>GRI 412: Human Rights Assessment 2016</b>	412-1	Operations that have been subject to human rights reviews or impact assessments	-	-
	412-2	Employee training on human rights policies or procedures	Efforts for Compliance	p.24
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	-
<b>Local Communities</b>				
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution Activities Stakeholder Engagement	p.21 p.8
	413-2	Operations with significant actual and potential negative impacts on local communities	-	-

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GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-	-
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<b>Public Policy</b>				
GRI 415: Public Policy 2016	415-1	Political contributions	-	-
<b>Customer Health and Safety</b>				
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Eco Friendly Products Customer Support	p.11 p.19
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-
<b>Marketing and Labeling</b>				
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	-	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-
	417-3	Incidents of non-compliance concerning marketing communications	-	-
<b>Customer Privacy</b>				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-
<b>Socioeconomic Compliance</b>				
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Efforts for Compliance	p.24