



# NIKON REPORT 2025

Year Ended March 31, 2025

# Philosophy & Vision

## Our Philosophy

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### Trustworthiness and Creativity

Our corporate philosophy is "Trustworthiness and Creativity." These are simple words, but they are not easily put into practice. These important words represent unchanging principles to which we will always be dedicated.

## Our Vision

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### Unlock the future with the power of light

Unleashing the limitless possibilities of light.  
Striving to brighten the human experience.  
Focused, with purpose, on a better future for all.  
THIS IS THE ESSENCE OF NIKON.

## Our Qualities of Mind

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### Curiosity

We show our passion for progress through a wide range of interests to cultivate fresh ideas.

### Acceptance

We warmly embrace diverse ideas and delight in differences among people and cultures.

### Inspirational Power

We share our ideas with infectious enthusiasm to effect positive change in the world.

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### Editorial Policy

NIKON REPORT 2025 has been prepared as an integrated report for the purpose of providing shareholders, investors, and a wide range of other stakeholders with a better understanding of the Nikon Group's efforts to achieve medium- to long-term growth and corporate value improvements.

### Materiality and Completeness

This report explains the Nikon Group's growth strategies in the form of a simple narrative focused on highly material information. More detailed information on the topics touched on in this integrated report can be found on the "Investor Relations" and "Sustainability" pages of the Company's website.

### Reporting Period

April 1, 2024–March 31, 2025

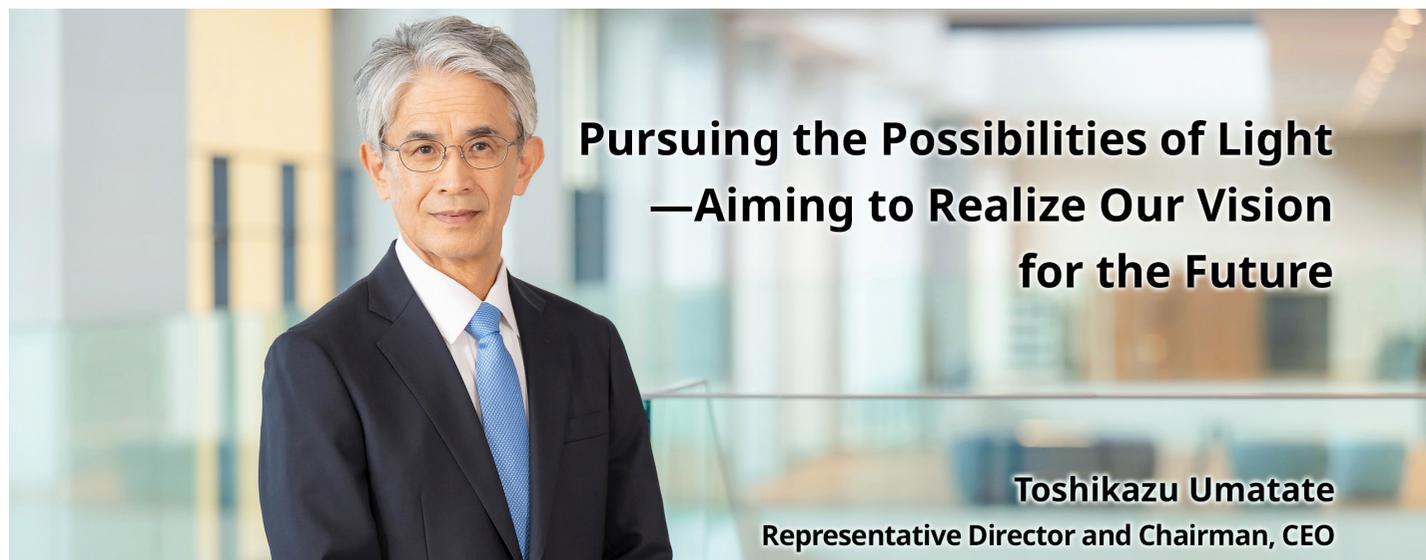
(This report includes information on some activities taking place after April 1, 2025.)

### Cautionary Statement

This report is a rearranged version of NIKON REPORT 2025 posted on the Company's website. Forward-looking statements for plans, strategies, projections, earnings, and other performance data contained herein are based on information available to the Company at the time of publication of the Nikon Report 2025 on the Company's website, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections. This report covers the activities of domestic and overseas Nikon Group companies, centered on Nikon Corporation. In principle, the terms "the Company" and "Nikon" refer to Nikon Corporation, while "the Group" and "the Nikon Group" refer to Nikon Corporation and its Group companies. As for the numerical values relating to the financial content of this report, figures displayed in billions of yen are truncated, and figures displayed in millions of yen are rounded to the nearest unit.

## Message from the CEO

August 2025



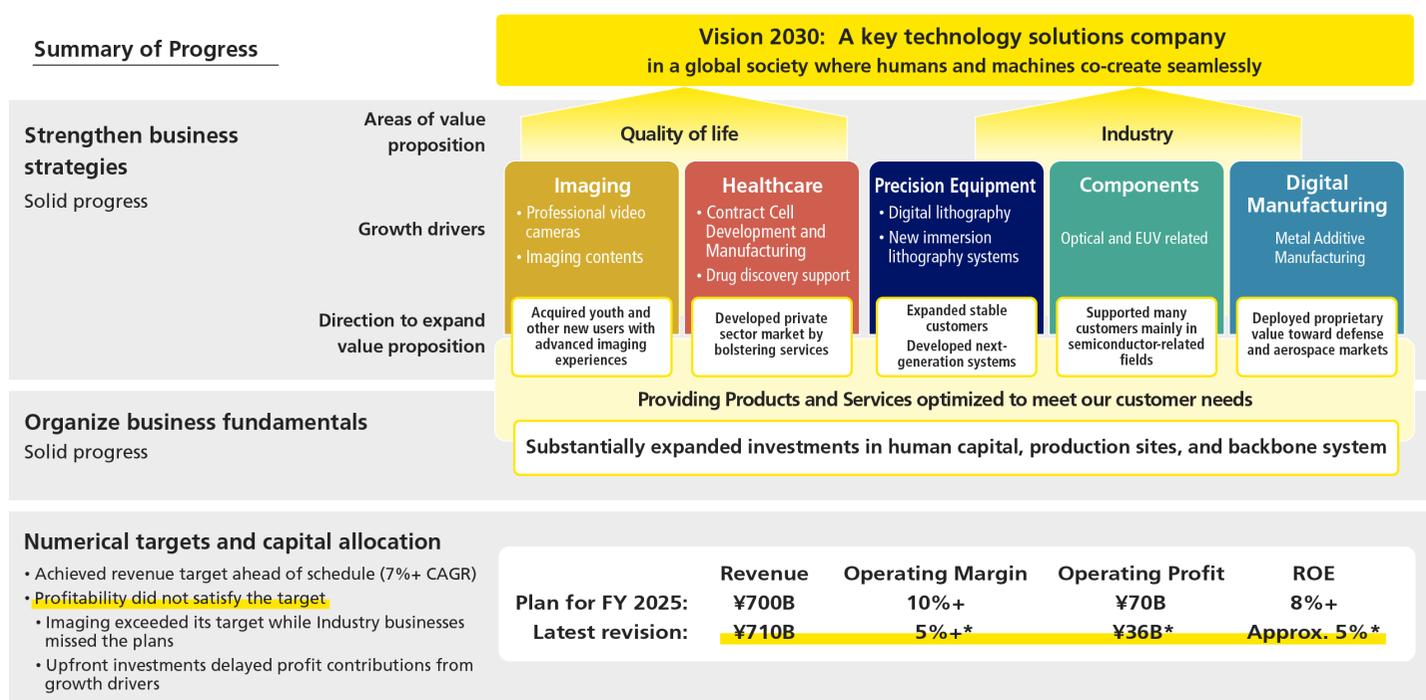
## Review of the Medium-Term Management Plan

Looking back on the fiscal year 2024, we faced a challenging global environment, marked by rising costs and inflation, as well as stagnating economic conditions across key regions. These pressures intensified competition across many of our businesses. Despite this, we steadily advanced our business strategies and strengthened our management foundation in line with the Medium-Term Management Plan (FY2022–FY2025). I would like to express my sincere appreciation to all stakeholders for their continued support.

We achieved our revenue target of 700.0 billion yen for the second consecutive year, a key milestone of the plan. At the same time, we recognize that further work is needed to improve profitability.

As we move into the final year of the current Medium-Term Management Plan (FY2025), we have positioned this year as a crucial preparatory stage for the next phase. We will work to enhance profitability through strategic investment selection and operational optimization—balancing short-term performance recovery with sustained long-term growth.

### Summary of Progress



\*The latest revision does not include the impact from US reciprocal tariffs.

\*The latest forecasts for FY2025 are as of May 2025.

## Progress by Business

### Imaging Products Business

The Imaging Products Business saw strong sales of new models including the Z6III and Z50II, resulting in continued growth in unit sales for both the digital camera-interchangeable lens type and interchangeable lens categories. Going forward, we will accelerate the rollout of advanced features developed for our flagship Z9 across other models and further expand our interchangeable lens lineup. We remain focused on deepening engagement with core enthusiasts in the mid- to high-end segment, while expanding our user base—particularly among younger generations.

In addition, following the full acquisition of RED Digital Cinema, Inc. in April 2024, we will maximize the synergy of integration to strengthen our presence in the expanding professional video camera market and develop new revenue streams.

### Healthcare Business

In the Healthcare Business, we continue to develop new business with private-sector clients through biological microscopy in Life Sciences, which accounts for nearly 60% of Healthcare Business sales. Application development and digital transformation (DX) in pathology diagnostics is further advancing, by means of our R&D bases in Japan, the U.S., and Europe.

Our Contract Cell Development and Manufacturing business supports a broad range of projects, from major pharmaceutical companies to regenerative medicine startups. In Eye Care, our proprietary ultra-wide-angle retinal cameras contribute to early disease detection, treatment, and prevention. Through these efforts, we aim to build a stable and sustainable earnings base.

### Precision Equipment Business

In our FPD Lithography Business, we strive to improve profitability by expanding sales negotiations with key customers through the introduction of high-resolution and high-productivity models.

In the Semiconductor Lithography Business, we progress the optimization of our production and service structures while working to grow our stable customer base. We have also invested in the development of new solutions such as digital lithography systems for back-end processes and a next-generation ArF immersion platform to drive future growth over the medium to long term.

### Components Business

The Components Business continues to see growing demand for high-precision optical components and EUV-related components in response to semiconductor scaling.

We also see solid growth for sales of X-ray and CT systems and services for the aerospace industry in the U.S. Looking ahead, we will continue to enhance our global solution capabilities that integrate finished products, services, and components to expand our business domain.

### Digital Manufacturing Business

In the Digital Manufacturing Business, we are focused on expanding our presence in the defense and aerospace markets through our subsidiary Nikon SLM Solutions AG (hereinafter "SLM"), which specializes in large-format metal 3D printers.

Leveraging our base in the U.S.—the largest market for metal 3D printing—we aim to deliver industry-leading solutions and services. By combining Nikon and SLM's technologies, we will accelerate the establishment of advanced metal additive manufacturing technology for large precision components.

## Progress in Strengthening Our Business Fundamentals

To support our business expansion over the medium- to long-term, it is vital to continue strengthening our management fundamentals. We advance initiatives across sustainability, human capital management, DX, manufacturing, and executive management by allocating capital toward our most critical priorities.

Continued Reinforcement		Needs to be focused on	
<b>Human capital management</b> Acquire, develop and leverage next-generation talent to collaborate with customers		<b>DX with a focus on customers and employees</b> Connect digitally with customers and data and convert to new value	
<b>Progress</b> <ul style="list-style-type: none"> <li>Acquired <b>600+ people 3 years in a row</b></li> <li>Enhanced management talent development plan</li> </ul>	<b>Path forward</b> <ul style="list-style-type: none"> <li>Strengthened support for early settlement and utilization of new grads and mid-career hires</li> <li>Develop solution architects</li> </ul>	<b>Progress</b> <ul style="list-style-type: none"> <li>Began renewal of backbone system (<b>Invest ¥30B out to 2030</b>)</li> <li>Launched integrated B2B website in Japan</li> </ul>	<b>Path forward</b> <ul style="list-style-type: none"> <li>Continue to renew backbone system</li> <li>Work efficiencies leveraging generative AI</li> </ul>
<b>Sustainability strategy</b> Contribute to society through Creativity		<b>Manufacturing</b> Organize production footprint to support all businesses	
<b>Progress</b> <p><b>Overall</b></p> <ul style="list-style-type: none"> <li>Maintain high marks from third-parties and launch products that solve challenges to society</li> </ul> <p><b>Environmental strategy</b></p> <ul style="list-style-type: none"> <li>Use of renewable energy: <b>71% of total</b></li> <li>Greenhouse gas reduction: 56% (vs. FY22)</li> </ul> <p><b>External evaluations</b></p> 	<b>Path forward</b> <ul style="list-style-type: none"> <li>Strengthen initiatives to promote human rights and address the need for non-financial disclosures</li> <li>Reduce greenhouse gases, including the value chain</li> <li>Reach 100% use of renewable energy in FY 2030</li> <li>Strengthen initiatives toward resource circulation</li> </ul>	<b>Progress</b> <ul style="list-style-type: none"> <li>Rolled out measures in line with plans to reorganize our production footprint and added production capacity in components</li> </ul>	<b>Path forward</b> <ul style="list-style-type: none"> <li>Address aging production facilities and move solidly toward a production structure that flexes with fluctuation in demand (<b>Invest ¥100B out to 2030</b>)</li> </ul>
		<b>Executive management</b> Bolster of Governance of group companies Organize global compliance regime	
		<b>Progress</b> <ul style="list-style-type: none"> <li>Consolidated governance, risk management, and compliance functions</li> </ul>	<b>Path forward</b> <ul style="list-style-type: none"> <li>Bolster global governance by re-organizing second- and third-line functions at Regional Headquarters</li> </ul>

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## Sustainability strategy

Our sustainability initiatives continue to earn high recognition from external stakeholders. In the society and labor area which is one of the themes of our materialities, we revised the Nikon Human Rights Policy in April 2025 to further align with the UN Guiding Principles on Business and Human Rights in response to evolving societal expectations and changes in our business environment.

In the environment area, our performance on GHG reduction and renewable energy utilization has exceeded the targets set in the current Medium-Term Management Plan. In February 2025, we also revised Nikon Environmental Policy to clarify key action areas in response to rising disclosure demands globally. We will continue contributing to a sustainable society while pursuing sustainable growth for Nikon.

## Human capital management

We promote a fully integrated approach to business and human resource strategy, focused on the three pillars of acquiring, developing, and leveraging talent.

In terms of talent acquisition, we have hired over 600 new employees for three consecutive years. Our executive development programs are also being enhanced and we provide strong support for early-stage career integration. We will continue to cultivate solution engineers capable of delivering new value in partnership with customers.

## DX with a focus on customers and employees

We actively hire DX talent and are raising the digital skills of our workforce. In May 2025, we relaunched our website for corporate customers that spans our businesses to enhance digital marketing capabilities. Toward 2030, we are also moving forward with foundational system upgrades to promote DX across the entire Group.

## Manufacturing

The origin of Nikon lies in manufacturing, which we focus on strengthening. In the face of rapidly shifting demand and evolving business environments, we work to enhance our production sites with the aim of building a more flexible and efficient production structure.

To support medium- to long-term growth, we are investing in production infrastructure, including expanded lens manufacturing capacity, which forms the backbone of Nikon's product excellence.

## Executive management

Strengthening of our global governance and compliance systems across the Nikon Group is underway. In October 2024, we consolidated governance, risk management, and compliance functions—previously distributed across departments—into an integrated structure, enabling global and group-base management. We will continue to enhance regional oversight capabilities and expand our second- and third-line functions to ensure robust governance worldwide.

## Toward Even Greater Trustworthiness and Creativity

Since its establishment in 1917, Nikon has continued to push the boundaries of light to earn the trust and expectations of customers while creating new value. In 2025, we mark 108 years since our establishment and 100 years since the launch of Nikon's first microscope.

Nikon microscopes have made the invisible visible—supporting breakthroughs in life sciences, cutting-edge medical care, and advanced industries such as semiconductors.

In order to provide products and services optimized to meet our customer needs, we will consistently consider what customers really want and deliver solutions integrating end-products, service and components.

We aim to successfully achieve our Vision 2030 “to become a key technology solutions company in a global society where humans and machines co-create seamlessly.”

## Message from the CFO

August 2025

**We will enhance corporate value through profitability improvements, selective investments in growth businesses and stable shareholder returns, focusing on financial discipline and capital efficiency.**

**Takeshi Matsumoto**

**Corporate Vice President, CFO,  
General Manager of Finance & Accounting**



### Upon my appointment as CFO

I would like to take this opportunity to introduce myself. My name is Takeshi Matsumoto, and I was appointed as CFO of Nikon in April 2025, succeeding President Tokunari in this role.

Over the past 20 years, I have worked at financial institutions in both Japan and the United States, primarily providing advisory services on M&A strategies, capital financing, and investor relations arrangements for major Japanese technology companies. Nikon, one of my key clients during that time, welcomed me into the Company in May 2021. Since then, I have served as the head of the finance and accounting division, and I am now honored to take on the responsibilities of CFO. As CFO, I will accelerate the initiatives pursued by my predecessor—including active engagement with shareholders and investors, disciplined finance management to support sustainable growth, and efforts to increase corporate value.

Currently, while sales of the Imaging Products Business have been satisfactory, the downturn in the semiconductor-related business due to the delay of the market recovery and the tariff policy in the U.S., etc. is having a significant impact on Nikon's overall performance.

While improving profitability remains a top priority, it is also essential that we continue to invest by clarifying our focus areas and setting priorities as we advance toward realizing our Vision 2030—"A key technology solutions company in a global society where humans and machines co-create seamlessly"—and enhance Nikon's long-term corporate value.

We will shift to a business operation that considers not only the profit and loss statement but also the balance sheet and cash flow. By maintaining financial soundness and conducting business management that efficiently allocates our limited capital, we aim to support Nikon's sustainable growth and corporate value creation, leveraging the Company's technological strengths.

### Looking back at FY2024

In the fiscal year 2024, which was the third year of the Medium-Term Management Plan, revenue decreased 1.9 billion yen year on year to 715.2 billion yen, operating profit decreased 37.3 billion yen year on year to 2.4 billion yen, profit attributable to owners of parent decreased 26.4 billion yen year on year to 6.1 billion yen, and ROE was 0.9%.

In terms of revenue, sales in the Imaging Products Business, the Healthcare Business, and the Digital Manufacturing Business performed strongly, resulting in increased revenue. However, sales in semiconductor-related businesses within the Precision Equipment Business and the Components Business declined, leading to a slight decrease in overall company revenue compared to the previous year.

Operating profit declined significantly due to the recording of one-time expenses totaling 27.2 billion yen across the company. This includes 14.1 billion yen in the Precision Equipment Business's Semiconductor Lithography Business, resulting from a review of future plans, comprising impairment losses on fixed assets, inventory valuation losses, and structural reform costs related to the optimization of service bases.

## Outlook for FY2025 (Details announced in May 2025)

For FY2025, the final year of the Medium-Term Management Plan, we forecast revenue of 710.0 billion yen, operating profit of 36.0 billion yen (an operating margin of 5.1%), and profit attributable to owners of parent of 30.0 billion yen.

While revenue growth is expected in the Components Business and the Digital Manufacturing Business, overall company revenue is forecast to be effectively flat year on year due to a decline in sales volume and service revenue for ArF immersion lithography systems—our main product in the Semiconductor Lithography Business—as well as the assumption of a stronger yen compared to the previous year.

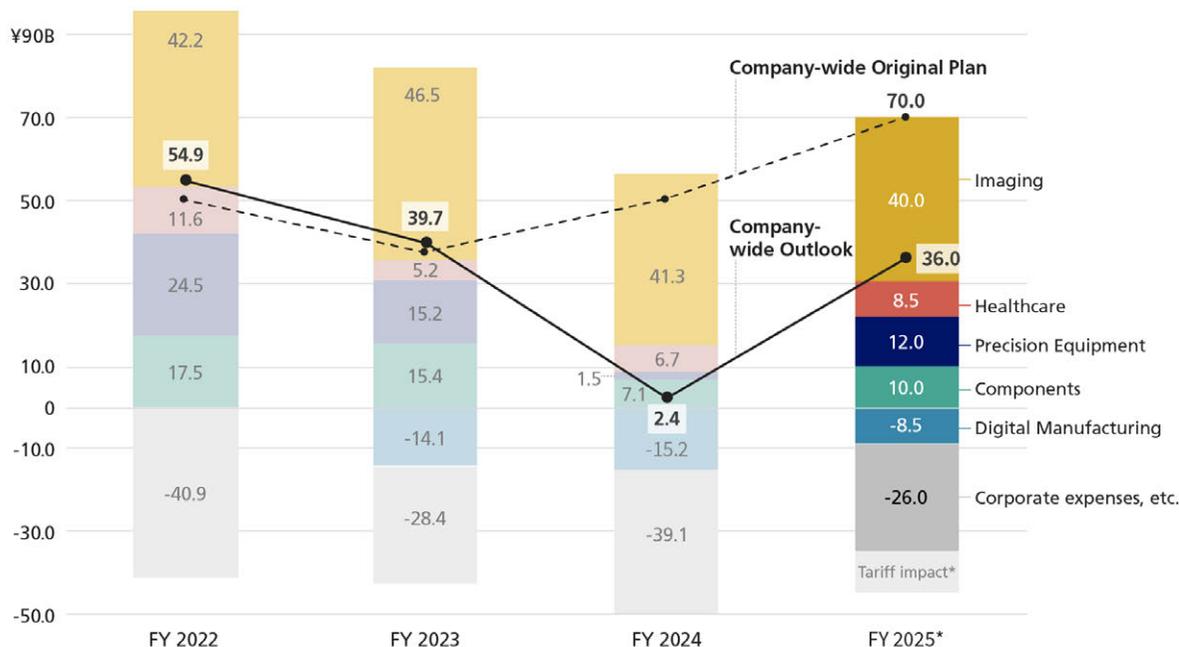
On the other hand, operating profit is expected to increase, driven by revenue growth in certain businesses and the absence of one-time expenses recorded in the previous fiscal year. In addition, we will pursue self-help efforts such as the sale of idle assets and reductions in R&D expenses. We also anticipate the positive effects of restructuring implemented in FY2024.

As a result, we are planning a significant year-on-year increase in operating profit of 33.6 billion yen. ROE is projected to be 4.7%.

While earnings are expected to improve compared to FY2024, we anticipate falling significantly short of the Medium-Term Management Plan targets, which include revenue of 700.0 billion yen, an operating margin of 10% or more (operating profit of 70.0 billion yen or more), and ROE of 8% or higher—except for revenue, which is expected to meet the goal. We recognize that improving profitability is an urgent priority. To this end, we will pursue fixed cost reductions and enhance balance sheet efficiency—working together with the entire company toward performance recovery.

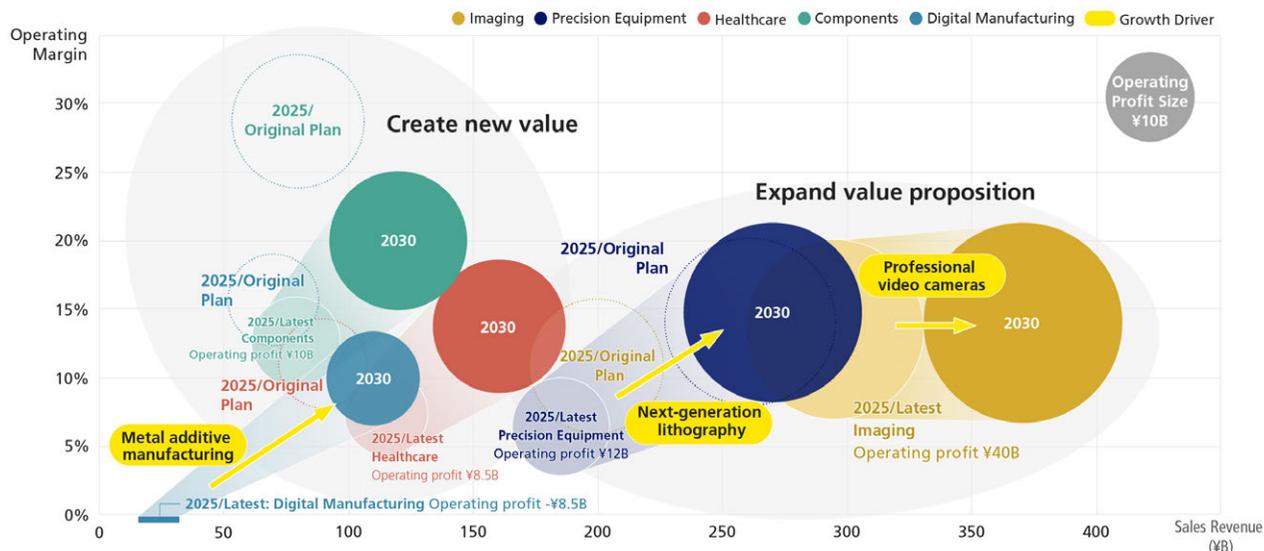
Please note that the above earnings forecast does not reflect the potential impact of reciprocal tariffs imposed by the U.S. government. As of May, we estimate a negative impact of approximately 10.0 billion yen on operating profit, but this estimate will be updated as more information becomes available.

### Operating Profit



\* Forecast as of May 2025

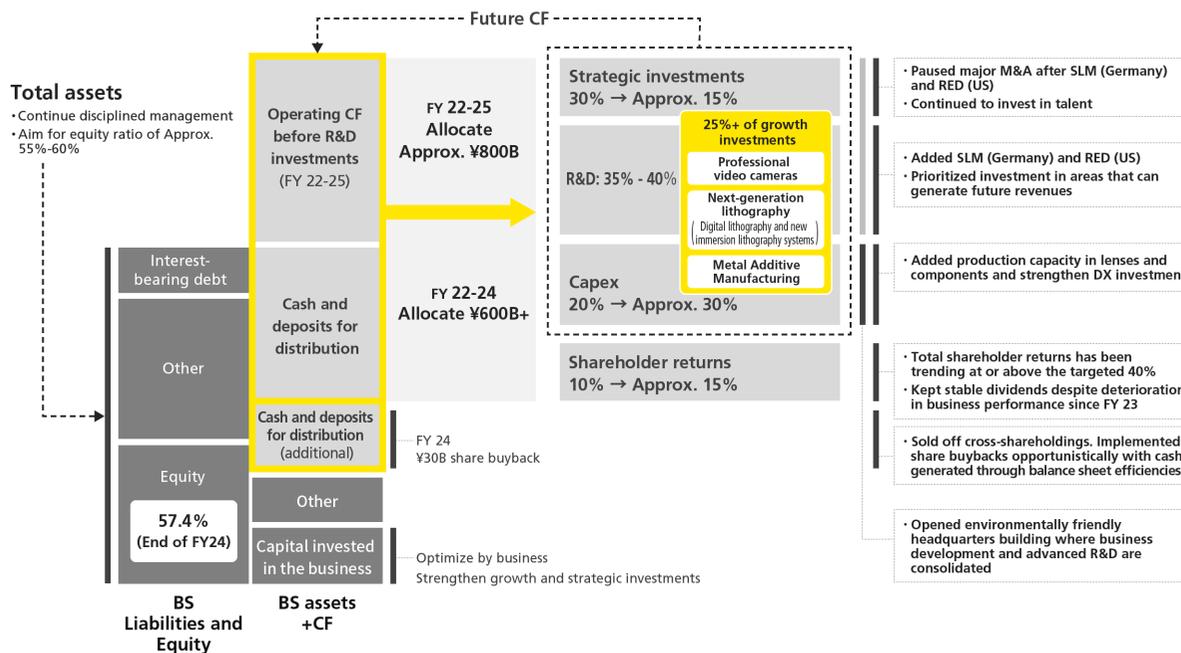
As we approach 2030, the Precision Equipment Business aims to drive revenue growth through next-generation lithography systems and diversification of its customer base. The Imaging Products Business will focus on securing stable profits by introducing competitive professional cinema cameras and acquiring new customers, including those among the younger generations. We also plan to steadily expand earnings in the Healthcare and the Components Businesses, both of which offer relatively high operating margins. Meanwhile, the Digital Manufacturing Business will strive for revenue growth that outpaces the overall industry in metal additive manufacturing, while working to reduce operating losses at an early stage.



## Capital allocation—selective and focused R&D Investment

To achieve the growth outlined in our Medium-Term Management Plan, we will allocate 80% or more of available funds for distribution to growth investments, as an R&D-driven company.

While remaining open to potential future opportunities, we have completed the current phase of strategic investments with large-scale M&A such as the acquisitions of SLM Solutions Group AG (now Nikon SLM Solutions AG) and RED Digital Cinema, Inc. (hereinafter “RED”)—and we will shift our focus to maximizing synergies with RED regarding professional cinema cameras, advancing next-generation lithography systems in the Precision Equipment Business, and expanding metal additive manufacturing in the Digital Manufacturing Business. These three domains have been identified as priority areas for concentrated capital investment going forward.



Regarding shareholder returns, as part of our efforts to enhance management with greater awareness of capital costs and stock price performance, we carried out a 30.0 billion yen share repurchase in FY2024, utilizing funds generated through balance sheet optimization measures such as the sale of cross-shareholdings.

Although we initially planned to gradually increase annual dividends to 60 yen per share by FY 2025, we have decided to maintain the annual dividend at 50 yen per share for both FY2024 and FY2025. As a result, the total shareholder return ratio during the period of the Medium-Term Management Plan is projected to reach 111.3%, exceeding our target of 40% or more.

### Shareholder returns each fiscal year

	FY2022	FY2023	FY2024		FY2025*	
Medium-Term Management Plan (4 years)						
Dividends	¥45	¥50	Before ¥55	After ¥50	Before ¥60	After ¥50
	Year-end ¥25 Interim ¥20	Year-end ¥25 Interim ¥25	Year-end ¥30 Interim ¥25	Year-end ¥25 Interim ¥25	Annual ¥60	Annual ¥50
Share buybacks	¥30.0B (Equivalent to 5.7% of outstanding shares)	—	¥30.0B (Equivalent to 5.4% of outstanding shares)		—	
Total shareholder returns	102.0%	53.2%	765.8%		54.8%	

### Cumulative shareholder returns during the Mid-term Plan

	Target	Outlook*
Capital allocation	10%+ of about ¥750.0B in cumulative funds for possible allocation	About 15%+ of about ¥800.0B in cumulative funds for possible allocation
Total shareholder returns	40%+ (Stable dividends + opportunistic share buybacks)	111.3%

\* Forecast as of May 2025

In FY2024, Nikon entered a net debt position for the first time in 16 years—meaning that interest-bearing debt exceeded cash and cash equivalents. In order to enhance shareholder value while maintaining financial soundness, we recognize that it is more important than ever to conduct corporate management with a strong focus on financial discipline and capital efficiency.

By working to establish effective management practices throughout the Company for our balance sheet and cash flow, we also work toward sustainable enhancement of Nikon's corporate value through profitability improvements, selective investments in growth businesses, and stable shareholder returns.

We sincerely appreciate the continued understanding and support of all our stakeholders.

## Vision 2030

### **A key technology solutions company in a global society where humans and machines co-create seamlessly**

With technologies developed over more than 100 years, Nikon will expand into new fields.

Bringing people and machines closer together, and freeing creativity.

Co-creation will produce new value that we will share broadly with society.

## Nikon's Value Proposition for the Future

With advances in technology, great change (a "megashift") is expected to take place in society by 2030.

Nikon will identify the diverse needs of society this produces, and stay ahead of the curve, contributing to society in two fields of value proposition.

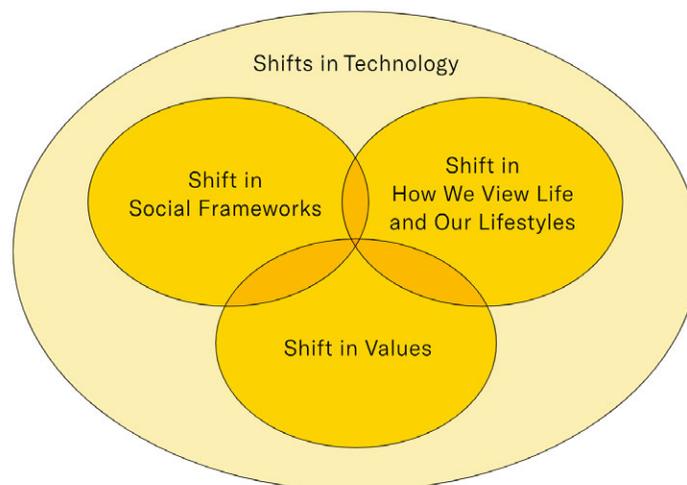
### Changes Expected in Society by 2030

Looking ahead to society in 2030, broadly speaking, we believe there will be an acceleration in the technology shift that will achieve the further evolution and enhancement of engineering and machines.

The acceleration of initiatives to address society's challenges, such as climate change and natural resource shortages, will result in a shift in social frameworks. The advancement of the quality of life-enhancing entertainment and the evolution of medical care will bring a shift in how we view life and our lifestyles.

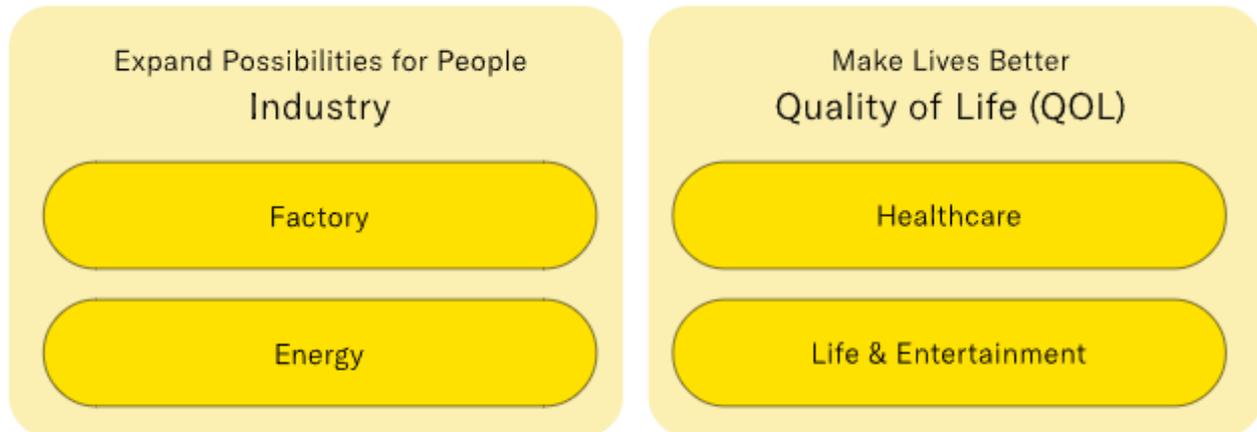
We anticipate the shift and diversification in values from owning to sharing.

As a result of these megashifts, we believe that people will focus more on the pursuit of self-expression and value, and that co-creation by humans and machines will play a more important role than ever before.



## Nikon's Value Proposition

Nikon has established two fields for value proposition: industry and quality of life (QOL), in response to these megashifts that may occur in society. More specifically, we will offer solutions to the needs and challenges of society and industry in four areas: factory, energy, healthcare, and life & entertainment.



Expand possibilities for people

### Industry Field



#### Factory

##### Flexible manufacturing in response to diverse needs

Using light as a tool, we aim to eliminate restrictions on processing size and location to become a society that effortlessly employs flexible manufacturing systems. We will develop dynamic vision systems that far outperform the human eye, joints that move quickly and smoothly, and so on, to contribute to greater sophistication of robots. Having robots that perform work on behalf of humans will enable manufacturing in harsh conditions.



#### Energy

##### Leverage innovative technology and manufacturing to build environmentally friendly systems

By applying innovative processing technology to add "riblets," microscopic structures that simulate shark skin, to the surface of products, such as aircraft, ships and wind turbine blades, we can reduce air and water resistance, and boost energy efficiency. In addition, we will promote re-use, developing an environment where repair work is easier, with metal 3D printers that employ optical technologies and precision control technologies, to handle repairs that were difficult to perform without engineers, such as for turbine blades.

Make lives better

## Quality of Life (QOL) Field



### Healthcare

#### Achieve order-made treatment and prevention through sophisticated systems

With technology and expertise cultivated by Nikon over many years for the observation and evaluation of cells, we will support research and product development, advancing regenerative medicine and individualized treatment, contributing to the realization of a society that can provide patients with optimal care. Also, we will promote development of systems that use artificial intelligence (AI) to support diagnosis by doctors, to help in the early detection of illnesses. By linking this to earlier treatments, we aim for a future where lives are saved.



### Life & Entertainment

#### Popularize imaging technologies to advance learning and creation

Provide realistic learning spaces to support remote learning, dangerous work, and training for emergency response. Through practical learning in virtual spaces, we can enhance learning outcomes, and promote the creation of environments that deliver learning opportunities to more people. In image production, we will advance development of tools that anyone can use, with 3D and 4D technologies that could previously only be handled by a few people, creating opportunities for more people to be involved with new technologies.

# Towards Realization of Vision 2030

By further drawing out human creativity and promoting the building of sustainable environments, humans and machines can co-create seamlessly, whereby we will experience diverse abundance.

Such a society is unfolding before our eyes.

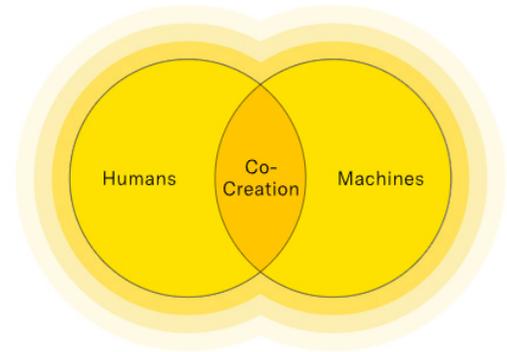
Nikon will accelerate co-creation in order to expand even further in new directions.

## Aim for Co-Creation

### We will accelerate co-creation to expand possibilities for humans and machines.

Previously, humans had a one-directional relationship with machines, simply using them as tools. We will change that relationship, producing value through interaction. For example, by machines taking over work that is unpleasant for humans, we can spend our time on creative tasks. With machines that support training, we can elicit greater human capacity and potential than ever before.

We will expand possibilities for humans and machines by further advancing a society where humans and machines co-create, causing a chemical reaction in various fields, and giving back to society as a whole.



## Nikon's Strengths

Enable seeing what could not be seen, achieving what was not possible, understanding what was not understood. Moving forward, we will continue our approach of making the impossible possible.

Through over 100 years of history, we have nurtured three strengths.

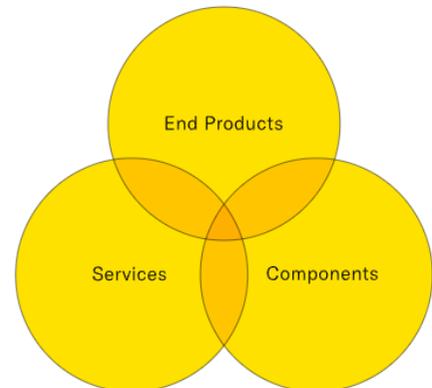
Capability in nanometer-level ultra-high precision manufacturing, such as in semiconductor lithography systems. Brand power to share globally and capability to universalize sophisticated solutions, achieved through digital cameras and so on. Strong support from many stakeholders, including customers, business partners and employees.

We will leverage these strengths to realize seamless human-machine co-creation.



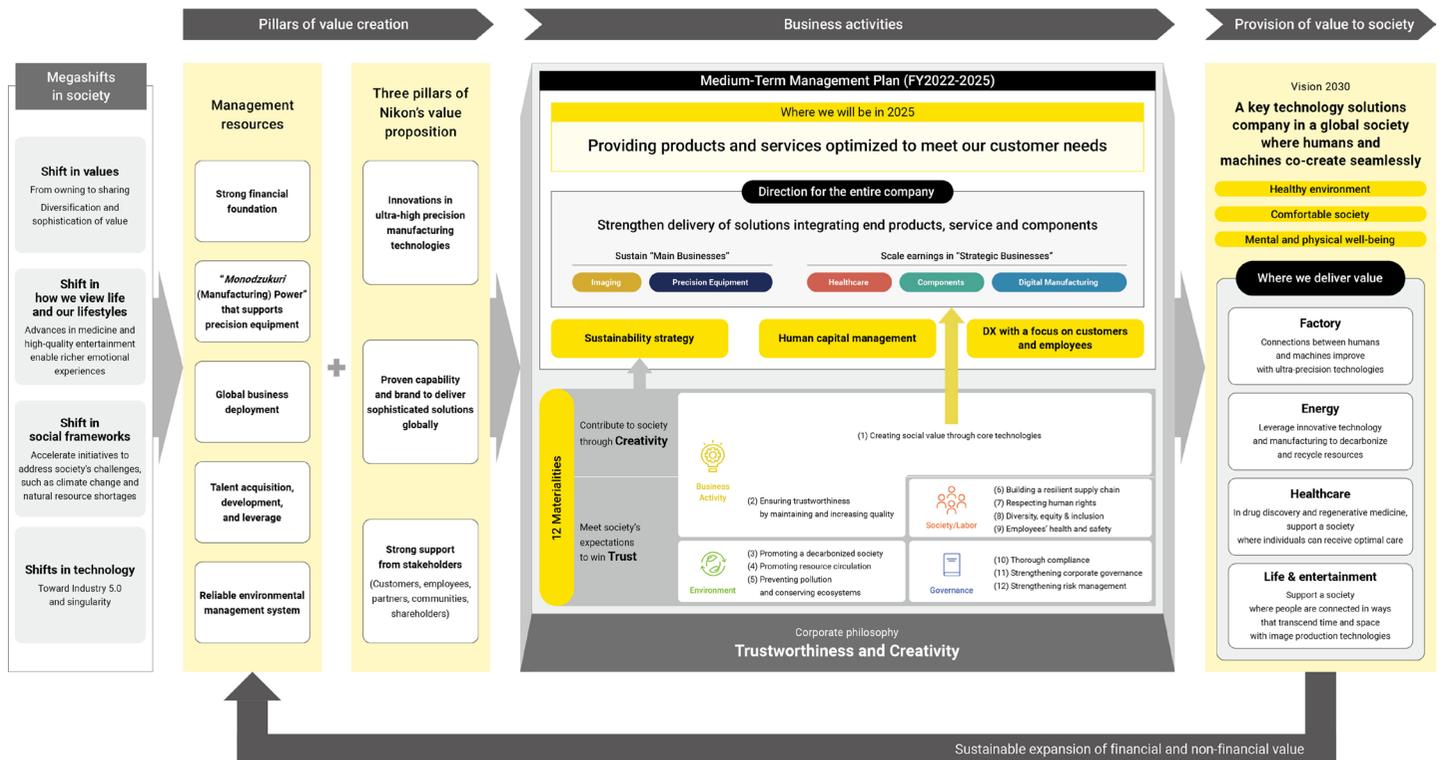
## Business Model Advancement

In the future, Nikon will offer customers integrated solutions encompassing end products, services and components, aiming to realize Vision 2030. Centered on three axes, we will diversify ways to provide value, and expand interactions with customers and society. Furthermore, by connecting businesses that were previously independent, we will deliver optimal proposals suited to their aims, while crossing domains.



# Value Creation Model

Nikon will leverage its unique management resources and create social value by promoting business activities, sustainability, and corporate governance based on its corporate philosophy of “Trustworthiness and Creativity.”



# Management Resources

## Strong financial foundation

Ratings

Japan Credit Rating Agency, Ltd. (JCR)

Updated in June 2025

**A+ [Stable]**

Rating and Investment Information, Inc. (R&I)

Updated in July 2025

**A [Stable]**

## “Monodzukuri (Manufacturing) Power” that supports precision equipment

R&D expenditures to revenue

FY2024

**11.2%**

Capital expenditures

FY2024

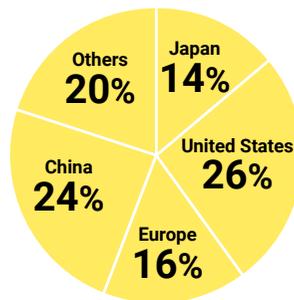
**69.3 billion yen**

(Incl. HQ building construction expenses, etc.)

## Global business deployment

Ratio of revenue by region

FY2024



## Talent acquisition, development, and leverage

Number of employees

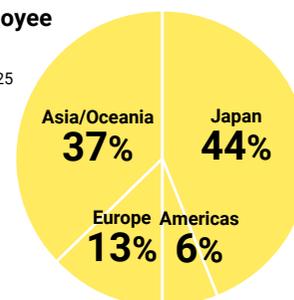
As of end March 2025

**Consolidated: 20,069**

**Non-consolidated: 4,634**

Ratio of employee by region

As of end March 2025



## Reliable environmental management system

Ratio of Scope1 and 2 GHG emission reduction

FY2024

**56%**

(compared to FY2022 / FY2030 target : 57%)

Renewable energy adoption rate

FY2024

**71%**

(FY2030 target: 100%)

# Technology

Nikon's technology is characterized by its use of light and its precision. With applied optics and precision technologies as our core technologies, we are developing a wide range of technologies, including "Optical Technology," "Materials," "Precision Processing," "Precision Measurement," "Software & System" and "Image Processing."

Products and services created by combining these technologies will provide our society with diverse values and open up future possibilities that Nikon aims to achieve.

## Two Core Technologies

Freely controls light

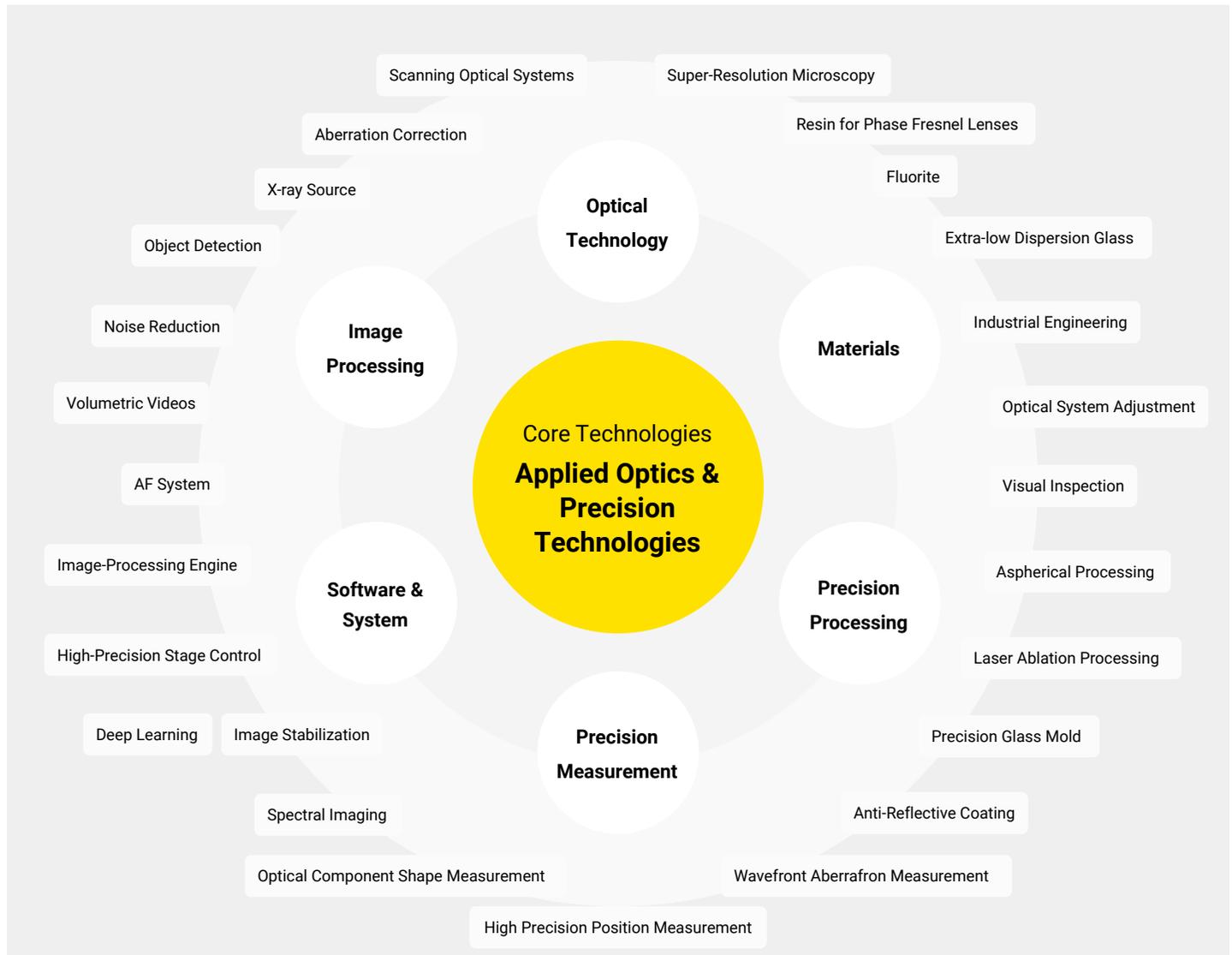
### "Applied Optics"

This technology is capable of handling light in a wide wavelength range, from X-rays to infrared rays, with high precision. We can provide products and services tailored to a variety of purposes.

Controls nanometers

### "Precision Technologies"

Nikon's diverse precision technologies support our society in many situations, including technology for highly accurate overlaying of electronic circuits at the nanometer level (semiconductor lithography systems).



## Nikon Brand

Acting in accordance with its corporate philosophy of “Trustworthiness and Creativity,” Nikon has developed a globally trusted and recognized brand by establishing a reputation of being helpful to industry and people alike through the supply of products and solutions based on its core opto-electronics and precision technologies. At Nikon, we have weaved a co-creative relationship between people and machinery over our 100-year history. Looking towards the future, it is our conviction to provide society with a new value founded from co-creation by bridging the gap between humans and machinery. This passion is represented in our Vision 2030 to become “a key technology solutions company in a global society where humans and machines co-create seamlessly.” To realize a sustainable society in which people and machines co-create, we will apply the technologies we have cultivated thus far to various fields and embody the Nikon brand, which continues to rise to the challenge of providing new value by anticipating changes in the times.

### Brand Contents

Nikon continues to produce and distribute various contents to promote understanding of the Company.

#### Corporate Advertisement



Takumi Kitamura has been cast as the lead in the commercial aired in Japan. The commercial illustrates Nikon's wide-ranging business operations and ongoing pursuit to unlock the infinite possibilities of its products and services.

#### Movie "Nikon's Value Proposition"



Introducing Nikon's new initiatives in four areas of value proposition towards 2030.

#### Website "Vision 2030 magazine"



Vision 2030 magazine is a media that shares the many challenges embarked upon by Nikon to realize their vision towards 2030 in an everchanging world.

<https://www.nikon.com/company/corporate/brand/>

### Sponsorship

Individuals are currently being presented with more opportunities to express themselves in various fields, such as sports and art, by pushing their limits.

Nikon has a long-standing history of supporting creative pursuits, particularly in the field of visual imaging.

We are now broadening our horizons to provide new values, much like such individuals do.

With the hope that our endeavors will provide more challenges and inspirations in the future, we are committed to supporting athletes, artists, and those who assist them.



The Open



AIG Women's Open



HERALBONY Art Prize 2025

# Progress Report on Medium-Term Management Plan (FY 2022 to FY 2025)

(Based on the May 2025 announcement)

## Final Year of the Medium-Term Management Plan toward Vision 2030

**Vision 2030: A key technology solutions company in a global society where humans and machines co-create seamlessly**

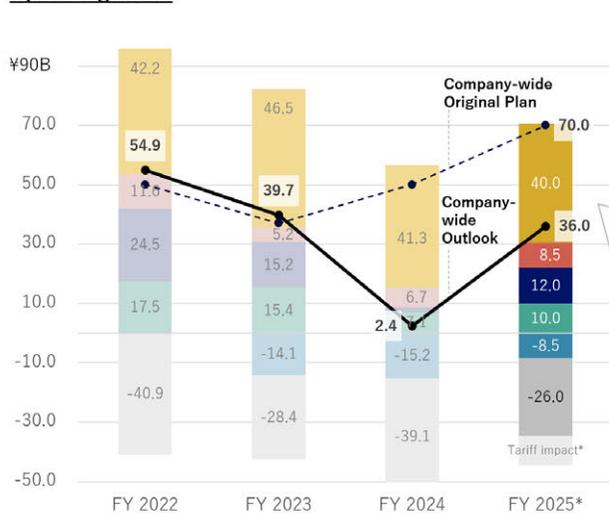
Summary of Progress		Quality of life					Industry			
<b>Strengthen business strategies</b> Solid progress	Areas of value proposition	<b>Imaging</b> • Professional video cameras • Imaging contents Acquired youth and other new users with advanced imaging experiences		<b>Healthcare</b> • Contract Cell Development and Manufacturing • Drug discovery support Developed private sector market by bolstering services		<b>Precision Equipment</b> • Digital lithography • New immersion lithography systems Expanded stable customers Developed next-generation systems		<b>Components</b> Optical and EUV related Supported many customers mainly in semiconductor-related fields		<b>Digital Manufacturing</b> Metal Additive Manufacturing Deployed proprietary value toward defense and aerospace markets
	Growth drivers	Providing Products and Services optimized to meet our customer needs								
	Direction to expand value proposition	Substantially expanded investments in human capital, production sites, and backbone system								
<b>Organize business fundamentals</b> Solid progress										
<b>Numerical targets and capital allocation</b> <ul style="list-style-type: none"> <li>Achieved revenue target ahead of schedule (7%+ CAGR)</li> <li><b>Profitability did not satisfy the target</b> <ul style="list-style-type: none"> <li>Imaging exceeded its target while Industry businesses missed the plans</li> <li>Upfront investments delayed profit contributions from growth drivers</li> </ul> </li> </ul>		<b>Plan for FY 2025:</b> <b>Latest revision:</b>	<b>Revenue</b> ¥700B ¥710B	<b>Operating Margin</b> 10%+ 5%+*	<b>Operating Profit</b> ¥70B ¥36B*	<b>ROE</b> 8%+ Approx. 5%*				

**Solid progress in business strategies and fundamentals, however, profitability improvements fell short. Advancing selective investment and rationalization of operations to achieve both short-term business performance and long-term growth**

\*The latest revision does not include the impact from US reciprocal tariffs.

## Actual and Outlook by Business (FY 2022- 2025)

### Operating Profit



### FY 2025 Revenue

(Billions of yen)	Target	Latest outlook	
Imaging	200.0	295.0	Market growth in mid/high-end, an area of focus for Nikon
Healthcare	90.0	115.0	Progress made developing private sector market
Precision Equipment	260.0	185.0	Delayed recovery in semiconductor market + reduced capital spending at existing customers
Components	139.0	79.0	Delays to business expansion other than optical components
Digital Manufacturing	11.0	33.0	Nikon SLM Solutions made substantial contributions (not included in original plan)
Other	0.0	3.0	
<b>Total</b>	<b>700.0</b>	<b>710.0</b>	

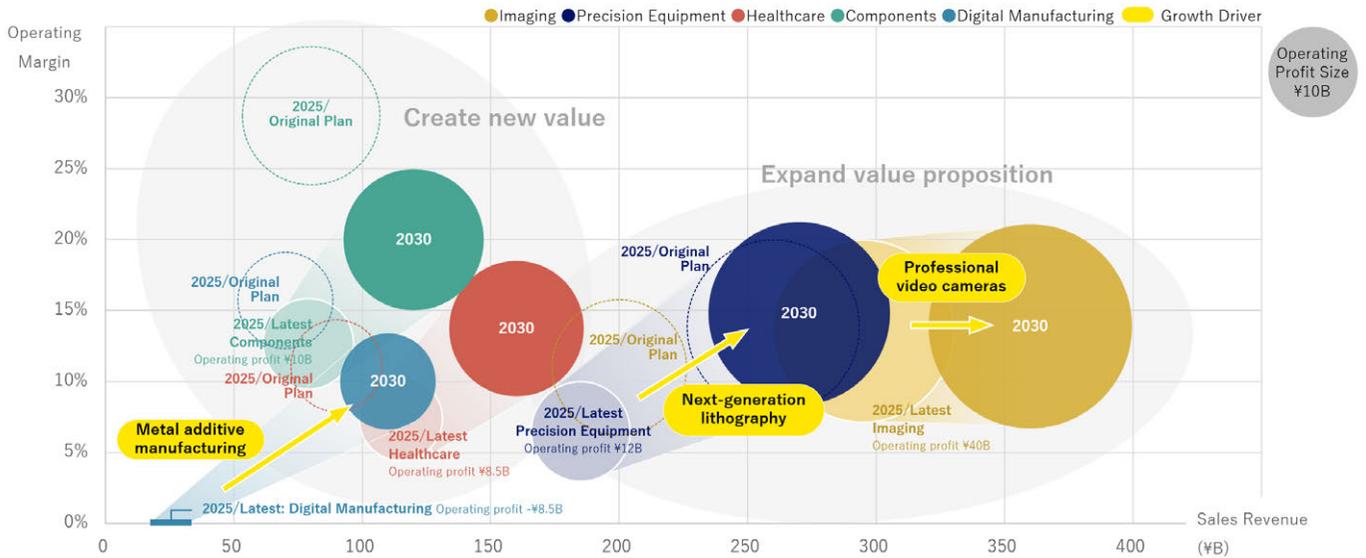
### FY 2025 Operating Profit

(Billions of yen)	Target	Latest outlook	
Imaging	22.0	40.0	Strength in professional and enthusiast mirrorless cameras and lenses
Healthcare	10.0	8.5	Solid if eliminate ¥2.0B of one-off costs in Eye Care
Precision Equipment	36.0	12.0	Structural reforms lowered the breakeven point. Strengthened next-generation development
Components	30.0	10.0	Stagnant demand in semiconductor continues. Growth in industrial equipment delayed
Digital Manufacturing	4.0	-8.5	Increased D&A burden and development investments following Nikon SLM Solutions acquisition
Corporate costs	-32.0	-26.0	Restrained investments in growth. Includes in capital gains from the sale of idle assets.
<b>Total</b>	<b>70.0</b>	<b>36.0</b>	US reciprocal tariffs could have ¥10B negative impact
<b>Operating Margin</b>	<b>10.0%</b>	<b>5.1%</b>	

**FY 2025 Outlook: Although Imaging trending upside, B2B businesses are down substantially per weak semiconductor market conditions. Undertaking business restructuring and sale of under-utilized assets to improve balance sheet**

\* Industrial Metrology Business is included within Components. Annual amortization of intangible assets resulting from Nikon SLM Solutions acquisition is ¥3.6B.

## Mid/Long-term Revenue Portfolio



**Aiming for 1 trillion yen in revenue and 10%+ operating margin in 2030 through enhanced value proposition**

\* FY25/Original Plan data is expressed using former segmentation. Figures expressed here do not include corporate costs (FY 25 -¥26B). Targets for 2030 to be officially decided in March 2026.

## Imaging: Status of Business Operations

Quality of life

### Vision

Expand the possibilities of visual expression and acquire overwhelming support from all generations of fans around the world

Earnings plan	Achieve revenues of ¥200B and operating profit margin of 10% on a stable basis				
	FY 22	FY 23	FY 24	FY 25 Outlook	
Revenue	¥227.1B	¥279.7B	¥295.3B	¥295.0B	
Operating Profit	¥42.2B	¥46.5B	¥41.3B	¥40.0B	

### Progress in FY 24

#### ■ Increased customer acquisition

- Expand youth and other new users leveraging support from core fans in the strong market for mid/high-end models (from 3.0 to 4.5+ million units per year)
- Share strengths with RED and acquire professional video customers
- Studios are expanding order-taking across a wide range of contents leveraging the latest imaging technologies

#### ■ Expanded value proposition

- Further deploy leading-edge functionality from the Z9 to enhance customer experience across a broad range of fans, from professionals to beginners, and expand the mirrorless camera lens lineup to about 45 lenses
- Leverage RED to begin selling Nikon Z-mount products aimed at accessing film-making, high-end video production and creators' markets
- Strengthen applications and services leveraging the cloud service

### Business strategy



**Aiming to expand market share and secure stable earnings in mid/high-end market by deploying leading-edge functionality and strengthening video strategy**

\*Market size information comprises Nikon estimates based on data available in FY 24. RED(US) was set to become a wholly owned subsidiary in April 2024.

## Healthcare: Status of Business Operations

Quality of life

**Vision** Support improving quality of life for people through innovation

Earnings plan	Grow operating profit to ¥10B in 2025				
	Revenue	FY 22 ¥99.3B	FY 23 ¥107.8B	FY 24 ¥116.4B	FY 25 Outlook ¥115.0B
	Operating Profit	¥11.5B	¥5.3B	¥6.7B	¥8.5B

**Progress in FY 24**

■ **Increased customer acquisition**

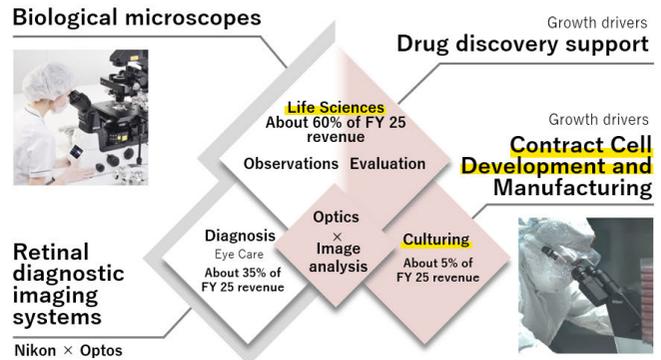
- Expand sales of biological microscopes to 50%+ of total revenue by developing the private sector, which comprises 70% of the market
- In Contract Cell Development and Manufacturing, support a broad range of customer projects from big pharma to regenerative medicine ventures

■ **Expanded value proposition**

- Currently, biological microscopes account for almost 60% of sales. Grow high-priced system microscopes to 70%+ of biological microscopes to reach stable revenues of ¥100B
- Eye Care contributes to early discovery, treatment and prevention of ailments through our proprietary ultra-wide-angle retinal camera
- In drug discovery support service, establish R&D centers in Japan and US, strengthen our R&D structure, expand applications and promote pathology diagnosis DX.

**Business strategy**

Support customer innovation through value propositions that extend from our core technologies



Aiming to reach stable achievement of ¥100B revenue and ¥10B operating profit

## Precision Equipment: Status of Business Operations

Industry

**Vision** Continue delivery of innovative solutions to customers and support a digital society

Earnings plan	Secure stable operating profit of ¥30B+ (Operate across both FPD and Semiconductor)				
	Revenue	FY 22 ¥203.2B	FY 23 ¥219.3B	FY 24 ¥201.9B	FY 25 Outlook ¥185.0B
	Operating Profit	¥24.5B	¥15.1B	¥1.5B	¥12.0B

**Progress in FY 24**

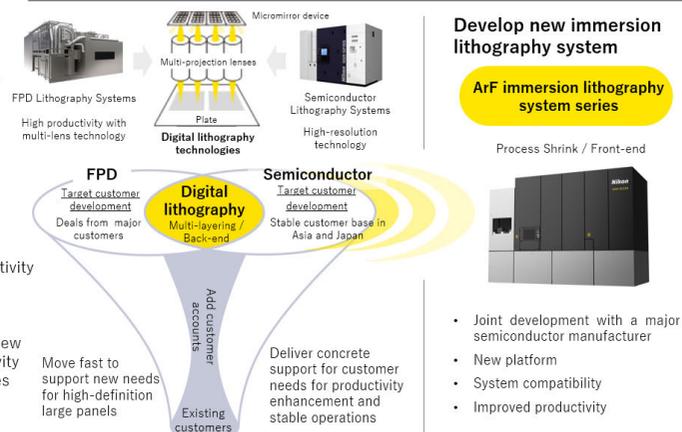
■ **Increased customer acquisition**

- FPD: For G6 and G8, won deals with many customers and projects
- Semiconductor: Expanding stable customer base in Asia including Japan

■ **Expanded value proposition**

- FPD: Improve profitability with expanded sales of new model for high definition and productivity
- Digital lithography: In FY2026, launch a direct-writing system optimal for data center applications where substrates are getting larger and wiring finer, leveraging digital lithography's ability to achieve high resolution over large surface areas
- Semiconductor: Advance joint development with a major semiconductor manufacturer for new ArF immersion lithography system platform targeted to improve compatibility and productivity
- Services: Expand earnings with value-added work from relocations to performance upgrades

**Business strategy**



Strengthening competitiveness through collaboration with a major customer aiming to achieve further expansion of customer base

## Components: Status of Business Operations

Industry

**Vision** Grow together with customers as we support their innovation

Earnings plan	Get to ¥20B+ in operating profit by doubling revenues				
	Revenue	FY 22 ¥53.0B	FY 23 ¥85.9B	FY 24 ¥74.1B	FY 25 Outlook ¥79.0B
	Operating Profit	¥22.0B	¥15.1B	¥7.1B	¥10.0B

**Business strategy**

Deliver optimal solutions through a broader range of delivery methods

Progress in FY 24

**Increased customer acquisition**

- In optical components, making progress mainly in Japan to win customers in fields related to semiconductors. Also, strengthening overseas with business integration
- In X-ray & CT systems, expand sales in the US mainly in the aerospace market

**Expanded value proposition**

- Making progress winning adoption of future products such as optical components, EUV related components and encoders that support the expanding needs for advanced applications
- In industrial metrology system, strengthened the product lineup of large-format X-ray & CT systems and contract inspection services leveraging the strengths of Avonix Imaging, which was acquired in 2023.



Advance the delivery of solutions integrated across end products, services and components

\* FY22 data is expressed using former segmentation

## Digital Manufacturing: Status of Business Operations

Industry

**Vision** Enable innovation in manufacturing with applied optics application technologies

Earnings plan	Leverage alliances to get to 10%+ annual revenue growth				
	Revenue	FY 22 ¥42.0B	FY 23 ¥21.0B	FY 24 ¥23.3B	FY 25 Outlook ¥33.0B
	Operating Profit	-¥10.1B	-¥14.0B	-¥15.2B	-¥8.5B

**Business strategy**

	Nikon x SLM Additive processing	Subtractive processing	Riblet processing	Robot vision
Defense	●			
Aerospace	●		●	
Energy	●		●	
Automotive	●			●
Precision Equipment and Semiconductor		●		

Explore with narrowed scope

Progress in FY 24

**Increased customer acquisition**

- In metal additive manufacturing, leverage our US base of operations in the world's largest market to deliver industry-leading solutions and services focused on the defense and aerospace markets
- In Robot Vision, developed systems that provide robot arms with brains as well as sight of moving items, delivery started to major automotive companies for process automation

**Expanded value proposition**

- With our footprint in Japan and US, leverage our manufacturing and engineering services capabilities to accelerate customer adoption of metal additive manufacturing anchored to Nikon solutions in growing defense and space applications in U.S. and Asia
- In our JAXA Space Strategy Fund Business, aim to establish precision parts designed for metal additive technology in large-format for rockets by combining technologies from Nikon and Nikon SLM Solutions

Nikon SLM Solutions to be profitable on standalone basis in FY25 and clarifying the order of priorities around long-term growth investments

\* JAXA = Japan Aerospace Exploration Agency. FY22 data is expressed using former segmentation. Subtractive processing, Riblet processing and Robot vision are recorded in the companywide expenses.

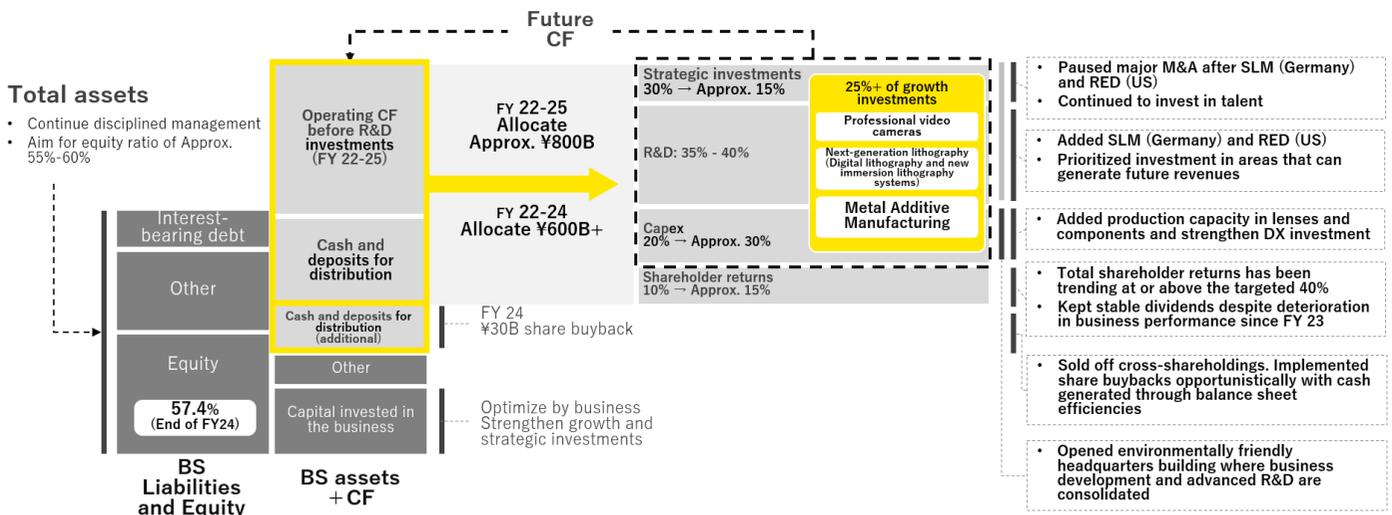
## Strengthen Business Fundamentals

Continued Reinforcement	Needs to be focused on
<p style="text-align: center;"><b>Human capital management</b></p> <p style="text-align: center;">Acquire, develop and leverage next-generation talent to collaborate with customers</p> <p><u>Progress</u></p> <ul style="list-style-type: none"> <li>Acquired <b>600+ people 3 years in a row</b></li> <li>Enhanced management talent development plan</li> </ul> <p><u>Path forward</u></p> <ul style="list-style-type: none"> <li>Strengthened support for early settlement and utilization of new grads and mid-career hires</li> <li>Develop solution architects</li> </ul>	<p style="text-align: center;"><b>DX with a focus on customers and employees</b></p> <p style="text-align: center;">Connect digitally with customers and data and convert to new value</p> <p><u>Progress</u></p> <ul style="list-style-type: none"> <li>Began renewal of backbone system (<b>Invest ¥30B out to 2030</b>)</li> <li>Launched integrated B2B website in Japan</li> </ul> <p><u>Path forward</u></p> <ul style="list-style-type: none"> <li>Continue to renew backbone system</li> <li>Work efficiencies leveraging generative AI</li> </ul>
<p style="text-align: center;"><b>Sustainability strategy</b></p> <p style="text-align: center;">Contribute to society through Creativity</p> <p><u>Progress</u></p> <p><b>Overall</b></p> <ul style="list-style-type: none"> <li>Maintain high marks from third-parties and launch products that solve challenges to society</li> </ul> <p><b>Environmental strategy</b></p> <ul style="list-style-type: none"> <li><b>Use of renewable energy: 71% of total</b></li> <li>Greenhouse gas reduction: 56% (vs. FY22)</li> </ul> <p><b>External evaluations</b></p> 	<p style="text-align: center;"><b>Manufacturing</b></p> <p style="text-align: center;">Organize production footprint to support all businesses</p> <p><u>Progress</u></p> <p>Rolled out measures in line with plans to reorganize our production footprint and added production capacity in components</p> <p><u>Path forward</u></p> <p>Address aging production facilities and move solidly toward a production structure that flexes with fluctuation in demand (<b>Invest ¥100B out to 2030</b>)</p>
<p style="text-align: center;"><b>Executive management</b></p> <p style="text-align: center;">Bolster of Governance of group companies Organize global compliance regime</p> <p><u>Progress</u></p> <p>Consolidated governance, risk management, and compliance functions</p>	<p><u>Path forward</u></p> <p>Bolster global governance by re-organizing second- and third-line functions at Regional Headquarters</p>

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## Capital Allocation

Promote both investment in sustained growth and strengthening of shareholder returns



**Enhance both growth investment and shareholder returns based on a medium- to long-term direction**

# Nikon's Sustainability

## Basic Approach

The Nikon Group has set forth the Sustainability Policy that as our contribution to a sustainable society and the achievement of sustainable growth for the company through the realization of our corporate philosophy of *Trustworthiness and Creativity* in business activities. Under this policy, we established the Nikon Code of Conduct, which embodies Nikon's basic approach to social and responsibility and lays down standards for employees to follow when taking actions based on this approach.

## Sustainability Policy

The Nikon Group aims to both contribute to a sustainable society and achieve sustainable growth for itself by putting into practice the Nikon philosophy of Trustworthiness and Creativity through our business activities.

- We are committed to helping solve environmental and social challenges and achieve Sustainable Development Goals (SDGs) through our business activities by delivering uniquely Nikon products and services.
- We aim to do better for the environment and for society by objectively assessing the impact our business has on the environment and society and continually striving to make improvements.
- Through active dialog with our stakeholders, we stay abreast of changes in society. We also constantly reflect on our own activities to meet stakeholder expectations.
- We do more than what is required to comply with laws and regulations. We act with integrity and fairness and disclose information appropriately.

## Sustainability Strategy

To implement our Sustainability Policy, the Nikon Group formulated a sustainability plan in conjunction with our Medium-Term Management Plan and yearly management plan. Our Medium-Term Management Plan (FY2022-FY2025) places sustainability strategy as a foundation of our business and provides a basic policy defining sustainability strategy as an integral part of our business strategy.

Based on our philosophy of *Trustworthiness and Creativity*, our sustainability strategy identifies Nikon Group materiality from the perspectives of what we must do to earn the trust of our stakeholders and society and what we must do to create social value through our businesses. In addition, we defined strategies, indicators, and targets for each materiality to accomplish in order to achieve Vision 2030 as presented in the Medium-Term Management Plan.

The Nikon Group manages the progress of these initiatives through the Sustainability Committee, chaired by the president. We pursue these initiatives through a cycle of assessments and improvements to contribute to a sustainable society and achieve sustainable growth, as stated in our Sustainability Policy.

## Conceptual Diagram of Sustainability Strategy in the Medium-Term Management Plan



## Materiality

### Business Activity

1. Creating Social Value  
Through Core Technologies



2. Ensuring Trustworthiness  
by Maintaining and Increasing Quality



### Environment

3. Promoting a Decarbonized Society



4. Promoting Resource Circulation

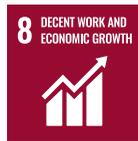


5. Preventing Pollution and Conserving Ecosystems



### Society/Labor

6. Building a resilient supply chain



7. Respecting Human Rights



8. Diversity, Equity & Inclusion



9. Employees' Health and Safety



 **Governance**

**10. Thorough compliance**



**11. Strengthening corporate governance**

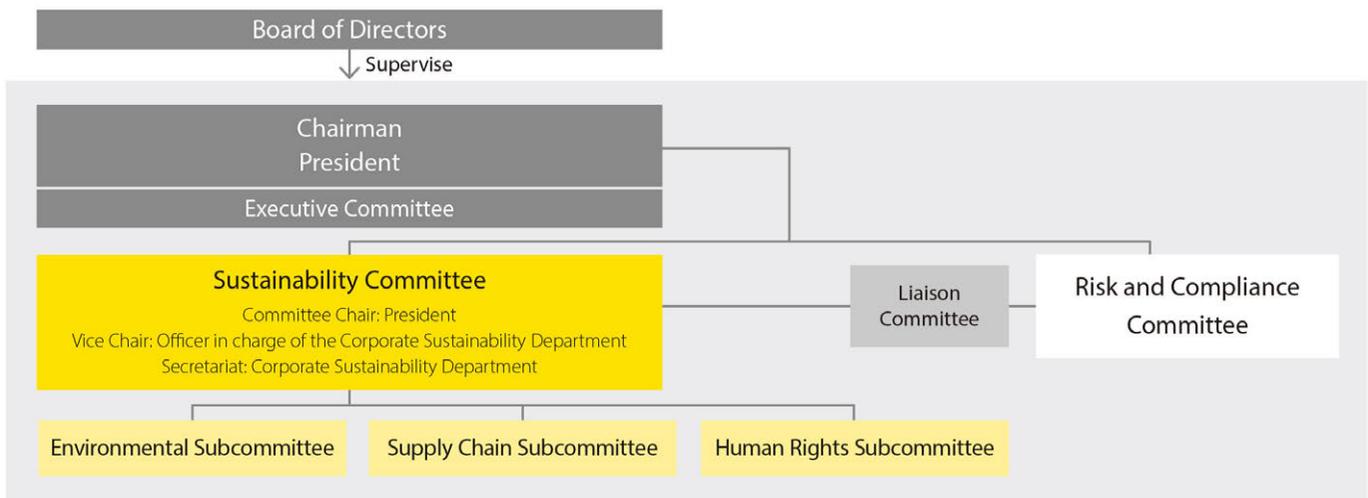
**12. Strengthening risk management**

**Governance**

The Nikon Group established the Sustainability Committee, chaired by the president, to implement the Sustainability Policy throughout the Group and to advance our sustainability strategy consistently. The committee deliberates and manages overall sustainability activities, including the review of materialities, setting related strategies and targets, managing progress, evaluating performance, and directing improvements. The committee also monitors risks and opportunities related to sustainability, with a focus on materiality.

The Board of Directors receives reports of the activities of the committee at least once a year. In turn, the Board supervises the appropriateness, effectiveness, and risks of various sustainability activities, including those related to climate change. The Environmental Subcommittee and Supply Chain Subcommittee are organized under the Sustainability Committee. We also established the Human Rights Subcommittee in April 2025 to engage with important human rights issues.

**Sustainability Promotion System (As of April 01, 2025)**



**Risk Management**

The Risk and Compliance Committee understands and identifies risks, including sustainability, for the Nikon Group as a whole. The committee offers instructions on how to respond to risks and manages the progress of these response measures. The Risk and Compliance Committee and Sustainability Committee hold liaison meetings regularly to share reports, identify issues and matters for both committees to address in the future, and work together in forming responses to risks as necessary.

Please refer here for further details regarding sustainability.  
<https://www.nikon.com/company/sustainability/>

# External Evaluation (As of August 29, 2025)

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

CDP Climate Change A List  
CDP Supplier Engagement Leader



AAA MSCI ESG Rating



Sustainability Yearbook 2025  
"Top10% S&P Global CSA Score"



FTSE4Good Index Series



ISS ESG "Prime" Status



Sustainalytics ESG Risk Ratings



FTSE Blossom Japan Index



MSCI Nihonkabu ESG Select Leaders Index



MSCI Japan Empowering Women Index



S&P/JPX Carbon Efficient Index



Dow Jones Best-in-Class World Index  
Dow Jones Best-in-Class Asia Pacific Index

FTSE Blossom Japan  
Sector Relative Index



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# Participation in Initiatives

The Nikon Group aims to enhance and maximize the efficiency and efficacy of our activities by working together with various groups through involvement in international initiatives.

United Nations Global Compact



RE100



Science Based Targets (SBT)



Business Ambition for 1.5°C



TCFD Consortium



Japan Climate Initiative (JCI)

Responsible Business Alliance (RBA)

Japan Climate Leaders' Partnership (JCLP)



# Human Capital Management

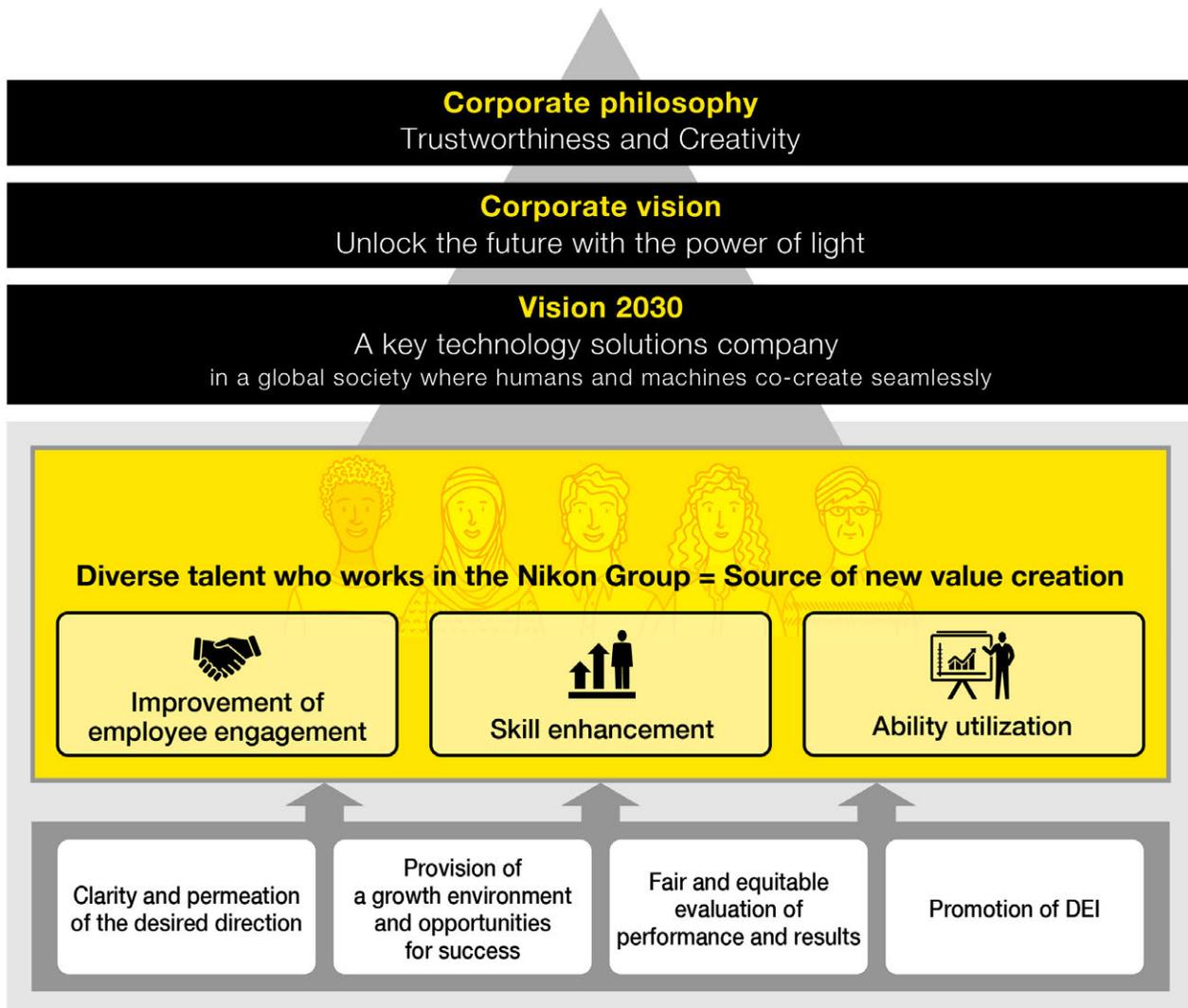
## Basic Approach

The diverse talent who works in the Nikon Group are the driving force behind realizing our corporate philosophy. Nikon has built its reputation as a world-leading manufacturer with more than 100 years of achievements by remaining a company where people with an array of skills, values and experiences come together and maximize their collective abilities.

If Nikon and each one of our employees are to become a presence sought after by society and customers in this continuously globalizing and diversifying world, we must continue to grow together. To make this possible, Nikon will clearly present its target direction and organizational goals, and execute a human resources strategy accordingly in order to provide environments and opportunities for contribution where diverse employees can make the most of their abilities and truly feel the growth of both themselves and the company. What we ask from our employees is that they take advantage of these opportunities and show proactive and continuous interest in honing their skills. Nikon will support the efforts of employees who strive for growth, and both fairly and impartially reward those who produce results and contribute to the company. To respond to change, the diversification of society and customer challenges, we must also draw on a wealth of knowledge, experience, values and expertise. Nikon thus promotes diversity, equity and inclusion (DEI) with the aim of creating working environments and a company culture where the characteristics and abilities of all team members are accepted and valued.

These actions will create a virtuous cycle that will enhance our ability to offer value to customers and society, as well as improve employee motivation and engagement, helping nurture autonomous individuals who proactively think and act for the team.

Nikon aims to grow together with each of our diverse employees to achieve our corporate philosophy of "Trustworthiness and Creativity," and remain a company that contributes to a sustainable society.



## Human Resources Strategy

The policy at the core of our Medium-Term Management Plan is to “sustain our main businesses” and “scale earnings in strategic businesses”, by strengthening the delivery of integrated solutions. Across all of our businesses, we have also established a common strategy of deeply aligning and understanding with the “essence” of needs of customers around the world, and delivering end products, components and services optimized to these needs. We will also transform our business model, striving to strengthen our synergies inside and outside the company by combining Nikon’s core technologies and open innovation with other companies.

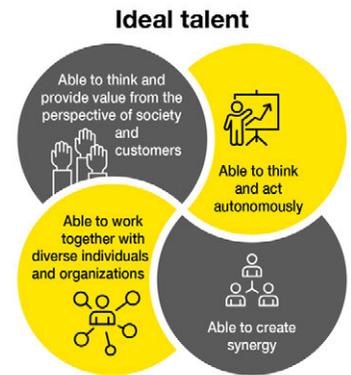
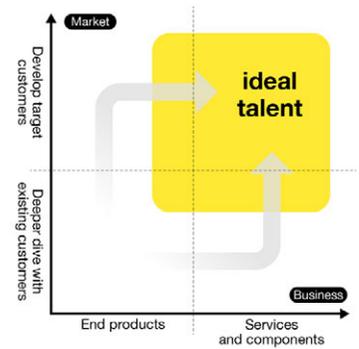
We seek the following traits in the talent that will drive this management strategy.

- Able to respond flexibly to changes in environment, and to think and provide value from the perspective of society and customers
- Able to autonomously think and act in order to achieve organizational or team goals
- Able to work together with diverse individuals and organizations across national, regional and business boundaries
- Able to create synergy by merging new and existing values

We urgently need talent who can lead customer development and strengthen our solutions businesses, particularly in our growth areas. In our established areas, we also predict a future shortage of talent to support Nikon’s core strength of manufacturing.

Although we need both a qualitative and a quantitative securing of talent in order to achieve our goals, we are also greatly aware of the increasing difficulty in securing the human resources required to carry out our management strategy due to the ever-greater movement of human resources and competitive hiring environment globally. Considering these circumstances and the needs of our management strategy, we have formulated a human resources strategy founded on the three pillars of our human capital management approach – “acquire talent”, “develop talent”, and “leverage talent” – and are developing a number of measures based on the policies outlined below.

Furthermore, in order to unite our management and human resources strategies, top management under the President will work with the human resources department to establish exact definitions of the required human resources and skills, and set forth measures to acquire, develop and leverage them.



## The three pillars of our human resources strategy

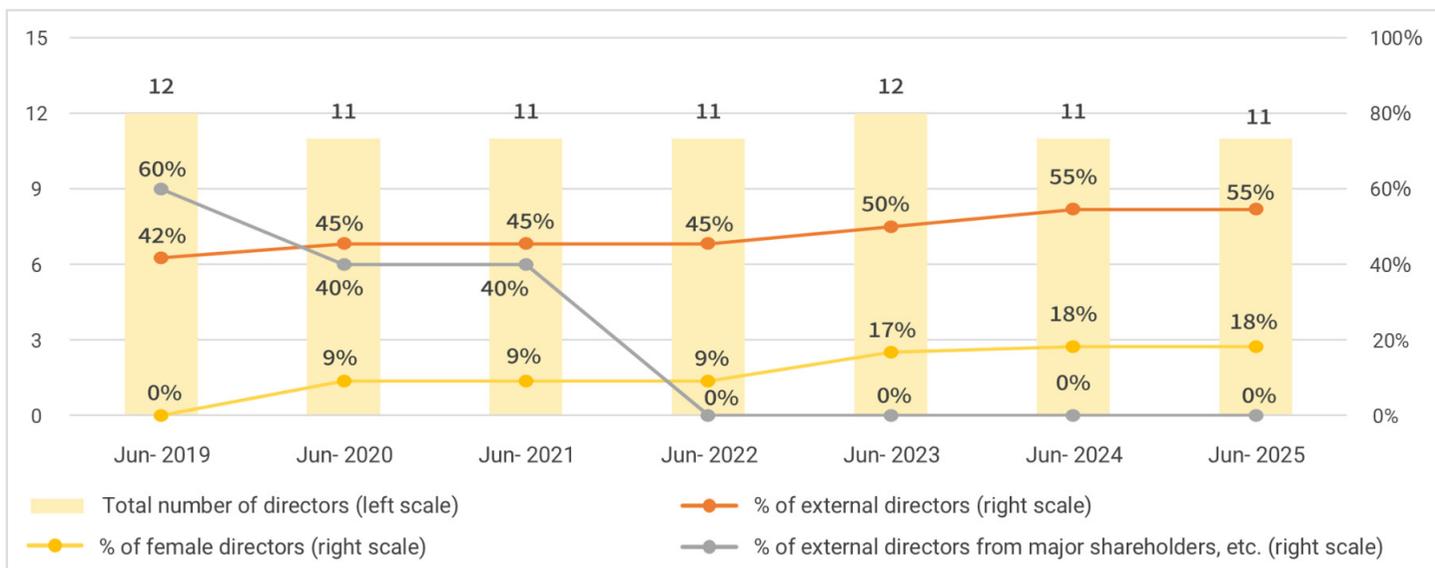
	Acquire talent	Develop talent	Leverage talent
 <b>Policy</b>	<ul style="list-style-type: none"> <li>• Reliably secure the human resources required to operate our businesses.</li> <li>• Aim to immediately acquire the talent urgently needed for our management strategy through new recruitment, M&amp;As and other avenues.</li> </ul>	<ul style="list-style-type: none"> <li>• Define the skills, roles and career paths required to execute duties, and provide a wealth of education and training opportunities to encourage autonomous growth.</li> <li>• Systematically develop core and global talent through strategic promotions and placements.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote the creation of environments (systems, workplaces, company culture, etc.) where diverse employees can show interest in autonomous growth, recognize their contributions to the team, and utilize their abilities to the fullest.</li> </ul>
 <b>Priority items</b>	<ul style="list-style-type: none"> <li>• Prioritize acquiring talent in business development and technical sales</li> <li>• Strengthen employment branding</li> <li>• Strengthen recruitment process and organization</li> <li>• More flexible employment and working conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Select core talent early on and develop in planned manner</li> <li>• Strategic deployment to globalize talent pool</li> <li>• Expand career development and re-skilling programs</li> </ul>	<ul style="list-style-type: none"> <li>• Build environment where young and mid-career workers can grow and achieve</li> <li>• Promotion of diversity and inclusion</li> <li>• Selection and promotion of talent with a focus on capabilities and motivation</li> </ul>
 <b>Key progress (Fiscal year 2022-2024)</b>	<ul style="list-style-type: none"> <li>• Across the Nikon Group in Japan, three consecutive years of wage increases were implemented and over 600 employees were hired.</li> <li>• Strengthening the appropriate placement of diverse talents through occupation-specific recruitment in new graduate hiring (introduced in fiscal year 2022)</li> <li>• Top management personally selects management talent early on, and the executive team leads their development.</li> <li>• Definition, selection, and planned development of solution engineers in each business, with monitoring conducted by the executive team.</li> <li>• Established the “Nikon Global Diversity, Equity &amp; Inclusion Policy”, which sets out the Nikon Group’s common global approach to diversity, equity, and inclusion.</li> <li>• Development of education and monitoring programs to support the retention and performance of mid-career hires.</li> <li>• Comprehensive revision of the compensation and welfare benefits system for overseas assignees.</li> </ul>		

# Initiatives to Enhance Corporate Governance

## Expanding Board Diversity

The composition of the Board of Directors is designed to ensure that the Board as a whole can demonstrate its effectiveness, taking into account the need to secure diversity and an appropriate number of members.

### Changes in board composition



### External Directors as of June 30, 2025

- Shiro Hiruta, Chairman of the Board (former Counsellor of Asahi Kasei Corporation)
- Tsuneyoshi Tatsuoka (former Vice Minister of Economy, Trade and Industry)
- Takuya Nakata (Chairman of the Board of Directors of Yamaha Corporation)
- Shigeru Murayama, Chairperson of Audit and Supervisory Committee (former Senior Strategic Advisor of Kawasaki Heavy Industries, Ltd.)
- Asako Yamagami, Audit and Supervisory Committee Member (Partner of ITN law office)
- Michiko Chiba, Audit and Supervisory Committee Member (Commissioner of Certified Public Accountants and Auditing Oversight Board)

## Enhancement of Board Effectiveness

The Board of Directors is improving its effectiveness through a variety of initiatives.

### Chairperson of the Board

FY2020: A non-executive director assumed as chairperson. (To strengthen operational supervision)

### Nominating Committee

As a voluntary advisory body to the Board of Directors, the Nominating Committee primarily formulates criteria for the election and removal of the chief executive officer, president, and directors, nominates candidates, considers the composition of the Board of Directors, and oversees evaluation and assignment of officers, etc.

FY2019: Established the Nominating Committee

FY2020: Started operation of the succession plan for the President

FY2023: President was selected for the first time since the establishment of the Nominating Committee

Committee composition: 3 external directors and 2 internal directors (chaired by an external director)

### Compensation Committee

As a voluntary advisory body to the Board of Directors, the Compensation Committee deliberates and makes proposals for policy regarding executive compensation as well as various related systems.

FY2003: Established the Compensation Committee

FY2019: An external director assumed as chairperson.

FY2024: Majority of members of the committee changed to external directors

Committee composition: 3 external directors and 2 internal directors (chaired by an external director)

### Independent External Directors' Meeting

External directors freely exchange opinions on the issues and matters to be discussed by the Board of Directors based on an independent and objective standpoint, thereby vitalizing the discussions at the Board of Directors.

FY2022: Established the Independent External Directors' Meeting

### Evaluation of the Board of Directors' effectiveness

The Company asks a third-party organization to analyze and evaluate the effectiveness of its Board of Directors in order to further improve its functions. Based on the results of the previous year's evaluations, the Company continues the cycle of studying and implementing improvement measures.

## Compensation system and performance-based structure

FY2022: Started applying a new performance-based executive compensation system. (See the table below for an overview of the system.)

	Fixed compensation	Performance-based compensation		
	Fixed compensation	Short-term business performance	Medium-term business performance	Long-term business performance
		Bonus	Performance-based stock remuneration	Restricted stock remuneration
Ratio of compensation	1	0.6-0.7	0.1-0.225	0.3-0.45
Linked KPI	—	<ul style="list-style-type: none"> <li>• "Consolidated operating profit" and "ROE"</li> <li>• Performance assessment of each division in charge</li> <li>• Qualitative assessment of responses to issues assigned to individual executive directors, officers and executive fellows etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial target               <ul style="list-style-type: none"> <li>– "Revenue," "operating margin," and "ROE"<sup>*1</sup></li> </ul> </li> <li>• Strategic targets               <ul style="list-style-type: none"> <li>– "Operating profit" of growth drivers and services/components</li> <li>– KPI achievement of sustainability strategy, etc.</li> </ul> </li> </ul> (Assignment restrictions until retirement)	(Assignment restrictions until retirement)
Degree of linkage with performance	—	0-200%	0-150%	Linked to stock price
Payment method		Cash	Stock	
Malus and clawback <sup>*2</sup>		Applies		

\*1 ROE refers only to the last fiscal year of the Medium-Term Management Plan.

\*2 Malus: A clause that allows for the reduction or cancellation of vested incentive compensation before its payment if fraud or misconduct by the officer is identified.

Clawback: A clause to have paid compensation returned in situations similar to the above.

## History of Enhancing Corporate Governance

		~ FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Increase of Board of Directors' diversity	% of external directors	45% (5 out of 11) *1	45% (5 out of 11)	45% (5 out of 11)	50% (6 out of 12)	55% (6 out of 11)	55% (6 out of 11)	
	o/w % of those from major shareholders, etc.	40% (2 out of 5) *1	40% (2 out of 5)	0%	0%	0%	0%	
	% of female directors	9% (1 out of 11) *1	9% (1 out of 11)	9% (1 out of 11)	17% (2 out of 12)	18% (2 out of 11)	18% (2 out of 11)	
Improve the effectiveness of the Board of Directors	Chairman of the Board	FY2019 • Separation from the position of officer  FY2020 • Separation from the representative director (strengthening of supervisory function over management)	→					
	Nominating Committee	FY2019 • Establishment (chaired by external director)	→					
	Compensation Committee	FY2003 • Establishment  FY2019 • Appointment of external director as chairperson	→			→	• Majority of members changed to external directors	→
	Independent External Directors' Meeting	—	—	• Establishment	→			
	Effectiveness evaluation	• Continuation of consideration and implementation cycles for improvement measures based on the results of the evaluation of Board of Directors' effectiveness conducted in the previous year						→
Nominating	Succession plan for president	FY2019 • Formulation of the plan FY2020 • Commencement of implementation	• Full-scale implementation	→		• President was selected for the first time since the establishment of the Nominating Committee*2	→	
Compensation	Performance-based stock remuneration	FY2019 • Resumption of officer compensation system linked to the Medium-Term Management Plan	→	• Decision of KPI based on the new Medium-Term Management Plan	→			

\*1 Composition of the Board of Directors in FY2020

\*2 The change of the president was in April 2024.

# Corporate Governance Organization

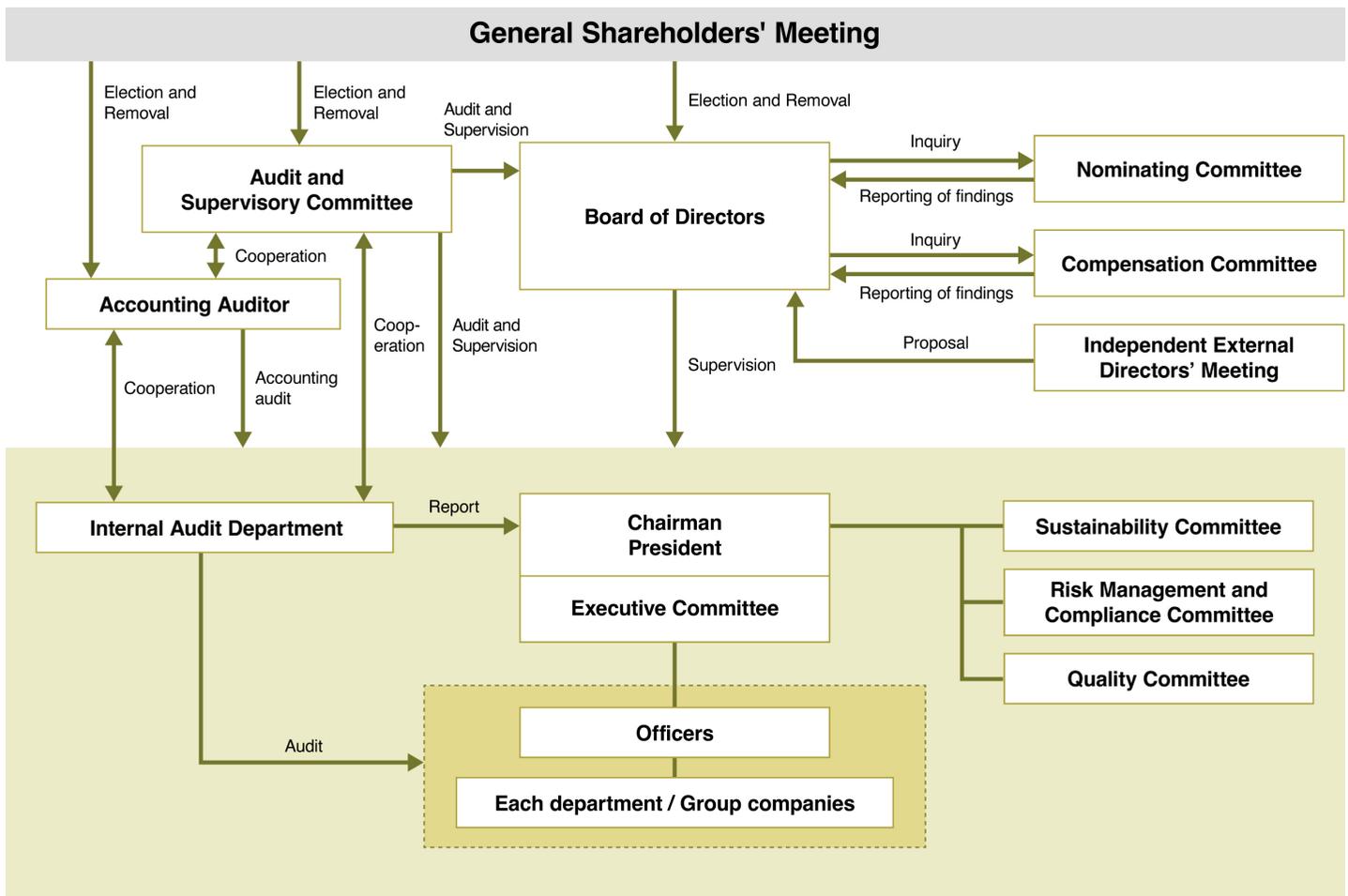
## Basic Views

The Nikon Group will strive to achieve sustainable growth and enhancement of its corporate value over the medium to long term, by improving management efficiency and transparency and further strengthening the supervisory function over management in light of the purpose of Japan's Corporate Governance Code.

## System

Aiming to further enhance corporate governance, Nikon adopted a company with an Audit and Supervisory Committee. This position further strengthens the supervisory function of the Board of Directors as it strives to streamline decision-making and clarify management responsibility arising through delegation of authority.

Nikon's Corporate Governance Organization (As of June 27, 2025)



## Board of Directors

The Board of Directors supervises management by directors and assumes the decision-making functions regarding matters prescribed under laws and regulations, the Articles of Incorporation of the Company, as well as the important matters concerning the Nikon Group. For the purpose of clarifying the scope of delegation to executive directors and officers while ensuring prompt decision-making and management by executive directors and officers, the Company specifically sets out the matters subject to deliberation at Board of Directors' meetings in the criteria for matters subject to deliberation and reporting at Board of Directors' meetings. For example, the Board of Directors makes decisions on matters concerning important management issues, including the basic management policies, the Medium-Term Management Plan, the annual plan, the Basic Policy on Internal Control System, and investments and loans exceeding a certain amount.

Moreover, in order to further strengthen the supervisory function of the Board of Directors, the Company has appointed six independent external directors (including three Audit and Supervisory Committee members). Meetings of the Board of Directors are presided at by Chairman of the Board, who is a non-executive director.

## Audit and Supervisory Committee

The Audit and Supervisory Committee audits and supervises the status of management by directors other than those who are Audit and Supervisory Committee members, and officers as an independent body. For such a purpose, Audit and Supervisory Committee members regularly attend meetings of the Board of Directors as well as important meetings such as the Executive Committee, and conducts audits and supervision over management and directors. In addition, to further enhance the independence and neutrality of the audit system, the Audit and Supervisory Committee shall consist of five Audit and Supervisory Committee members, including three independent external directors.

## Nominating Committee

The Company has a Nominating Committee as a voluntary advisory body to the Board of Directors. External directors comprise a majority of the members, and an external director chairs the Committee.

The Nominating Committee primarily formulates criteria for the election and removal of the chief executive officer, president and directors, nominates candidates, considers the composition of the Board of Directors, and oversees evaluation and assignment of officers so as to ensure that decisions on the election and removal of directors and officers are transparent and objective.

## Compensation Committee

The Company has a Compensation Committee as a voluntary advisory body to the Board of Directors. External directors comprise a majority of the members, and an external director chairs the Committee. The Compensation Committee deliberates and makes proposals for policy regarding executive compensation as well as various related systems so as to ensure objectivity, transparency, and linkage with performance in the process of determining executive compensation.

## Independent External Directors' Meeting

The Company has an Independent External Directors' Meeting whose members are all external directors. The meeting serves as an opportunity for the members to freely exchange opinions and have discussions from an independent and objective standpoint about issues and matters to be deliberated by the Board of Directors. Based on the results of this meeting, the Independent External Directors' Meeting makes proposals to the Board of Directors and helps stimulate discussions at Board of Directors' meetings.

## Executive Committee

The Executive Committee, as the highest decision-making body of management, swiftly and decisively makes decisions on individual major management issues delegated by the Board of Directors, in accordance with basic management and other policies, as determined by the Board of Directors.

## Directors' Skills Matrix

To accomplish its management strategy, the Company has selected the specific skills expected from its directors as shown in the table below, and authorized them following the deliberation by the Nominating Committee. The skills include knowledge on and experience in corporate management, management strategy, internal control, and governance as well as the Company's business characteristics and issues. The composition of the Board of Directors is designed to ensure that each director possesses these skills in a well-balanced manner and the Board as a whole can demonstrate its effectiveness, taking into account the need to maintain diversity and an appropriate number of directors.

## Definition of skills

**Corporate management and management strategy:** knowledge on and experience in corporate management and formulation/implementation of management strategies.

**Internal control and governance:** knowledge on and experience in establishing/operating internal control and governance systems for the purpose of sound and efficient business operations.

**Legal and risk management:** knowledge on and experience in managing the legal affairs and risks to maintain appropriate business activities.

**Finance and accounting/M&A:** knowledge on and experience in finance and accounting to help build a strong financial foundation; knowledge on and experience in mergers and acquisitions aimed at achieving sustainable growth.

**Global business:** knowledge on and experience in corporate management and business development on a global scale.

**Technology:** knowledge on and experience in formulating/implementing strategies for R&D, design and production technologies.

\*Indicates the External Director

Title	Name	Nominating Committee	Compensation Committee	Knowledge and experience expected from directors					
				Corporate management and management strategy	Internal control and governance	Legal and risk management	Finance and accounting / M&A	Global business	Technology
Representative Director	Toshikazu Umatate	✓	✓	✓				✓	✓
Representative Director	Muneaki Tokunari	✓	✓	✓	✓		✓		
Director	Yasuhiro Ohmura			✓				✓	✓
Director* Chairman of the Board	Shiro Hiruta	✓ (Chairperson)		✓	✓				✓
Director*	Tsuneyoshi Tatsuoka		✓		✓	✓		✓	
Director*	Takuya Nakata		✓ (Chairperson)	✓	✓				✓
Director Full-time Audit and Supervisory Committee Member	Satoshi Hagiwara			✓	✓		✓		
Director Full-time Audit and Supervisory Committee Member	Seiji Kikuchi				✓		✓	✓	
Director* Chairperson of Audit and Supervisory Committee	Shigeru Murayama	✓		✓				✓	✓
Director* Audit and Supervisory Committee Member	Asako Yamagami	✓			✓	✓		✓	
Director* Audit and Supervisory Committee Member	Michiko Chiba		✓		✓	✓	✓		

(Of skills each director possesses, up to three items of knowledge and experience on which the Board particularly relies are listed.)

## External Director

In the appointment of its external directors, the Company attaches importance to ensuring their independence. Nikon appoints external director candidates from among those with a wealth of knowledge and experience as executives of other companies or with expertise and experience as specialists such as attorneys and certified public accountants, and who are qualified to take part in the management supervision function from a fair and objective standpoint independent of management.

### Criteria for determining independence of external directors

In addition to the criteria for external directors under the Companies Act, the Company judges an external director candidate to be independent if he/she does not fall under any of the following criteria.

- a) The candidate serves or served the Group in the past.
- b) The candidate is a “major client or supplier\*” of the Company or an executive thereof.
- c) The candidate is a major shareholder of the Company or an executive of said major shareholder.
- d) The candidate served in the past at a company whose directors are concurrently serving as external directors of the Company and vice versa.
- e) The candidate is a person who belongs to a company or organization that receives a donation from the Company, or a person who served in the past at such a company or organization.
- f) The candidate’s relative within the second degree of kinship serves as an important executive of a “major client or supplier” of the Group or the Company.

\* “Major client or supplier” refers to a client or supplier that falls into either of the following.

- (1) A client or supplier with whom the Company has a transaction that falls into the following, in any of the past three years
  - a party that receives payment from the Company equivalent to 2% of the party’s consolidated net sales or 100.0 million yen, whichever is greater
  - a party that makes payments to the Company equivalent to 2% of the Company’s consolidated net sales or 100.0 million yen, whichever is greater
- (2) A consultant, an accounting professional, or a legal professional who receives compensation from the Company in excess of 10.0 million yen per year (average over the past three fiscal years)

## Reasons for Appointment

Reasons for Appointment of External Directors, except Audit and Supervisory Committee Members

Name	Reasons for Appointment
Shiro Hiruta	Shiro Hiruta served as Representative Director of Asahi Kasei Corporation and has held other important positions, and possesses long years of management experience and outstanding insight. For those reasons, we expect that he will be able to provide advice and recommendations on the overall management of the Company from a big-picture perspective and that he will also be able to contribute to securing the soundness and appropriateness of the Company’s management as well as to the enhancement of its transparency.
Tsuneyoshi Tatsuoka	Tsuneyoshi Tatsuoka has held important positions at the Ministry of Economy, Trade and Industry, and possesses exceptional knowledge regarding industrial and economic policies. For those reasons, we expect that he will be able to provide advice and recommendations on the overall management of the Company from a big-picture perspective and that he will also be able to contribute to securing the soundness and appropriateness of the Company’s management as well as to the enhancement of its transparency.
Takuya Nakata	Takuya Nakata served as Representative Director of Yamaha Corporation and has held other important positions, and possesses long years of management experience and outstanding insight. For those reasons, we expect that he will be able to provide advice and recommendations on the overall management of the Company from a big-picture perspective and that he will also be able to contribute to securing the soundness and appropriateness of the Company’s management as well as to the enhancement of its transparency.

## Reasons for Appointment of External Directors who are Audit and Supervisory Committee Members

Name	Reasons for Appointment
Shigeru Murayama	Shigeru Murayama served as Representative Director of Kawasaki Heavy Industries, Inc. and other important positions, and possesses long years of management experience and outstanding insight. For those reasons, we expect that he will be able to provide advice and recommendations on the overall management of the Company from a big-picture perspective and that he will be able to contribute to securing the soundness and appropriateness of the Company's management as well as to the enhancement of its transparency.
Asako Yamagami	Asako Yamagami has work experience as an in-house lawyer and possesses outstanding insight as a lawyer regarding international legal affairs, governance, compliance and other matters. For those reasons, we expect that she will be able to contribute to securing the soundness and appropriateness of the Company's management as well as to the enhancement of its transparency.
Michiko Chiba	Michiko Chiba possesses outstanding insight regarding corporate accounting and governance through her involvement as the person responsible for various auditing operations at an auditing firm. For those reasons, we expect that she will be able to contribute to securing the soundness and appropriateness of the Company's management as well as to the enhancement of its transparency.

**Attendance at Meetings of the Board of Directors, and Audit and Supervisory Committee**  
**(Fiscal year ended March 31, 2025)**

Name	Category	Board of Directors	Audit and Supervisory Committee
Shiro Hiruta	Director	17 of 17	5 of 5
Makoto Sumita	Director	17 of 17	-
Tsuneyoshi Tatsuoka	Director	16 of 17	-
Shigeru Murayama	Director (Audit and Supervisory Committee member)	17 of 17	7 of 7
Asako Yamagami	Director (Audit and Supervisory Committee member)	16 of 17	12 of 12
Michiko Chiba	Director (Audit and Supervisory Committee member)	17 of 17	12 of 12

- Shiro Hiruta retired as Director who is an Audit and Supervisory Committee Member and was appointed as Director other than those who are Audit and Supervisory Committee Members at the 160th Annual General Shareholders' Meeting held on June 24, 2024. Accordingly, his attendance at meetings of the Audit and Supervisory Committee represents the numbers of the meetings held and meetings he attended while in office.
- Shigeru Murayama retired as Director who is other than an Audit and Supervisory Committee Member and was appointed as Director who is an Audit and Supervisory Committee Member at the 160th Annual General Shareholders' Meeting held on June 24, 2024. Accordingly, his attendance at meetings of the Audit and Supervisory Committee represents the numbers of the meetings held and meetings he attended while in office.

## Evaluation of the Board of Directors' Effectiveness

Nikon asks a third-party organization to analyze and evaluate the effectiveness of its Board of Directors in order to further improve its functions. The efforts to address issues identified through the previous evaluation (for the fiscal year ended March 31, 2024) as well as the issues identified in this evaluation (for the fiscal year ended March 31, 2025) and future responses are outlined below.

<b>Evaluation Method and Overall Evaluation</b>	<ul style="list-style-type: none"> <li>A third-party organization conducted a survey and individual interviews of all directors on general matters related to the Board of Directors, its composition, meeting preparations, and details of deliberations, among others, to evaluate Board effectiveness.</li> <li>As a result of the above evaluation, the Board of Directors confirmed that its effectiveness has been ensured overall.</li> </ul>
<b>Identification of Issues and Discussion of Response Policies</b>	<ul style="list-style-type: none"> <li>Based on the results of the effectiveness evaluation, the Board of Directors identified issues and discussed response policies through the following process.             <ol style="list-style-type: none"> <li>Shared the evaluation results and issues identified at its meeting held in April 2025</li> <li>Confirmed the issues and exchanged opinions on response policies at Independent External Directors' Meeting held in April 2025</li> <li>Discussed efforts aimed at enhancing Board effectiveness at its meeting held in May 2025</li> </ol> </li> </ul>
<b>Efforts to Address Issues Identified in Previous Evaluation</b>	<ul style="list-style-type: none"> <li><b>Further reinforcement of monitoring of internal control and risk management systems</b> Management has been reinforcing the risk management system through organizational restructuring and other measures. In line with this, opportunities for management to report to the Board of Directors have increased on internal control and risk management issues and efforts, and the content of the reports has been enhanced, thereby reinforcing the monitoring function of the Board of Directors.</li> <li><b>Further deepening of discussions at Board of Directors' meetings</b> Establishing a process for efficient corporate decision-making is underway by integrating the secretariat functions of the Executive Committee, the highest decision-making body of management, and the Board of Directors. In addition, we seek to further enhance and deepen discussions at each body's meetings by utilizing study sessions and the Independent External Directors' Meeting and increasing opportunities for management and external directors to communicate.</li> </ul>
<b>Response Policies for Issues Identified in This Evaluation</b>	<ul style="list-style-type: none"> <li><b>Further reinforcement of the monitoring function of the Board of Directors</b> Further enhance discussions at Board of Directors' meetings and further reinforce the monitoring function of the Board of Directors by further utilizing advance briefings and study sessions and further promoting communication between management and external directors.</li> <li><b>Enhancement of discussions on management conscious of cost of capital and stock price</b> Formulate the next medium- to long-term management policy with a view to future changes in the business environment as it is a key theme for FY2025 as we enter the final fiscal year of the current Medium-Term Management Plan. To ensure the implementation of the policy, enhance discussions at Board of Directors' meetings mainly on KPIs to be emphasized, monitoring method thereof, and investor engagement initiatives.</li> <li><b>Ongoing monitoring of internal control and risk management systems</b> Monitor on an ongoing basis whether group governance and global compliance structures in place are functioning effectively as progress is made in putting the structures in place.</li> </ul>

Taking into account the issues raised by this evaluation, Nikon plans to continue implementing measures to further enhance Board effectiveness going forward.

## Compensation of Directors and Officers

### Matters related to compensation, etc. of Directors (Fiscal year ended March 31, 2025)

Category	Number of persons	Total amount by type of compensation (million yen)				Total (million yen)
		Fixed compensation	Bonus	Performance Share Unit	Restricted Stock	
Directors other than those who are Audit and Supervisory Committee Members	8	265	11	17	75	368
Of which External Directors	4	66	-	-	-	66
Directors who are Audit and Supervisory Committee Members	7	112	-	-	-	112
Of which External Directors	4	49	-	-	-	49

1. Payment of the above amounts of bonus and Performance Share Unit to Directors other than those who are Audit and Supervisory Committee Members has been resolved at the meeting of the Board of Directors held on May 19, 2025, after deliberation at the Compensation Committee.
2. Directors other than those who are Audit and Supervisory Committee Members include 2 Directors (including 1 External Director) who retired as Directors other than those who are Audit and Supervisory Committee Members upon expiration of their term of office at the conclusion of the 160th Annual General Shareholders' Meeting held on June 24, 2024.
3. Directors who are Audit and Supervisory Committee Members include 2 Directors (including 1 External Director) who retired as Directors who are Audit and Supervisory Committee Members upon expiration of their term of office at the conclusion of the 160th Annual General Shareholders' Meeting held on June 24, 2024.

### Compensation system

Compensation system is based on the following policies and procedures.

#### 1) Basic policies on Compensation

Executive compensation for the Company's Directors and Officers (including Executive Fellows and other positions equivalent to Officers; Officers, Executive Fellows, and other positions equivalent to Officers hereinafter called "Officers, etc.") is determined to satisfy the following basic criteria.

- Executive compensation should motivate Directors and Officers, etc. to sustainably improve corporate and shareholder value, as well as enhance their willingness and morale.
- Executive compensation should help keep, cultivate and reward excellent personnel.
- The decision-making process for the compensation system should be objective and transparent.

#### 2) Compensation system and performance-based structure

a) The compensation system for Officers, etc. (including Directors who also serve as Officers, etc.) comprises monetary compensation (fixed compensation and bonuses) and stock compensation. The standard payment of bonuses and stock compensation to be paid to individual Officers, etc. is calculated by multiplying the amount of their respective fixed compensation by a ratio, which is determined according to their respective title and duties. When the ratio of fixed compensation is assumed to be 1, the range of the ratio for the standard payment of each compensation is as shown below. Stock compensation comprises PSU (Performance Share Unit) and RS (Restricted Stock) using restricted shares and aims to further provide incentives for achieving the goals of the medium-term management plan, improve corporate value in the medium-to-long term, and share value with shareholders. Compensation for Directors who do not serve as Officers, etc. comprises fixed compensation only.

Type		Detail	Ratio
Monetary compensation	Fixed compensation	Not based on performance. The amount divided by 12 is paid every month.	1.0
	Bonus	Determined based on the single-year consolidated performance (ROE and operating profit), level of achievement of goals and qualitative evaluation of the departments they are in charge of, etc., within the range of 0% to 200% of the standard payment. As a general rule, paid in June every year.	0.6~0.7
Stock compensation	PSU	Determined based on the consolidated ROE of the final fiscal year of the medium-term management plan, consolidated performance (revenue and operating margin) of each fiscal year, and level of achievement of goals for strategic issues, within the range of 0% to 150% of the standard payment divided by the market value of the Company's shares at a specific time. Paid by delivering restricted shares or the amount of cash equivalent to the market value of the restricted shares. As a general rule, delivered in the first June after the end of each fiscal year.	0.1~0.225
	RS	Paid by delivering the number of restricted shares calculated by dividing the standard payment by the market value of the Company's shares at the time of the resolution by the Board of Directors, or the amount of cash equivalent to the market value. As a general rule, delivered in June every year.	0.3~0.45

1. Stock compensation is delivered within the range of the stock dilution ratio not exceeding 1% every fiscal year. It is, as a rule, prohibited from being disposed of during the period up to the date on which an eligible person retires from any of the positions as Director or Officers, etc.
2. If an eligible person retires for justifiable reasons by the date of delivery of PSU and RS or resides outside Japan on the date of delivery, the amount of cash equivalent to the market price is paid instead of restricted shares.

### 3) Decisions on compensation amount and calculation method based on deliberations by the Compensation Committee

Compensation for Directors other than those who are Audit and Supervisory Committee Members and Officers, etc. is deliberated on by the Compensation Committee by comprehensively taking into account the titles, duties, responsibilities, and other situations, and based on the results of such deliberations, determined by the Board of Directors. Compensation for Directors who are Audit and Supervisory Committee Members is determined by consultation among Directors who are Audit and Supervisory Committee Members.

The majority and chair of the Compensation Committee are Independent External Directors, and the Compensation Committee takes into account the compensation levels of major Japanese companies that globally develop their businesses, so as to determine the compensation amount consistent with the Company's performance and business scale.

### 4) Claim for return, etc.

If a Director (other than a Director who is an Audit and Supervisory Committee Member and a Director who is a foreign national) or Officers, etc. of the Company is found to have committed serious violation of laws and regulations and other illegal acts or if other cases occur, the Company shall be able to claim revocation or return of all or part of bonuses, PSU, and RS paid or delivered or take other measures.

## Number of Women and Non-Japanese Appointed as Nikon Group Directors / Officers and Corporate Auditors (As of March 31, 2025)

Category	Women	Non-Japanese
Nikon Corporation	2	1
Group companies*	5	48

\* Local equivalent to director, officer, and corporate auditor included in the count. Cases of directors or officers serving in concurrent posts are counted as one individual.

## Dialogue Between Directors

This dialogue between directors was held in May 2025.



### Shiro Hiruta

External Director, Chairman of the Board

Shiro Hiruta has held key positions including President and Representative Director of Asahi Kasei Corporation. He has served as an external director of the Company since June 2019 and assumed the position of chairman of the board in June 2024.

### Muneaki Tokunari

Representative Director and President, COO

Muneaki Tokunari has held key positions including Director, Managing Executive Officer and Group CFO at Mitsubishi UFJ Financial Group, Inc. He joined the Company in April 2020 and assumed his current position in April 2024.

## Review of Year Since Transition to New Management Team and Governance System

### Changes Under President Tokunari

**Tokunari:** I assumed the position of representative director and president, COO in April 2024 through an appointment by the Board of Directors following discussions of the Nominating Committee, which comprises a majority of external directors. I joined Nikon midway through my career. Also, this is the first time in roughly half a century that someone from a non-engineering background has become president of Nikon. Given this fact, I believe that my appointment is a reflection of the Board's desire for me to help transform Nikon. I thus feel that I am charged with the important mission of strengthening Nikon's business fundamentals through means such as addressing the issues it has faced regarding Group governance and global compliance.

**Hiruta:** Nikon is in the process of implementing its Medium-Term Management Plan that spans the period from FY2022 to FY2025. Under this plan, the Company has been advancing measures to transform its business model, stabilize its businesses, and grow earnings. However, there are still a few obstacles that remain to be addressed on Nikon's path toward future growth. Based on this recognition, the need to bolster risk management frameworks and enhance management from a cash flow-based perspective was discussed at meetings of the Nominating Committee and of the Board of Directors. These discussions culminated in the appointment of yourself, Mr. Tokunari, as president. Since the transition to a new management team guided by you as COO and Mr. Umatate as CEO, we have seen steady progress in addressing these issues.

**Tokunari:** To bolster risk management frameworks, we established a new organization to oversee risk management and compliance in October 2024, and we have been taking steps to strengthen these frameworks through the recruitment of experienced individuals from outside of the Company and other means. Moreover, we have been arranging opportunities for the Board of Directors to receive prompt reports on conditions within the Company as a way of sharing information regarding risks and other matters. We have also been working to shift away from our previous approach to management, which was focused on earnings, to adopt a new approach with an emphasis on the balance sheet and cash flows.

**Hiruta:** I also think it is worth noting the reports that you provide on the latest conditions within Nikon at the start of Board meetings. These reports are incredibly valuable to external directors as they help us better understand conditions at the Company by allowing us to maintain an up-to-date understanding of what has transpired since the last Board meeting as well as the issues you see as president.



### Changes Since Hiruta became Chairman of the Board

**Tokunari:** It was after the General Shareholders' Meeting held in June 2024 that you became chairman of the Board, Mr. Hiruta. You have been a director at Nikon for a number of years, giving you a strong understanding of the Company, and you have an extensive background in management. This background, as well as the fact that Nikon is currently pressed to change, was likely what made the Board recognize that you were the right person for the job.

**Hiruta:** In my capacity as chairman of the Board, I believe it is important to make full use of the insight and knowledge of the six external directors, each of whom has a unique background, in order to guide decisions by the Board and thereby enhance our response to the issues faced by Nikon. To facilitate this process, I increased opportunities for exchanges of information between external directors after regular Board meetings and other information sharing venues as well as meetings of the Independent External Directors' Meeting, which we have been holding since FY2022. After compiling the input gained from external directors through these opportunities, I report it to Mr. Umatate and yourself. We have also been working to help external directors gain a better understanding of agenda items via Study Sessions for the Directors held prior to Board meetings as warranted by the actual agenda items.

**Tokunari:** Study Sessions for the Directors, discussions among external directors, and frameworks that allow the lead external director to share what external directors view as important management issues with senior executive management are all provisions that are similar to the best practices implemented by the boards of directors of U.S. companies. We were able to implement these practices at Nikon due in part to your help.

As chairman of the Board, formulating agendas is one of your most important duties. I understand that you participate in meetings of the Executive Committee, the highest management decision-making body, as an observer for the purpose of performing these duties.

**Hiruta:** At meetings of the Executive Committee, I look at discussions and decision-making processes while trying to ascertain exactly where Nikon's strengths and weakness lie. After meetings, I talk with Mr. Umatate or yourself if there was something I feel the need to point out.

**Tokunari:** Your diligence has led to us engaging in even deeper discussions at Board meetings. The third-party evaluation of the effectiveness of its Board of Directors has also shown that both internal and external directors feel that the Board's effectiveness has increased greatly over the past year.

## Medium-Term Management Plan Progress and Stock Price

**Tokunari:** The Medium-Term Management Plan that began in FY2022 is slated to end with FY2025. There is a lot to praise about our progress under the plan thus far, but there are also some issues that we need to address. With regard to our efforts to develop additional business pillars to stand alongside the Imaging Products Business and the Precision Equipment Business, for example, some businesses have really gotten off the ground, like the Healthcare Business. Meanwhile, there are others, such as our metal 3D printer operations, that still need time in the oven. Nikon is working to foster a corporate culture of responsiveness to changes in the market, competition, and customers, but we still have a ways to go.

The quantitative targets of the plan include revenue of ¥700.0 billion, to be achieved by FY2025. This target was set based on our belief that Nikon needs to be of a certain scale to support its ongoing research and development activities. We actually accomplished this target two years in advance. Conversely, we have not been as successful when it comes to our target for the operating margin, which is only expected to be around 5% in FY2025, lower than the target of 10% or more. Nikon is also looking to achieve revenue of ¥1 trillion in 2030. However, I recognize that this revenue will not be sufficient if we are not able to generate profit commensurate to the scale of revenue. This is why we are transitioning to a management approach that emphasizes the balance sheet and cash flows while rebuilding our foundations through means such as renovating our factories and IT systems.

**Hiruta:** Nikon's inability to sufficiently respond to changes in semiconductor market conditions and industry structures resulted in slumps in related businesses, which had a major impact on overall performance. As a director, I cannot help but feel disappointment with the lack of knowledge that made me unable to predict such changes during the process of formulating this plan. To minimize such oversights in the future, we have been inviting experts to arrange Study Sessions for the Directors and taking other steps to heighten the Board's understanding of industry trends.

**Tokunari:** Whether lithography systems, measuring instruments, or inspection systems, a lot of Nikon's products can draw ties to semiconductor production. This means that trends in the semiconductor market can have a massive impact on our performance. However, issues with our business structure and the distribution of our customer base have made us unable to capitalize on the benefits of the growing demand for semiconductors stimulated by the rapid spread of AI technologies. I also understand that the low stock price causing our price-to-book ratio to remain below 1.0 times is largely a result of profit falling short of the targets of the Medium-Term Management Plan due to such factors.

**Hiruta:** The Board of Directors receives timely reports on how investors are viewing Nikon's strategies and stock price. How exactly we should approach living up to investors' expectations and raising corporate value is something that we will need to delve deeper into going forward.

**Tokunari:** A lot of discussion takes place concerning our semiconductor-related businesses and how we can expedite development processes to more quickly generate returns. For example, we have begun development of semiconductor lithography systems for back-end processes, which are expected to see increased demand for applications pertaining to AI and data centers. This is a notable change in course given that Nikon has previously only offered systems for front-end processes. The systems under development are slated to hit the market during FY2026. Going forward, the Board of Directors should continue to discuss semiconductor-related and other important management strategies in order to drive ongoing improvements in corporate value.



## Strengthening of Business Fundamentals

### Enhancement of Governance of Overseas Subsidiaries

**Tokunari:** There have been cases in the past in which the post-merger integration process following acquisitions could not be called successful. Reasons behind such outcomes have included our leaving post-acquisition management purely up to business divisions to the extent that corporate divisions were unable to exercise effective governance. Study sessions have been arranged for the Board of Directors to reflect on such past post-merger integration cases. We will use the lessons learned from and issues identified with these cases in the post-merger integration processes related to the recently acquired Nikon SLM Solutions AG (hereinafter "SLM") and RED Digital Cinema, Inc. (hereinafter "RED").

**Hiruta:** In the past, it has been the case that reports would only be submitted to the Board of Directors after an issue had arisen, and discussions on how to respond to the issue would start then. Today, however, the Board receives regular reports on projects that require monitoring, and these include companies in which we have already invested. If a project is determined to be exposed to significant volatility, and consequently risks, for example, the Board will receive reports every three months. If it is judged that such frequent reporting is not necessary, the reporting interval might be extended to once every six months. In this manner, we take a flexible approach toward reporting on such projects.

**Tokunari:** SLM of Germany is among the global top three in the field of metal 3D printers. Sales of this company's large-sized systems are growing, but this growth is slower than was projected at the time of the acquisition. Nevertheless, we expect this company to be able to post operating profit on a non-consolidated basis in FY2025. As our strategies for this company are advancing in the intended direction, I believe that our monitoring frameworks are functioning effectively.

RED of the United States, meanwhile, is a cinema camera manufacturer with an established reputation in Hollywood and other cinema centers. This company was acquired with the goal of swiftly incorporating its video-related technologies in order to accelerate the development of video equipment. We have already dispatched some 20 junior and other employees to RED, where they are helping out with the process of developing new cinema cameras. We will need to be diligent in monitoring this company to ascertain whether or not these efforts will generate the anticipated sales.

**Hiruta:** Sales of SLM's large-sized systems are growing, but growth in sales of small and medium size systems is slower than expected on an industry-wide basis. This is a situation that requires ongoing attention. As for RED, I think the approach toward obtaining new technologies that is not preoccupied with in-house development was a highly efficient one, and I therefore expect that success will be seen with regard to RED so long as the post-merger integration and management processes are conducted effectively.

## Focuses of Strengthening Business Fundamentals

**Tokunari:** Since taking up the mantle of president, I have been focusing on reinforcing Nikon's management foundations in five areas: human capital management, sustainability strategies, digital transformation, manufacturing, and administrative management.

Smooth progress is being seen with regard to human capital management and sustainability strategies. We are approaching human capital management from the three perspectives of acquiring, developing, and leveraging talent. I am a firm believer that innovation is born out of diversity. Based on this belief, we are promoting inter-business personnel relocations and mid-career recruitment. In fact, 37.1% of the Company's managers were mid-career hires. To help such mid-career hires gain a better understanding of Nikon's various products and technologies, we have been preparing video content for Group employees in which I personally explain current conditions at the Nikon Group and taking other steps to heighten employee engagement. As for sustainability strategies, external institutions have been rating Nikon high in comparison to its competitors.

Conversely, we are facing issues with respect to digital transformation, manufacturing, and administrative management. On the front of digital transformation, we plan to invest ¥30.0 billion in upgrading our core systems. As for manufacturing, as much as ¥100.0 billion will be invested leading up to 2030 to rebuild aged factories to bolster our production systems. Meanwhile, we are enhancing the internal control and internal auditing departments that constitute our second- and third-lines of administrative management.

These measures for strengthening business fundamentals will no doubt be an imperative part of our efforts to make Nikon into a company that can once again generate revenue on the scale of ¥1 trillion.

**Hiruta:** When I was a member of Nikon's Audit and Supervisory Committee, I had the chance to observe internal audits. I remember having strong feelings that Nikon's production facilities were getting a bit too old, and I even suggested to the executive team, through the Board of Directors, that action might need to be taken. Today, such action is being considered.

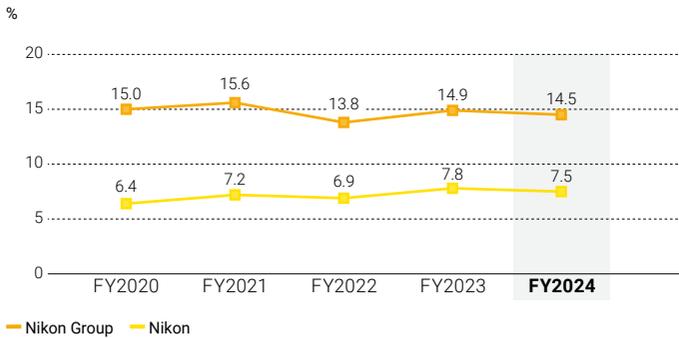
**Tokunari:** We also received similar comments from other external directors with management experience at manufacturers, and we examined this possibility in response to such comments. The type of performance volatility seen in the past has made Nikon prone to stockpile its cash, and this tendency has resulted in it forgoing arguably necessary investments in its business fundamentals. Going forward, however, we will be looking to conduct such investments as necessary while maintaining sufficient financial discipline.

**Hiruta:** I feel that the executive team is making steady progress in addressing Nikon's business fundamentals issues based on a clear mission. As an external director, I look forward to practicing even more extensive coordination with the executive team while conducting monitoring as appropriate.

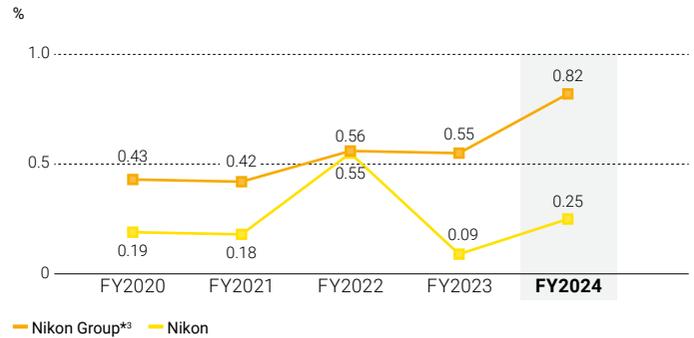
# Non-Financial Highlights

Nikon Corporation and Consolidated Subsidiaries

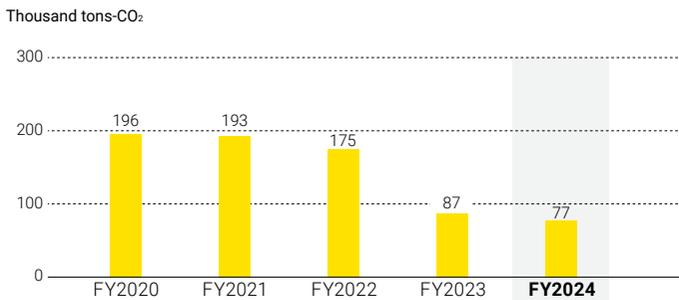
## Ratio of Females in Management Positions\*1



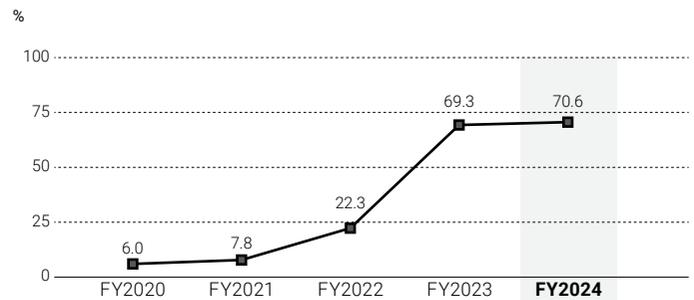
## Frequency Rate of Lost Time Accidents (1 or More Days)\*2



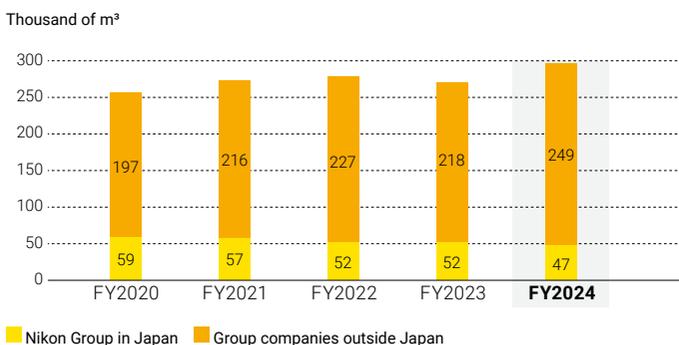
## Scope 1+2 Emissions \*4 \*5 \*6



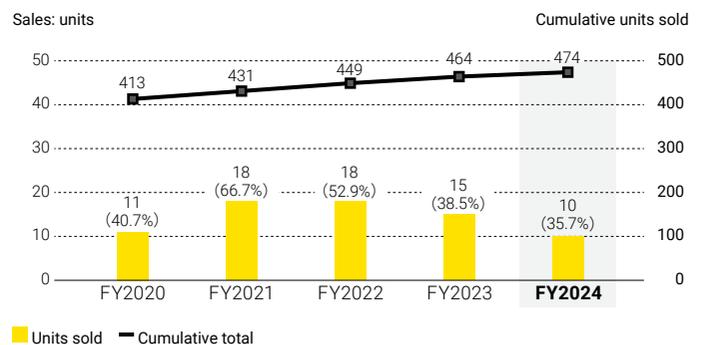
## Ratio of Renewable Energy as a Share of Electric Power Consumption



## Water Reuse



## Sales Volume of Refurbished Semiconductor Lithography Systems



\*1 Permanent employees of the Nikon Group. Regarding regional figures, employees who are seconded to affiliates are counted as employees of the affiliates. The Companies that have become consolidated subsidiaries through acquisition are not included in the calculations for the fiscal year in which they were acquired.

\*2 Frequency rate: The number of deaths and injuries resulting from occupational accidents per million hours worked, which is used as an index for the frequency of occupational accidents.

\*3 There were 22 Group companies in Japan, including non-consolidated subsidiaries and affiliated companies, in the fiscal year 2024. The frequency rate of Group companies outside Japan was calculated based on total imputed working hours. 62 consolidated subsidiaries outside Japan are covered in the fiscal year 2024.

\*4 The following values were used for CO<sub>2</sub> conversion factors.

Electric power: [Japan] The CO<sub>2</sub> emission factors without adjustment for each electric power utility noted in the "List of Emissions Factors by Electric Power Utility" specified in the Act on Promotion of Global Warming Countermeasures; [UK] Residual mix; [US] NERC regional residual mix; [Other countries] Individual country factor in International Energy Agency (IEA) factors  
 City gas: [Japan] The gas company eigenvalues noted in the guidance document for Periodic Report pursuant to the Act on the Rational Use of Energy (Energy Conservation Act) were multiplied by the values given in Appended Table 2 of the "List of Calculation Methods and Emissions Factors for Calculation, Reporting, and Announcement Systems" specified in the Act on Promotion of Global Warming Countermeasures, and by 44/12; [UK] Factors from the Report on Greenhouse Gases; [Other countries] Same value as a typical Japanese gas company  
 Heat and other fuels: The factors noted in the "List of Calculation Methods and Emissions Factors for Calculation, Reporting, and Announcement Systems specified in the Act on Promotion of Global Warming Countermeasures"

\*5 CO<sub>2</sub> emissions from energy consumption are calculated by subtracting amounts of green power plan, green power certificate, solar power, and green heat certificate from total energy consumption, and multiplying that by the emission factors.

\*6 Data coverage of Scope 1 and 2 for the fiscal year 2024 is 100% on an employee basis.

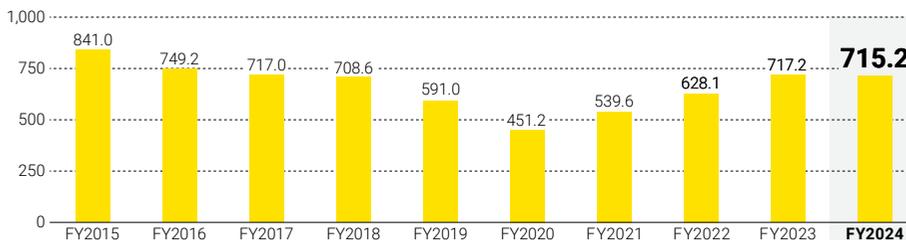
# Financial Highlights

Nikon Corporation and Consolidated Subsidiaries  
 Note: Figures are prepared in accordance with IFRS.

## Growth Potential / Profitability

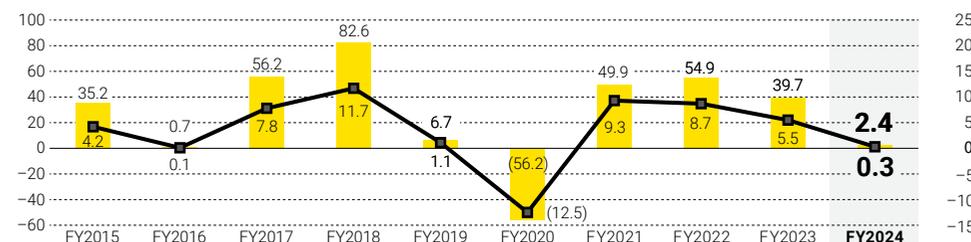
### Revenue

Billions of yen



### Operating Profit (Loss) / Operating Margin

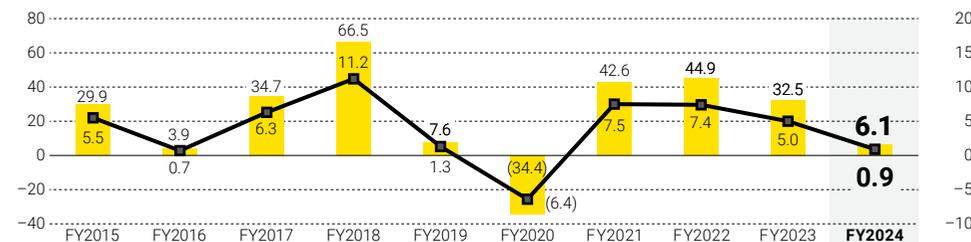
Billions of yen



■ Operating profit (loss) (left scale) — Operating margin (%) (right scale)

### Profit (Loss) Attributable to Owners of Parent / ROE

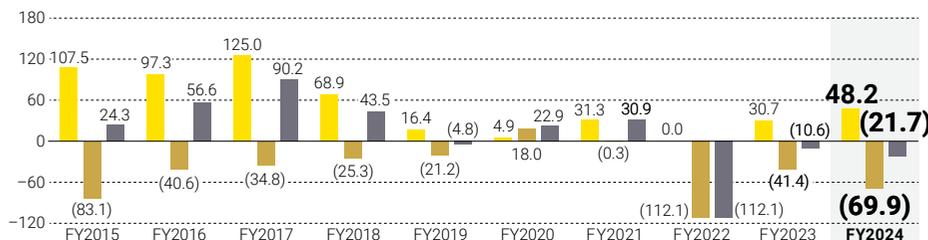
Billions of yen



■ Profit (loss) attributable to owners of parent (left scale) — ROE (%) (right scale)

### Cash Flows

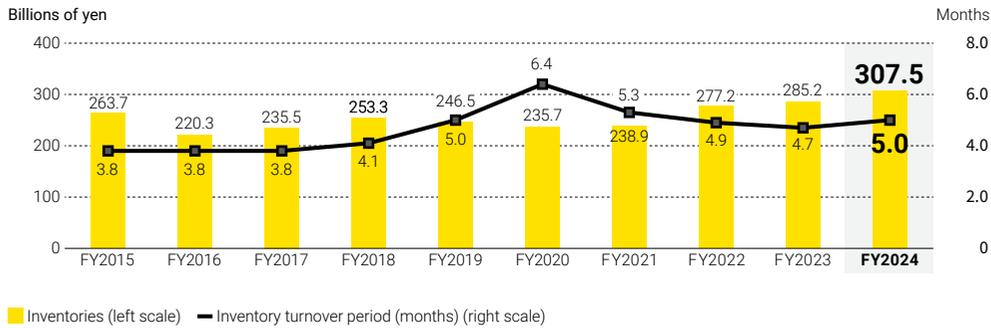
Billions of yen



■ Net cash provided by operating activities ■ Net cash provided by (used in) investing activities ■ Free cash flow

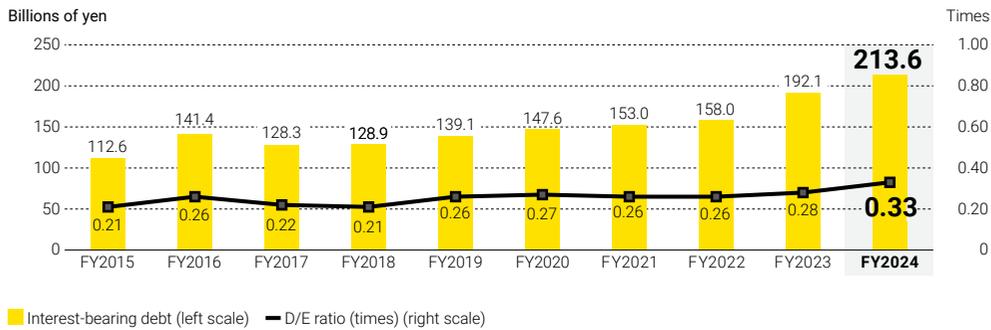
**Efficiency**

**Inventories / Inventory Turnover Period**



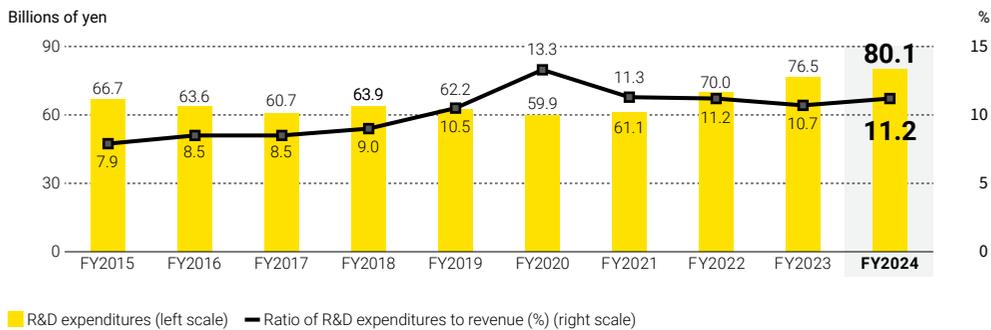
**Safety**

**Interest-Bearing Debt / D/E Ratio**



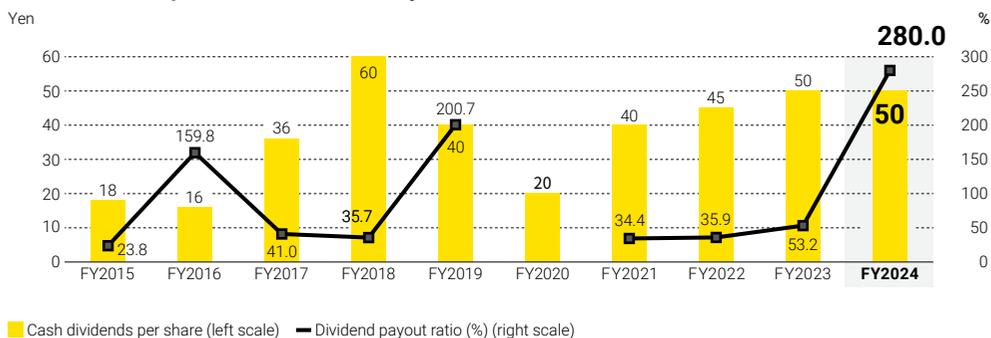
**Growth Investments**

**R&D Expenditures / Ratio of R&D Expenditures to Revenue**



**Shareholder Returns**

**Cash Dividends per Share / Dividend Payout Ratio**



# 10-Year Financial Data Summary

Nikon Corporation and Consolidated Subsidiaries  
Note: Figures are prepared in accordance with IFRS.

	Millions of yen				
	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Profit or loss (for the year):</b>					
Revenue	¥ 841,040	¥ 749,273	¥ 717,078	¥ 708,660	¥ 591,012
Cost of sales	(522,232)	(443,153)	(404,170)	(405,250)	(368,978)
Selling, general and administrative expenses	(276,988)	(247,548)	(248,683)	(238,561)	(205,698)
Other income (expenses)	(6,554)	(57,798)	(7,988)	17,805	(9,585)
Operating profit (loss)	35,266	774	56,236	82,653	6,751
Profit (loss) before tax	39,546	3,068	56,257	87,915	11,864
Profit (loss) attributable to owners of parent	29,947	3,967	34,772	66,513	7,693
<b>Financial position (fiscal year-end):</b>					
Total assets	982,564	1,018,351	1,098,343	1,134,985	1,005,881
Total equity	537,078	538,150	573,541	616,726	541,760
Interest-bearing debt	112,642	141,494	128,314	128,992	139,136
<b>Cash flows (for the year):</b>					
Net cash provided by operating activities	107,512	97,342	125,082	68,901	16,419
Net cash provided by (used in) investing activities	(83,178)	(40,693)	(34,808)	(25,304)	(21,281)
Free cash flow	24,334	56,649	90,274	43,597	(4,862)
Net cash provided by (used in) financing activities	(18,174)	15,522	(19,970)	(21,583)	(72,739)
<b>Per share of common stock (yen)*1:</b>					
Basic earnings	75.55	10.01	87.76	167.86	19.93
Diluted earnings	75.37	9.98	87.49	167.30	19.85
Cash dividends paid	18.00	16.00	36.00	60.00	40.00
<b>Financial indicators:</b>					
Ratio of equity attributable to owners of parent total assets (%)	54.6	52.8	52.2	54.3	53.7
D/E ratio (times)*2	0.21	0.26	0.22	0.21	0.26
ROE (%)*2	5.5	0.7	6.3	11.2	1.3
ROA (%)*2	3.0	0.4	3.3	6.0	0.7
Capital expenditures	34,498	32,234	33,472	24,938	28,775
Depreciation and amortization	38,811	33,972	31,706	27,805	34,105
R&D expenditures*3	66,781	63,636	60,704	63,963	62,294

\*1 Per share of common stock information is calculated based on the weighted-average number of ordinary shares outstanding during the year.

\*2 Throughout this report, D/E ratio is computed by dividing interest-bearing debt by total equity, ROE is computed by dividing profit (loss) attributable to owners of parent by the average of equity attributable to owners of parent at the start and end of the given fiscal year, and ROA is computed by dividing profit (loss) attributable to owners of parent by the average of total assets at the start and end of the given fiscal year.

\*3 R&D expenditures include the portion of development costs that are capitalized as intangible assets.

\*4 U.S. dollar figures are translated for reference only at ¥149.52 = \$1, the exchange rate on March 31, 2025.

	FY2020	FY2021	FY2022	FY2023	Millions of yen FY2024	Thousands of U.S. dollars*4 FY2024
<b>Profit or loss (for the year):</b>						
Revenue	¥ 451,223	¥ 539,612	¥ 628,105	¥ 717,245	¥715,285	\$4,783,878
Cost of sales	(295,318)	(303,541)	(338,931)	(407,198)	(403,318)	(2,697,418)
Selling, general and administrative expenses	(181,339)	(189,465)	(231,228)	(268,056)	(295,155)	(1,974,020)
Other income (expenses)	(30,807)	3,328	(3,038)	(2,215)	(14,390)	(96,244)
Operating profit (loss)	(56,241)	49,934	54,908	39,776	2,422	16,196
Profit (loss) before tax	(45,342)	57,096	57,058	42,669	4,533	30,316
Profit (loss) attributable to owners of parent	(34,497)	42,679	44,944	32,570	6,123	40,951
<b>Financial position (fiscal year-end):</b>						
Total assets	989,737	1,039,566	1,050,267	1,147,110	1,110,514	7,427,194
Total equity	538,726	599,967	618,351	685,091	639,223	4,275,168
Interest-bearing debt	147,628	153,098	158,097	192,171	213,648	1,428,893
<b>Cash flows (for the year):</b>						
Net cash provided by operating activities	4,966	31,351	15	30,767	48,258	322,750
Net cash provided by (used in) investing activities	18,024	(385)	(112,146)	(41,405)	(69,988)	(468,085)
Free cash flow	22,990	30,966	(112,131)	(10,638)	(21,730)	(145,335)
Net cash provided by (used in) financing activities	(4,991)	(26,151)	(56,210)	(8,938)	(19,808)	(132,476)
<b>Per share of common stock (yen and U.S. dollars)*1:</b>						
Basic earnings	(93.96)	116.23	125.46	94.03	17.86	0.12
Diluted earnings	(93.96)	115.58	124.77	93.53	17.77	0.12
Cash dividends paid	20.00	40.00	45.00	50.00	50.00	0.33
<b>Financial indicators:</b>						
Ratio of equity attributable to owners of parent total assets (%)	54.3	57.5	58.6	59.6	57.4	
D/E ratio (times)*2	0.27	0.26	0.26	0.28	0.33	
ROE (%)*2	(6.4)	7.5	7.4	5.0	0.9	
ROA (%)*2	(3.5)	4.2	4.3	3.0	0.5	
Capital expenditures	30,531	42,143	42,181	70,703	69,311	463,556
Depreciation and amortization	28,027	24,857	29,056	35,666	44,189	295,540
R&D expenditures*3	59,955	61,107	70,090	76,519	80,141	535,986

# Information

## Corporate Data

(As of March 31, 2025)

### Nikon Corporation

1-5-20, Nishioi, Shinagawa-ku, Tokyo  
140-8601, Japan

### Number of Employees

20,069 (Consolidated)

### Stock Status

Total number of shares authorized to be issued:

1,000,000,000

Total number of shares issued:

333,585,686

### Date of Establishment

July 25, 1917

### Capital

¥65,476 million

## Shareholders' Information

(As of March 31, 2025)

### Number of Shareholders

43,898

### Financial Instruments Exchange Listing

Tokyo Stock Exchange  
(Ticker Symbol: 7731)

### Share Registrar

Mitsubishi UFJ Trust and Banking Corporation

## Major Shareholder

Name of Shareholder	Number of Shares Held (Thousand Shares)	Percentage of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	62,961	19.15%
SG/INV	30,900	9.40%
Custody Bank of Japan, Ltd. (Trust Account)	17,979	5.47%
Meiji Yasuda Life Insurance Company	17,584	5.35%
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	12,499	3.80%
STATE STREET BANK AND TRUST COMPANY 505301	10,488	3.19%
MUFG Bank, Ltd	7,009	2.13%
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	6,643	2.02%
The Jyoyo Bank, Ltd.	6,121	1.86%
STATE STREET BANK AND TRUST COMPANY 505001	5,786	1.76%

Notice: The percentage of shares held is calculated after deducting treasury stocks (4,758 thousand shares).

## Ratings

Rating agencies	Long-term debt	Short-term debt	
Japan Credit Rating Agency, Ltd.(JCR)	A+ [Stable]	J-1	As of June 27, 2025
Rating and Investment Information, Inc.(R&I)	A [Stable]	a-1	As of July 29, 2025

For further information, please contact:

NIKON CORPORATION  
Finance & Accounting Division  
1-5-20, Nishioi, Shinagawa-ku,  
Tokyo 140-8601, Japan  
Tel. +81-3-3773-1111



**NIKON CORPORATION**

1-5-20, Nishioi, Shinagawa-ku, Tokyo 140-8601, Japan

[www.nikon.com](http://www.nikon.com)