

Materiality 8

Diversity, Equity & Inclusion



Reasons for Priority

Companies like Nikon that do business on a global scale work with employees who have a variety of social backgrounds and values. To make the most of employee individuality and to generate new innovation, we need to provide attractive workplaces of mutual respect for diversity where all employees can thrive professionally (diversity, equity and inclusion).

Commitment

The Nikon Group formulated the Nikon Global Diversity, Equity & Inclusion Policy, which describes Group-wide diversity, equity and inclusion concepts and policies. Under this policy, we strive to foster a corporate culture where the characteristics and abilities of all team members are accepted and valued. We also strive to create work environments where employees can make the most of their unique talents and strengths.

Further, the Nikon Group is committed to creating sustainable societies by responding to customer needs through corporate activities that respect all aspects of social diversity at large as equally valuable and important.

Takumi Odajima
Representative Director and Executive Vice President
General Manager of Group Governance & Administration Division

[Activity Policies]

■ Nikon Global Diversity, Equity & Inclusion Policy



● Fiscal Year 2022 Materiality Goals and Results

Self-evaluation ○: Achieved △: Measures started but not yet achieved

Goals for Fiscal Year 2030	What Nikon Needs to Do	Related SDGs	Scope	Goals for Fiscal Year 2022	Results for Fiscal Year 2022	Self-Evaluation
Putting in place the systems and environments that will enable diverse employees to fulfill their potential and participate fully Ensuring that all employees understand the need for diversity and inclusion, and realizing an organizational framework for effective collaboration	Raise the percentage of employees who are female (for both ordinary employees and managers)	5,8,10	Nikon	Increase the ratio of all managers who are female to at least 7.5%	Ratio of female managers 6.9% (Systematic training and promotion of management candidates to achieve the target of 8.0% or more by the end of March 2026)	△
				Increase the ratio of female new hires to at least 25%	Ratio of female new hires 32.3%	○
	Promote the Group-wide implementation of operational and personnel processes that do not discriminate on the basis of gender, nationality, ethnicity, etc.	5,8,10	Nikon	Implement support measures for employees taking childcare or nursing care leave as part of the development and expansion of an environment in which personnel from diverse backgrounds can demonstrate their abilities	Introduced a childcare leave system that exceeds legal requirements, in addition to responding to revised laws, as part of our efforts to create comfortable working environments	○
	Continue to implement measures to raise awareness of diversity and inclusion among all employees			5,8,10	Nikon	Provide management education on diversity and inclusion

Diversity, Equity & Inclusion

Basic Approach

Diversity, Equity and Inclusion (DEI) is essential to the Nikon Group, and forms the foundation upon which we strive to fulfill our social responsibility of respecting human rights, to embody our corporate philosophy of *Trustworthiness and Creativity*, and to continue being a company that contributes to a more prosperous and sustainable society. We believe that engaging diverse values, talent, knowledge, experiences, skills and expertise is vital in adapting to a rapidly changing world to meet the needs of our customers and the communities we serve. Such diversity exists within each one of us, shaped by our characteristics and differences, such as age, gender, nationality, and background. Everyone working in the Nikon Group should feel like part of a team where they can perform at their best and feel comfortable in raising their voice, which will help improve decision making and nurture innovation that drives the growth of the Nikon Group.

The Nikon Group clearly states our commitment to DEI in the Nikon Global Diversity, Equity & Inclusion Policy (Nikon Global DEI Policy). Based on this policy, the Nikon Group as a whole and as individual companies pursue specific initiatives that take into account local laws and regulations, business characteristics, and other factors. Through DEI-conscious business activities, we respond to social issues and customer needs, contributing to sustainable societies in which all strive together.



Nikon Global Diversity, Equity & Inclusion Policy
https://www.nikon.com/company/sustainability/society-labor/dei/dei_policy.pdf

Establishment of the Nikon Global DEI Policy

The Nikon Group has positioned Diversity & Inclusion (D&I) as a materiality under sustainability and has been implementing initiatives to promote D&I based on the idea that it is indispensable to the sustainable growth of the Nikon Group and our contribution to sustainable societies. In April 2023, the Nikon Group established the Nikon Global DEI Policy to clarify this idea as a common value in the Group and to strengthen our efforts in commitment to DEI. In considering this policy, we added equity as another perspective to make diversity & inclusion more essential. We retitled the related materiality to Diversity, Equity & Inclusion. Moving forward, we will ensure that all Nikon Group employees become familiar with this policy and encourage acceptance of DEI throughout the Nikon Group.

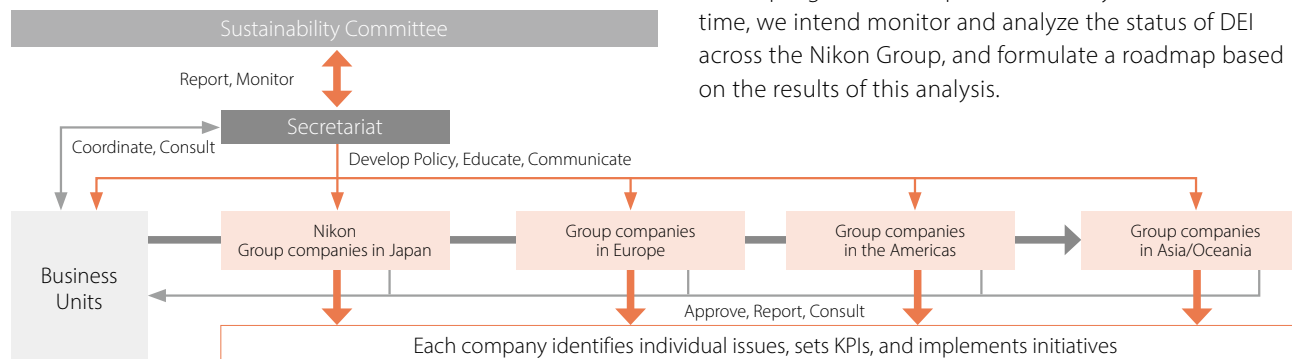
System

To promote DEI throughout the Group, we launched a global implementation system in November 2022. Under this new system, the director in charge of the Nikon Corporate Sustainability Department also serves as the responsible officer in charge of DEI. The secretariat will consist of the Nikon Corporate Sustainability Department and Human Resources Department, as well as the sustainability divisions of each regional headquarters. The secretariat will be responsible for planning and developing Group-wide policies, conducting education, creating communication tools, and supporting the initiatives of each company.

Since priorities related to DEI vary by country, region, and business, specific targets and initiatives will be set for each company and business as a rule, based on local laws and regulations and business characteristics. In addition, the Sustainability Committee will monitor the progress of activities in each region and business, including Group-wide initiatives.

In fiscal year 2023, we plan to take concrete steps to develop a global DEI implementation system. At the same time, we intend monitor and analyze the status of DEI across the Nikon Group, and formulate a roadmap based on the results of this analysis.

DEI Global Promotion Structure



National and Regional Initiatives

Europe

Nikon Europe B.V. publishes a bi-monthly newsletter ("D&I relay") as part of diversity awareness activities. The newsletter features relay-style interviews in which board members and employees speak on a variety of topics, including gender, race, immigration, age, work style, and mental health. After answering a question, the interviewee poses a question to the next person. The company's imaging product business unit also sponsors a project to support female photographers in German-speaking countries.

The Americas

In September 2022, the three Group companies located on the East Coast of the United States (Nikon Americas Inc., Nikon Inc., and Nikon Instruments Inc.) began DEI initiatives by establishing DEI committees under the supervision of the Human Resources Department, and set up an initial committee structure. The DEI Committee worked in unison to create the DEI mission statement and specific activities based on the idea that innovative ideas and persistent growth are driven by a diverse workforce and inclusive workplace.

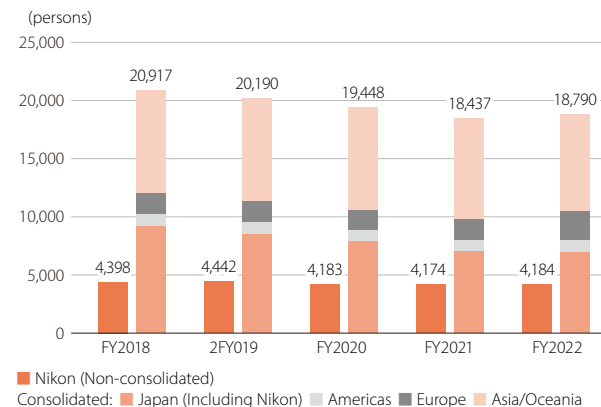
Promoting the Success of Diverse Employees

Utilization of Global Human Resources

The Nikon Group appoints outstanding human resources to management and executive positions, regardless of age, gender, or nationality. We are committed to utilizing human resources on a global scale, including appointing locally hired personnel from Group companies as Corporate Vice Presidents of Nikon.

As members of their respective local communities, our Group companies hire local employees and appoint them to management positions as appropriate in order to contribute to local job creation and economic revitalization.

● Number of Employees by Region Over Time



*Consolidated figures include permanent employees of the Nikon Group and executive officers of Group companies. Regarding regional figures, employees seconded to affiliates are counted as employees in the area where they have been seconded.

Promoting Advancement of Women in the Workplace

At Nikon, we believe that promoting the advancement of women in the workplace is an important issue. Therefore, we have set the goals of increasing the ratio of female employees recruited through the new-hire recruitment process to at least 25%, and of increasing the ratio of female managers to at least 8.0% by March 2026, and we have been taking systematic and sustained action to achieve these goals. More specifically, we provide women employees with support for autonomous career development by introducing role model employees, offering a mentor system, offering self-fulfillment training, and more. We have also made efforts to provide an environment that allows employees to choose flexible working styles in accordance with their life stage. In fiscal year 2022, the ratio of female employees recruited through the annual new-hire recruitment process was 32.3%, and as of March 2023, the ratio of women in management positions was 6.9%. Nikon will continue to focus on building an environment conducive to the advancement of women and on providing career development support.

● Ratio of Female Employees

(%)

	FY2018	FY2019	FY2020	FY2021	FY2022
Nikon	13.2	13.5	14.8	15.2	15.8
Group companies in Japan	13.5	13.3	13.2	12.9	14.4
Group companies in Europe	24.7	27.5	26.5	26.1	27.1
Group companies in the Americas	25.5	24.1	22.4	22.6	21.9
Group companies in Asia/Oceania	71.7	70.3	69.5	67.7	67.4
Nikon Group (total)	41.0	39.2	38.0	36.2	36.8

*Nikon Group (consolidated) permanent employees. Employees seconded to affiliates are included as employees of said affiliates. SLM Solutions Group AG and its subsidiaries are not included in the fiscal year 2022 results; the company became a consolidated Nikon subsidiary in January 2023.

● Ratio of Women in Management Positions

(%)

	FY2018	FY2019	FY2020	FY2021	FY2022
Nikon	5.1	6.6	6.4	7.2	6.9
Group companies in Japan	3.3	2.2	3.1	3.7	3.6
Group companies in Europe	20.1	23.9	22.9	24.4	23.1
Group companies in the Americas	21.9	29.7	28.7	28.4	22.5
Group companies in Asia/Oceania	21.4	22.0	23.6	23.7	22.1
Nikon Group (total)	12.1	14.8	15.0	15.6	13.8

*Nikon Group (consolidated) permanent employees. Employees seconded to affiliates are included as employees of said affiliates. SLM Solutions Group AG and its subsidiaries are not included in the fiscal year 2022 results; the company became a consolidated Nikon subsidiary in January 2023.

Supporting Senior Employees in the Workplace

The needs and values of each individual in the areas of life planning and working styles are diversifying. In order to realize a society in which people can continue to work for as long as they want, it is important to provide opportunities for senior citizen employees to play an active role. It is also important to help employees consider career development and how they want to work after reaching the mandatory retirement age, and to encourage them to take stock of the experience and skills they possess.

The Nikon Group introduced a reemployment system in Japan under which employees who have reached the mandatory retirement age of 60 and wish to continue working can be reemployed up to the age of 65. Nikon Nisso Prime Corporation, a joint venture company engaged in the human resources services business, rehires Nikon employees who have reached the mandatory retirement age. This company is expanding the options it offers to retirees, including to positions outside the Nikon Group, addressing the diversification of work styles and providing senior citizens with the opportunity to continue working as long as they would like.

Furthermore, we provide support for autonomous career development from a long-term perspective by holding age group-specific training.

We held Career Design Training for 58-year-olds (141 participants), which fosters awareness necessary to continue working for a long time. We also offered a Life Plan Seminar (256 participants), which focuses mainly on financial planning skills.

Through these measures, we provide opportunities for employees to consider post-retirement careers earlier in their professional lives, and we strive to support the success of senior employees.

Supporting Persons with Disabilities

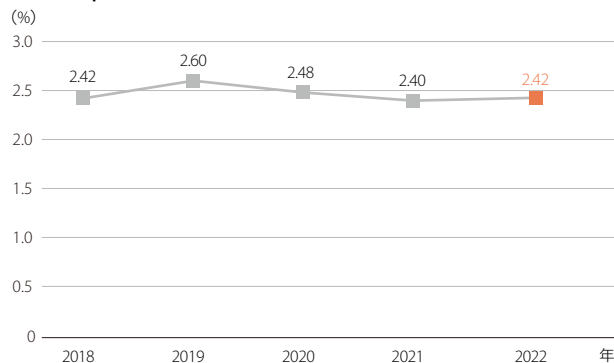
The Nikon Group is working to establish an environment that enables each and every employee to make the most of their individuality and abilities regardless of any disability. With support from experienced staff and instructors, employees with disabilities play an active role at Nikon Tsubasa Inc., a special subsidiary which Nikon established in 2000. As of June 2022, persons with disabilities exceeded the statutory minimum percentage, accounting for 2.42% of the employees of the four Nikon Group companies (Nikon Corporation, Nikon Tsubasa Inc., Nikon Systems Inc. and Nikon Business Service Co., Ltd.) that have been approved for Group treatment (using the Special System for Affiliate Companies) under the Act to Facilitate the Employment of Persons with Disabilities. Going forward, we will continue to promote the employment of persons with disabilities throughout the Nikon Group in Japan.



Nikon Tsubasa Inc. [In Japanese]

<https://www.jp.nikon.com/company/corporate/group/nti/>

● Employment of Persons with Disabilities under Group Certification Over Time



* Percentages are as of June 1 of the respective year.

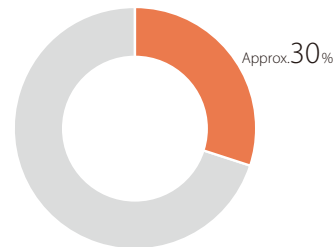
Supporting Mid-Career Hires in the Workplace

In our fiscal year 2022 Medium-Term Management Plan, Nikon laid out a path for stabilizing our mainstay businesses and increasing earnings from strategic businesses. To achieve these goals, we emphasize the recruitment of mid-career hires. For Nikon to leverage the technologies we have cultivated over the years, as well as to move into new fields, we must take advantage of a diverse range of skills, knowledge, and experience. We pursue the following efforts to ensure mid-career hires fully exercise their talents and play active roles in their current positions, helping employees maximize their presence as an individual who makes use of the knowledge they have cultivated across their previous jobs within Nikon.

- Detailed follow-up in the workplace, led by a supervisor
- Training and regular monitoring for accepting workplaces
- Training and social gathering for career hires, etc.

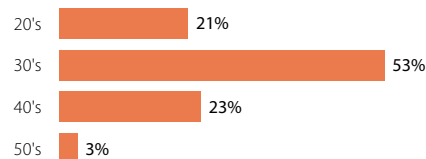
● Ratio of Mid-Career Hires at Nikon

*As of March 2023



● Age at the Time of Joining the Mid-Career Hire at Nikon

*Three-year total for 2020 to 2022



Creating an Comfortable Working Environment

The Nikon Group is working to build comfortable working environment, with the goal of increasing labor productivity and securing a diverse workforce. Our goal is for employees to have a high degree of motivation at work while also enhancing their work-life balance.

Efforts to Curb Long Working Hours

The Nikon Group is taking action to manage working hours appropriately and to curb long working hours in accordance with the respective national and regional laws and regulations where we do business.

Countermeasures Against Overtime Work

In setting limits for maximum overtime work, Nikon and the Nikon Labor Union work together to check actual data and measures to take on a yearly basis. Limits set here are used as guidelines for all Group companies in Japan, and compliance is rigorously ensured. Nikon has introduced a cooling off period for overtime work for employees whose total overtime hours exceed a certain level (including managers and others not subject to working hour management) to curb overwork and distribute burden previously focused on specific individuals. Furthermore, our standards for conducting health checkups for overtime work exceed statutory requirements. In fiscal year 2022, we revised our management system over work hours across the Nikon Group in Japan, improving the visibility and usability of our working hour management to ensure managers promptly and appropriately monitor the status of overtime work performed by subordinates.

Encouraging Employees to Take Annual Paid Leave

At Nikon, our ongoing goal is to have employees take annual paid leave at a rate of at least 70%. To help employees use annual paid leave, we promote company-wide planned leave days and to take planned leave consistently. Further, we encourage employees and managers who have a low paid leave utilization during the fiscal year to take paid leave. In fiscal year 2022, the percentage of Nikon employees taking annual paid leave stood at 74.5%.

Going forward, we will continue our efforts to encourage employees to take paid leave, aiming toward consistent achievement of the goal of at least 70%.

Main Measures at Nikon

Countermeasures Against Overtime Work

- Ensured prior application and approval for overtime and holiday work
- Implemented a cooling off system and thoroughness health checkups for employees working overtime
- Held interviews with workplaces that have long working hours and provided instructions for remediation

Encouraging Employees to Take Annual Paid Leave

- Established a specific day for all employees to take annual paid leave
- Established days encouraged for taking annual paid leave
- Established a system for systematically taking five days of annual paid leave
- Encouraged employees with low leave rates and its supervisors to take annual paid leave

Offering Diverse Work Styles

The Nikon Group strives to offer its employees with flexible working styles in accordance with the qualities of each Group company business and the laws and labor practices of their respective countries and regions. At Nikon, we have introduced the following systems offering employees more autonomy and flexibility in choosing their working hours and locations.

Super Flex Time Working system

With the aim of encouraging employees to efficiently and autonomously carry out their duties, Nikon provides a mechanism allowing employees to choose work times flexibly through our Super Flex Time Working system, which has no core time period (no specific time frame in which employees are required to work).

Telecommuting System

Nikon offers a telecommuting system to improve work-life balance, reducing the burden of daily commutes and helping employees make effective use of time. By utilizing this system, employees are expected to improve productivity by working efficiently. In fiscal year 2022, we expanded the system to be even more flexible. Changes included raising the maximum number of applicable telecommuting days and expanding places where telecommuting can be implemented.

Supporting Balanced Care for Children and Other Family Members

At Nikon, we established a system that allows employees to choose a flexible work style according to their life stage to balance work with infertility treatments, pregnancy, childbirth, childcare, and nursing care.

In concrete terms, Nikon goes beyond the statutory requirements, allowing employees to take childcare leave up to two times on consecutive or non-consecutive days for any reason up until their child's second birthday. We also put in place systems such as nursing leave for childcare and nursing care, staggered work hours for childcare and nursing care, shortened work hours, and short-time Super Flex Time Work. Nursing care leave and staggered work hours for childcare are available until the employee's child graduates from elementary school.

Besides these systems, we have established an accumulated special leave system that allows up to 40 days of expired annual leave to be accumulated and used. This system can be used not only for childcare and nursing care, but also for situations like infertility treatment and participating in their children's school events, an enhancement to our systems helping employees establish a balance between work and family.

Nikon has also introduced a "re-entry" system. This system provides opportunities to rejoin the company for former employees who left the company because of childcare or other family care responsibilities, because of a spouse's job transfer, or for other unavoidable reasons.

- Nikon Childcare Leave Utilization Rate (Fiscal Year 2022)

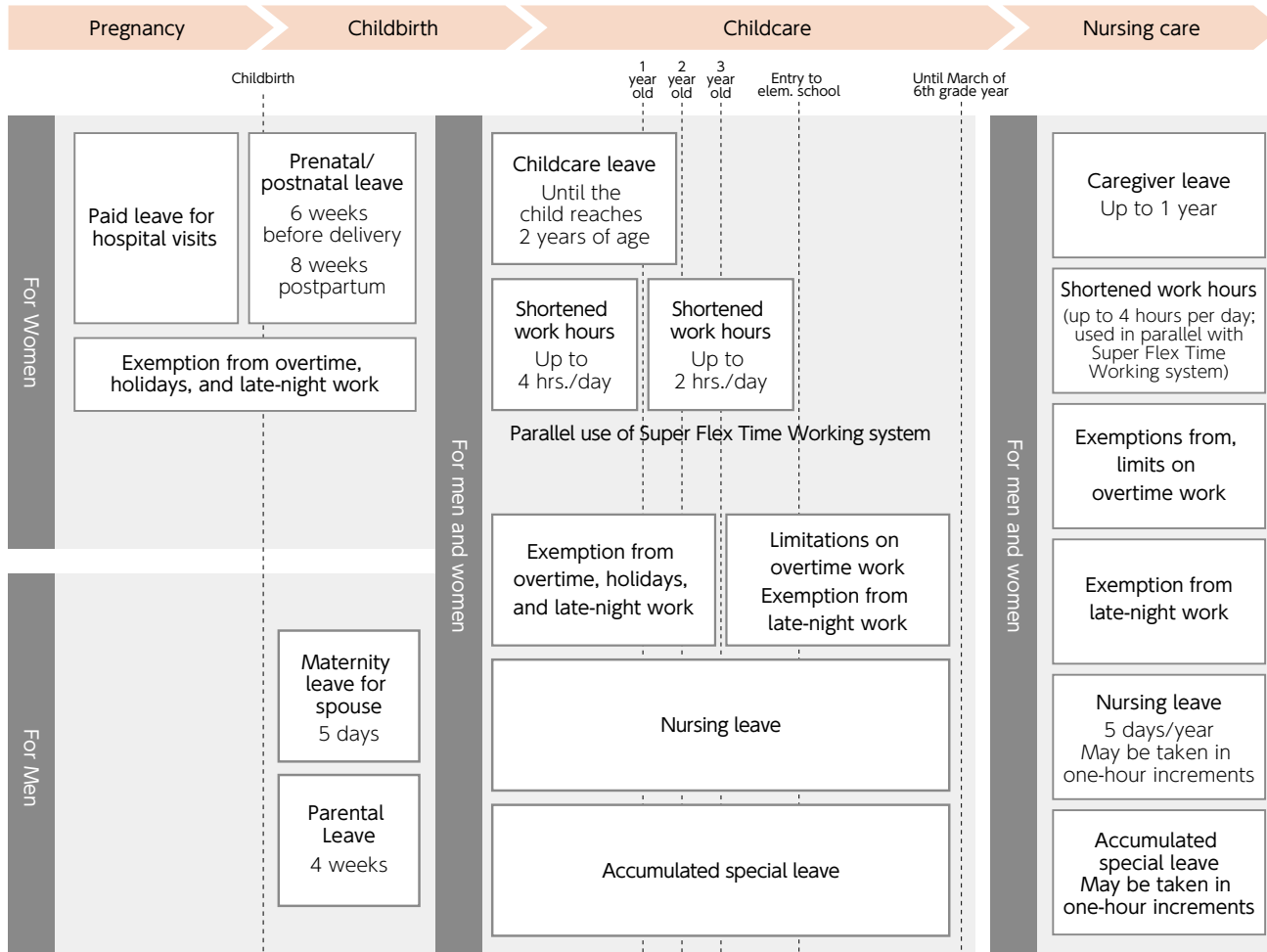
Men: **85.4%** Women: **100%**

* Includes leave for unique Nikon childcare leave programs

- Nikon Return Rate from Childcare Leave (Fiscal Year 2022)

Men: **100%** Women: **100%**

● Nikon's Support Systems for Balancing Work and Family



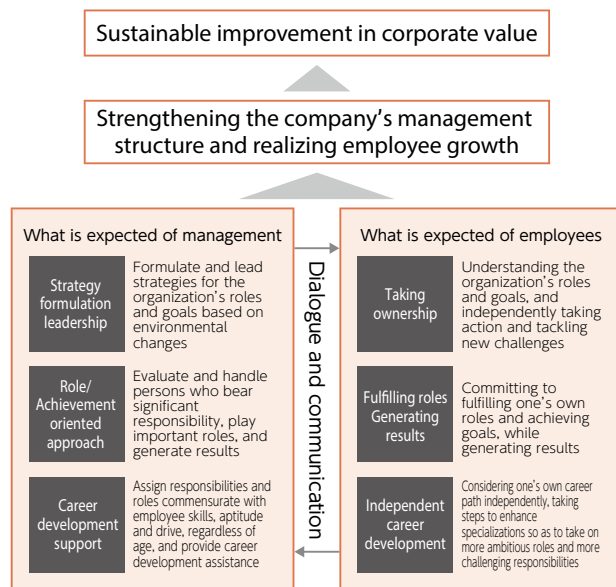
Fair Treatment and Evaluation

Basic Approach

The Nikon Group has adopted a basic policy that values dialogue and communication, and uses this to develop a working environment that stimulates employees' motivation and helps them make the most of their capabilities. Each individual Nikon Group company has established its own HR management system based on this policy.

The Nikon Group conducts fair evaluations with emphasis on performance, irrespective of age, gender, etc., and encourages employees to fulfill their responsibilities and roles and produce results. Employees are placed in jobs and roles based on their aptitude, skills and drive, and we support them as they work to explore their career and develop their capabilities.

● Purpose of Nikon's HR Management System



Nikon's HR Management System

Nikon has adopted a human resources management system that emphasizes accountability and achievements, evaluating and treating employees with a focus on their responsibilities, role, and results, irrespective of age, gender, etc. Under this system, we ensure that managers are able to properly evaluate the responsibilities and roles of the employees that they supervise, and that they can fully explain the results of these evaluations. Performance evaluations are based on the results achieved (i.e. target achievement) in relation to the position held and the role played in the organization. Nikon and certain Group companies in Japan have also introduced multilateral evaluations in which managers receive feedback from those around them regarding their management actions and skills, enhancing management capability throughout the Group.

Nikon's Systems for Career Development

Profile System

The profile system provides all employees with the chance to look back every year on their duties and personal growth and think about their future career vision, taking into account the company's expectations. Employees are interviewed by their supervisor to help brainstorm ways to develop their individual career.

Career Counseling

Nikon has established offices where employees can consult about improving their skills and advancing their careers if they so desire.

Open Recruitment System

The open recruitment system enables employees to apply for open recruitment when a new employee is required by a department, such as when launching new projects or expanding businesses.

In-House Free-Agent System (FA System)

The FA system allows employees actively working on their career development to request a transfer once a year to seek out new challenging opportunities inside the company.

Second Career Support System

The second career support system has been established with the aim of providing support for employees who are interested in taking early retirement from Nikon and developing a new career outside the company. Employees who meet the specified criteria can benefit from job-hunting support services, second career support leave, etc.

Human Resource Development

Major Initiatives

The Nikon Group offers training and educational programs linked to the roles and the HR systems of the individual Group companies. Nikon provides training and educational programs to support employees looking to enhance their own employability.

For fiscal year 2022 employee education and training programs, Nikon held 379 training courses (including the training noted on the right) organized by departments specialized for employee education and attended by a total of 8,460 employees. On average, Nikon employees spent 2.72 days per year in training courses, and expenditure on training per employee was 46,863 yen. Training participants are tasked with completing a questionnaire (report) on their training course, which is then used to assess the training curriculum and make continual improvements. Our target score for the overall evaluation in these questionnaires is 4.0 points or higher out of 5.0, and the average for fiscal year 2022 was 4.31 points. Nikon's training courses are also available to employees of Group companies in Japan.

In addition, each Nikon Group company provides education and training. In fiscal year 2022, the average annual training per Nikon Group employee was 627 minutes and the training expenditure per employee was 24,239 yen.

● Annual Number of Training Days per Employee (Fiscal Year 2022)

(days)

	Number of training days on average
Managers	1.1
Non-managers	3.0
Men	2.5
Women	3.8
Total	2.7

Examples of Training Offered by Nikon

- Selective training aimed at cultivating the next generation of leaders and management personnel
- Training to foster understanding about new roles, such as when employees are newly promoted to management positions, including division head or section head
- HR training and education carried out systematically for several years from the first year of joining the company
- Career Design Training at certain milestones
- Targeted training for women and managerial candidates
- Application-based training for improving skills and knowledge through independent initiative
- Support for self-development through on-demand learning tools for autonomous growth

Strengthening Management Skills

At Nikon, we aim to strengthen management skills through training that helps newly-appointed managers to understand their roles. In addition, we implement selective training programs with the aim of systematically cultivating management staff and quickly developing the next generation of leaders who can guide the company going forward.

As part of efforts to strengthen management skills, Nikon and certain Japanese Group companies have introduced a multilateral evaluation system. In past years, the company conducted multilateral education feedback training for department and section managers who are being evaluated for the first time. We assist participants in analyzing their own strengths and weaknesses and in creating an action plan for

the coming year. In July 2020, we began offering training content focused on human resource utilization capabilities, a category within multilateral evaluation. During fiscal year 2022, 74 managers took part in this training, working hard for six months to improve organizational rejuvenation, train subordinates, and strengthen leadership.

In addition, we provided new literacy training for managers on topics such as corporate governance and accounting, with a total of 294 participants, including executive officers, managers, and department managers from subsidiaries. During fiscal year 2023, we will implement even more effective human resources cultivation measures, adjusting training content and establishing targets for improvement.

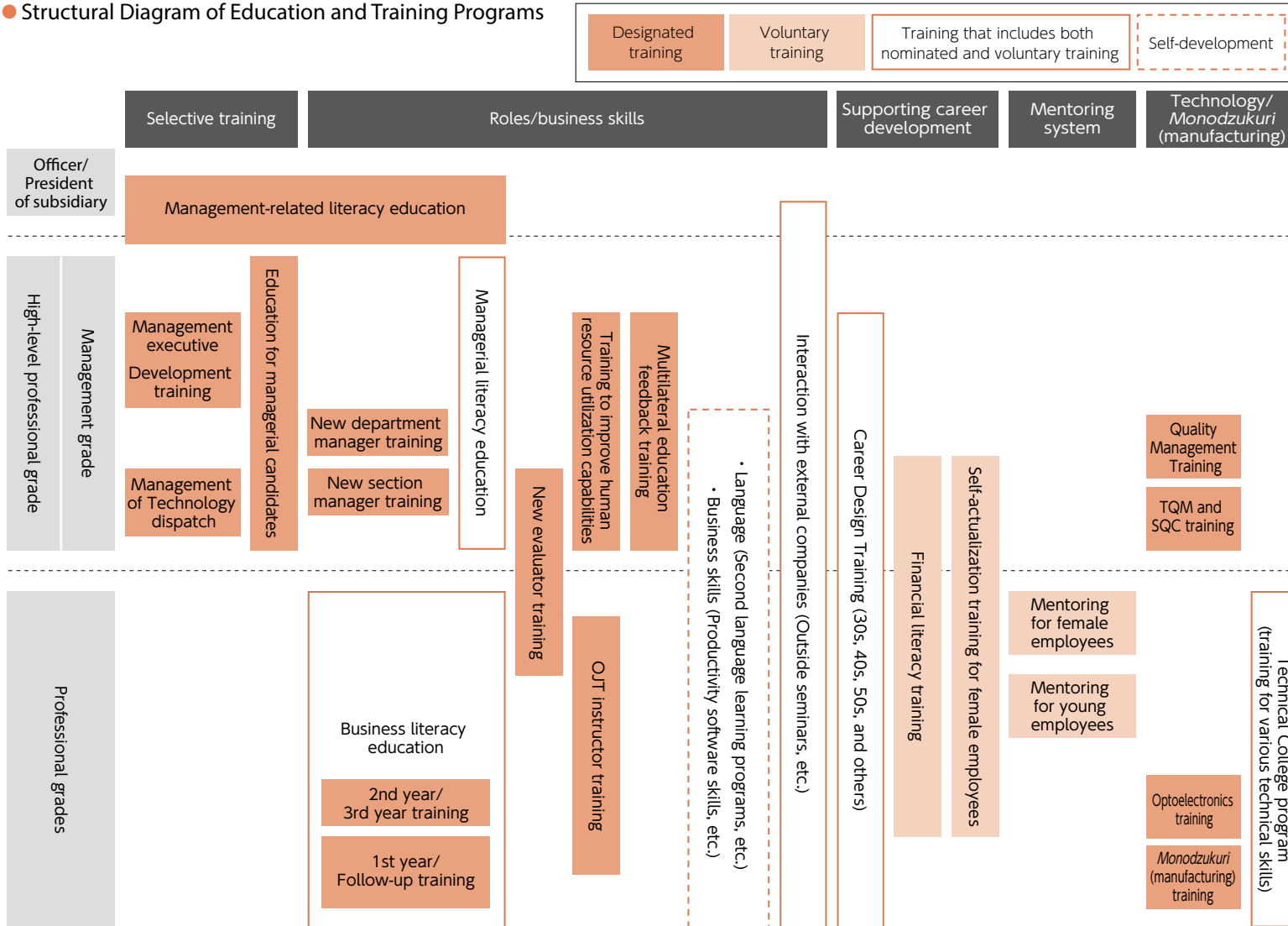
Support for Employee Independence and Autonomy

As part of our support for employee independence and autonomy, Nikon helps employees to take inventory of their skills and career achievements, and provides Career Design Training to get employees thinking about how their careers could develop in the future.

During fiscal year 2022, Nikon provided Career Design Training for employees who had reached the milestone ages of 35, 45, 50, and 58. We also provided Career Design Training for other interested employees across a wide age range, focused on encouraging them to think about the sort of career that might suit them.

We will continue these career design training programs in fiscal year 2023. At the same time, we will strive to support for career autonomy and independence of employees by expanding the number of eligible employees for our on-demand training, which allows employees to choose their own topics and learn at their own pace, supporting employee self-development.

● Structural Diagram of Education and Training Programs



* Education and training programs unique to individual business units are not included.