

Governance

Code of Conduct training participation rate in the domestic group



95%

Tax risk assessment



Conducted quarterly on a global basis

Significant information security incidents in the past 3 years



0

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Thorough Compliance



Reason for Prioritization

The global social situation facing companies continues to change rapidly. No matter how the times may change, we will continue to fulfill our social responsibilities by thoroughly complying with corporate ethics as well as laws and regulations.

Cases where even one misconduct has caused a loss of credibility that has endangered a company's existence are too numerous to mention. Therefore, in addition to preventing misconduct before they occur, it is important to strengthen compliance systems in a broad sense in accordance with international guidelines and directives, while simultaneously carrying out appropriate risk evaluation and training.

Commitment

The Nikon Code of Conduct constitutes the fundamental rules of the Group based on its Corporate Philosophy of Trustworthiness and Creativity. All employees working for the Nikon Group must be firmly aware of the importance of compliance based on the Nikon Code of Conduct in their daily business activities. Furthermore they must always maintain a high ethical standard and act sincerely and appropriately when making judgments and taking action. The Nikon Code of Conduct also represents the foundation on which we will strengthen global governance and respond to the expectations of the international community. We aim to become a company that meets the expectations of society by consistently educating and establishing our Code of Conduct, and by fostering a culture of sincere behavior, including compliance with laws and regulations, to prevent compliance violations and maintain the trust of the community.

In order to realize our Corporate Philosophy of Trustworthiness and Creativity and contribute to the sustainable development of society, I will continue to pursue thorough compliance through the practice of the Nikon Code of Conduct.

Takumi Odajima

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

【Activity Policies】

- Nikon Code of Conduct
- Nikon Anti-Bribery Policy

【Organizations】

- Compliance Committee

● 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
Becoming a company that is trusted by society, by ensuring conformity with the Nikon Code of Conduct and by acting with integrity, including compliance with laws and regulations	Implement awareness-raising initiatives and education regarding to laws, regulations and ethics	16	Nikon Group in Japan	Achieve a read rate of at least 90% for the Code of Conduct	Conducted training on the Code of Conduct at Nikon Group companies in Japan, achieving a 95% participation rate	○
			Nikon Group	Provide education to Nikon divisions and Group companies related to competition law	Provided competition law training at Nikon and Group sales companies	○
			Nikon Group in Japan	Respond to the revision of laws and regulations related to the whistleblower system in Japan	In response to the revised Whistleblower Protection Act of June 2022, the company added an external contact point specifically for cases related to heads of organizations and other executives and revised the Code of Conduct Hotline Operating Regulations. Conducted training on the revised Whistleblower Protection Act and ensured that all employees were aware of and familiarized with the law	○

Compliance

Nikon Code of Conduct

The Nikon Code of Conduct is a specific set of standards that each and every employee should understand in depth and utilize to implement the concept of compliance. In the Code of Conduct booklet, we include messages from the president, company principles, explanations of terms, and Q&As to promote understanding of the Nikon Code of Conduct among all employees, both domestically and internationally. The Code of Conduct and explanatory materials have been translated into 16 languages and posted on the portal site so that all employees can refer to it whenever necessary. Furthermore, the content of the Code of Conduct and explanatory materials is reviewed regularly. Additionally, to ensure thorough compliance with the Code of Conduct across the Nikon Group, the head of each department at Nikon and above, and the president of each Group company make a pledge each year to take responsibility for compliance with the code of conduct in the organizations of which they are in charge.

 Nikon Code of Conduct
<https://www.jp.nikon.com/company/sustainability/management/codeofconduct/>

System

The Nikon Group has established a Compliance Committee under the Risk Management Committee to strengthen governance and risk management. The committee is chaired by the General Manager of the Group Governance and Administration Division, who is also a Representative Director of Nikon. It deliberates and decides on measures related to priority compliance promotion issues, such as anti-bribery. The Compliance Section of the Legal and Intellectual Property Division, which spearheads compliance promotion activities, and the Internal Control Promotion Section of the Group Governance & Administration Division, both serve as secretariats of the committee.

The Nikon Group promotes compliance according to the system outlined in the diagram. In Japan, the Compliance Section undertakes compliance promotion activities in each of Nikon's departments and at Group companies, by holding liaison meetings of compliance coordinators, etc. Outside

Japan, we cooperate with each group company, led by the regional headquarters, to address the risk of violations of local laws and regulations. Furthermore, we are promoting initiatives in line with the culture, customs, as well as the local laws and regulations of each country and region.

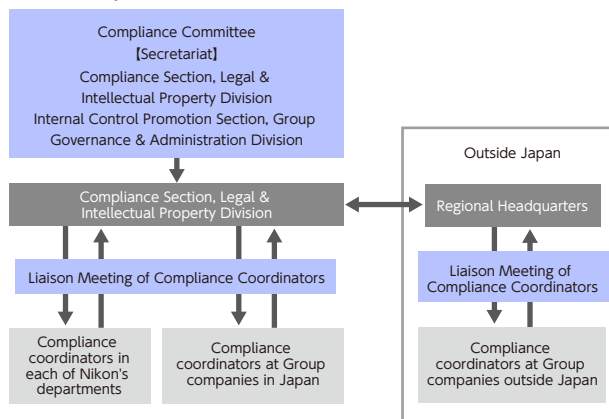
Code of Conduct Hotline (Reporting and Consulting System)

The Nikon Group has included provisions regarding a reporting and consulting system in the Nikon Code of Conduct and has established such systems at all Group companies in and outside Japan in order to respond to reports of violations or potential violations of the Nikon Code of Conduct.

In Japan, the Code of Conduct Hotline has been established as a unified Reporting and Consultation System for the Nikon Group in Japan (including non-consolidated Group companies). The Code of Conducts Hotline has both an internal contact point and an external contact point set up with a specialized vendor. The external contact point is available every day of the year except during the year-end and New Year holidays. In Japan, in accordance with the enforcement of the revised Whistleblower Protection Act on June 1, 2022, an external contact point for cases related to heads of organizations and other executives has been established at a law firm handling whistleblower cases in FY2022, and a full-time member of the Audit & Supervisory Board Committee is handling these cases.

Outside Japan, as a general rule, each Group company has established its own internal contact point. In addition, contact points handled by external specialist firms have been set up and are being operated in Europe, the Americas and Asia (excluding Republic of Korea). The external contact point

● Compliance Promotion Structure Diagram (As of April 1, 2023)



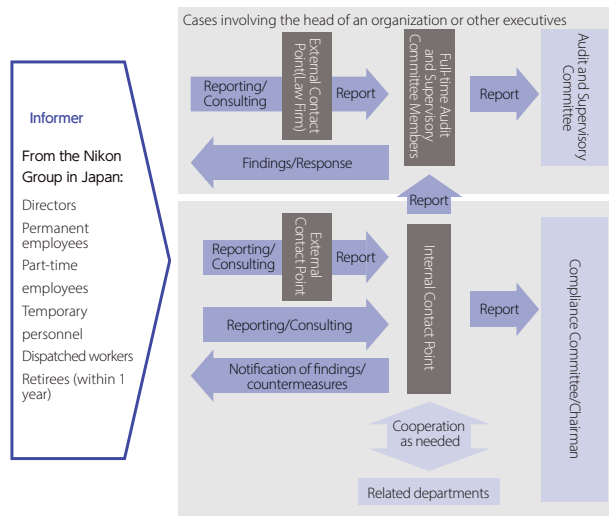
is available 24 hours a day, 7 days a week, 365 days a year, in local languages.

Reporting can be done anonymously. When violations or potential violations of the Code of Conduct are reported, we promptly investigate the facts and take steps to resolve the matter and prevent recurrence. For each case received through the system, information is gathered from the reporter and persons relevant to the matter in order to understand the issue objectively. We then work together with relevant departments to resolve the case and follow up as necessary. We treat each case with the utmost care by respecting human rights, which includes keeping the matter in strict confidence, protecting privacy, ensuring anonymity, and preventing any negative treatment as a result of using the system.

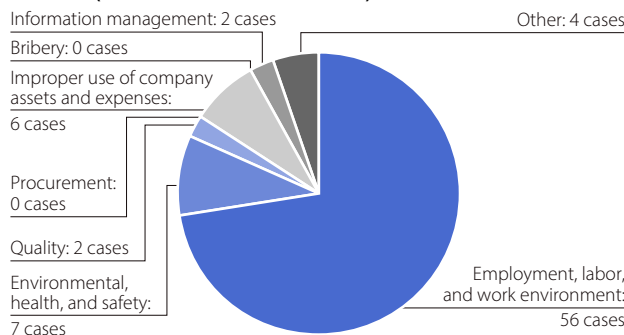
In fiscal year 2022, the Nikon Group as a whole received 77 reports. The pie chart in the Reporting and Consultation System Utilization Results section shows the number of reports and consultations in fiscal year 2022 by category. In addition, to ensure that this reporting and consultation system is functioning properly, the secretariat operating the Code of Conduct Hotline reports regularly to the Members Compliance Committee on the development and operational status of the system, which is based on the regulations. The Committee is also informed of the status of overseas operations.

The Nikon Group makes employees aware of this system through a booklet on the Nikon Code of Conduct, which is accessible to all employees, and relevant training programs.

● Diagram of the Reporting and Consulting System in Japan



● Use of Reporting and Consulting System in Fiscal Year 2022 (Number of Consultations)



Total number of consultations in Japan and overseas. In reports received up until last year, the number of consultations in Japan was reported as the number of cases investigated and addressed after the consultation service was utilized. However, in our latest report, we have standardized definitions with our overseas locations, and are reporting the number of times the consultation service was utilized.

Major Initiatives

Compliance Training for Directors and Employees of the Nikon Group

The Nikon Group aims to instill an awareness of the concept of compliance in every person at the Nikon Group, from our top management to each and every employee. At the December 2022 meeting of the Compliance Committee, a compliance seminar was conducted by a specialist lawyer for 23 committee members, including Nikon's full-time directors. Seminar topics included compliance issues and information management specific to the COVID-19 pandemic.

For employees, we provide classroom training and e-learning. In fiscal year 2022, the Nikon Group in Japan, after noticing a decline in the level of dissemination of the Code in the previous year's awareness survey, prepared Code of Conduct training materials and implemented an e-learning program in March 2023. In addition, compliance coordinator from each Nikon department and domestic Group company regularly provided employees of each division and company with training on such topics as unconscious bias, anti-bribery, and the Reporting and Consulting system.

At Group companies outside Japan, the Regional Headquarters take the lead in continuously implementing activities to train and raise awareness of the Code of Conduct. In fiscal year 2022, the Regional Headquarters provided training on the prevention of harassment and discrimination, anti-bribery, and prevention of competition law violations as part of the activities.

In addition to this, in our quarterly sustainability newsletter to all Nikon Group employees, we explain the Nikon Group's approach to compliance by featuring compliance-related news that is attracting attention around the world.

Global Awareness Survey (Monitoring)

The Nikon Group conducts monitoring through an awareness survey given to its employees at Group companies in and outside Japan every one or two years. The survey enables the Nikon Group to assess the degree of compliance awareness, level of employees' confidence in the reporting and consulting system, and the current status of Code of Conduct training, and reflect the results in improvements made to the Nikon Group's promotional activities.

In fiscal year 2022, we conducted an awareness survey for the Nikon Group in and outside Japan with 17,704 employees responding (response rate of 91.5%). The response rate increased slightly from the previous 2020 Global Awareness Survey (90.2%). This year, we have also made new efforts to understand the reality of employees by creating new questions that allow for global comparisons of work enthusiasm and engagement.

The results of the survey and requests for improvement were relayed back to each Nikon department and Nikon Group company, and they are working to make improvements based on these results.

Through such efforts, the Nikon Group has established a PDCA cycle for promoting compliance in all regions where we conduct business activities.

Prevention of Bribery

The Nikon Group has established the Nikon Anti-Bribery Policy with the approval of the Executive Committee to reconfirm our commitment to the prevention of bribery both internally and externally. To ensure compliance with the Nikon Anti-Bribery Policy, led by the Compliance Section, regional headquarters outside Japan have each formulated Anti-Bribery Guidelines. These guidelines reflect regional characteristics and summarize business approaches, precautions and operational procedures, etc., for entertainment, gifts and donations that are necessary to comply with the policy.

Specifically, we are taking steps to ensure full compliance with written application and approval procedures for expenditures related to public officials, etc. As a general rule, we have banned facilitation payments.

In addition, at the start of transactions with third parties, such as intermediaries, Nikon makes the Nikon Anti-Bribery Policy known to all parties, and in principle, the contract must include a clause regarding the prohibition of bribery. We have a system in place to confirm matters using a prescribed checklist in situations deemed to be high risk. In fiscal year 2022, we began working on the revision of the Anti-Bribery Guidelines to reflect the latest social trends.

The Compliance Section and regional headquarters outside Japan are working continuously to provide training and make procedures regarding anti-bribery known to all. Each Group company also checks the operation of the Anti-Bribery Guidelines using a self-assessment checklist at the end of every fiscal year, and the results are used to improve practices in the subsequent fiscal year.

In fiscal year 2022, compliance coordinator from each Nikon department and domestic Group company

provided training on anti-bribery with employees in each department and company.

We also conducted anti-bribery training at overseas Group companies in the Americas, Europe, South Korea, and Hong Kong. The Nikon Group has not experienced any violations of anti-bribery laws and regulations in the current fiscal year.



Nikon Anti-Bribery Policy

https://www.nikon.com/company/sustainability/governance/compliance/anti-bribery_policy.pdf

Prevention of Competition Law Violations

As set out in the Free Competition and Fair Business Dealings section of the Nikon Code of Conduct, the Nikon Group's fundamental position is to carry out fair competition and engage in business deals that comply with the competition laws of each country.

In recent years, the international community has increased its focus on compliance with competition laws, requiring more stringent efforts to comply with these laws. Through this training, which the Nikon Group provides on an annual basis, we strive to promote and raise awareness of legal compliance across the entire Nikon Group, as well as prevent competition law violations.

Training on Competition Law

In order to provide competition law training that is in line with the laws and regulations of each country where we operate, the Nikon Group conducts training globally. Specifically, Nikon's Compliance Section takes the lead role in competition law training for the entire group, and the same office is in charge of training for the Nikon Group in Japan. Outside Japan, the legal department of each business operations site and each Group company prepares a curriculum and provides training with the assistance of local law firms as necessary.

In the fiscal year 2022, the Nikon Group in Japan continued to implement e-learning programs, while outside Japan, training was provided based on the risks associated with each company's business activities.

Responding to Misconduct

In the event of violations of employment rules or the Nikon Code of Conduct, the Nikon Group will take strict disciplinary action in accordance with internal regulations after investigating all related matters.

In the fiscal year 2022, there were a total of seven significant disciplinary cases based on misconduct, etc., in the Nikon Group. The parties involved (a total of eight persons), and the management and supervisory personnel (a total of eight persons), were reprimanded. The main reasons for resulting in disciplinary actions above were involved theft, leakage of information, and illegal activities conducted outside of working hours at Group companies outside of Japan. Nikon continually provides education for employees through the newsletter, e-learning and other means in order to prevent the recurrence of misconduct.