

This is a translation of the original Japanese “Notice of the 159th Annual General Shareholders’ Meeting” prepared for the convenience of non-Japanese speakers. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

Securities Code: 7731

June 8, 2023

(Commencement Date of Electronic Provision: June 1, 2023)

NIKON CORPORATION
15-3, Konan 2-chome, Minato-ku, Tokyo

Dear Shareholder,

Notice of the 159th Annual General Shareholders’ Meeting

You are cordially notified that our 159th Annual General Shareholders’ Meeting will be held as outlined below.

You may exercise your voting rights by mail or via the Internet instead of attending on the date of the meeting. Please review the attached Reference Materials for the General Shareholders’ Meeting and exercise your voting rights no later than 5:00 p.m. on Wednesday, June 28, 2023.

Sincerely yours,

Toshikazu Umatate
Representative Director
President

1. Date & Time: 10:00 a.m., June 29, 2023 (Thursday)

2. Place: Hall on the fifth floor of Tokyo Conference Center Shinagawa
9-36, Konan 1-chome, Minato-ku, Tokyo

3. Agenda:

Matters to be reported

1. Business report, Consolidated Financial Statements, and audit reports concerning Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 159th term (April 1, 2022 to March 31, 2023)
2. Non-Consolidated Financial Statements for the 159th term (April 1, 2022 to March 31, 2023)

Matters to be resolved

Item 1: Appropriation of Surplus

Item 2: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Item 3: Election of Two Directors Who are Audit and Supervisory Committee Members

4. Measures for Electronic Provision:

The Company has taken measures for electronic provision with respect to the convocation of this General Shareholders' Meeting. The matters provided via measures for electronic provision has been posted on the Company's website on the Internet indicated below.

[The Company website]

https://www.nikon.com/company/ir/stock_info/meeting/

The matters provided via measures for electronic provision have also been posted on the Tokyo Stock Exchange (TSE) website below. Enter "Nikon" in the "Issue name (company name)" field or "7731" in the "Code" field and perform a search. Select "Basic information" and then "Documents for public inspection/PR information" to view the materials.

[Tokyo Stock Exchange website]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

<Important notes regarding the General Shareholders' Meeting>

- * If you choose to attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- * Pursuant to the relevant laws and regulations and Article 16, Paragraph 2 of the Company's Articles of Incorporation, the following items are posted on the Company website and the TSE website indicated above, and are not included in this convocation notice. The Audit and Supervisory Committee and the Accounting Auditor have audited documents subject to audit including the following documents posted on the websites.

- Business Report: “Subscription Rights to Shares,” “Framework to Ensure Fair Business Activity”
 - Consolidated Financial Statements: “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements”
 - Non-Consolidated Financial Statements: “Non-Consolidated Statement of Changes in Net Assets,” “Notes to Non-Consolidated Financial Statements”
- * Any revisions to the matters provided via measures for electronic provision will be posted on each of these websites.

Reference Materials for the General Shareholders' Meeting

Item 1: Appropriation of Surplus

It is proposed that surplus be appropriated as follows:

Matters concerning year-end dividends

The Company's fundamental policy on shareholder returns is to distribute a steady dividend that reflects the perspective of shareholders, and simultaneously realizing appropriate capital allocation flexibly from a mid to long-term perspective, while strengthening investments (including strategic investments, R&D, and capital expenditures) to ensure sustainable growth.

Based on this policy, it is proposed that a year-end dividend be paid out as follows.

(1) Type of dividend assets

Cash

(2) Allotment of dividend assets to shareholders and total amount

25 yen per Company common stock

Total payment of dividends: 8,654,332,250 yen

(3) Effective date of dividends from surplus

June 30, 2023

The annual dividend for the fiscal year under review, including an interim dividend, will be 45 yen per Company common stock.


Item 2: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office for all six Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this General Shareholders' Meeting. Accordingly, in order to ensure management transparency and further strengthen the Company's corporate governance, the Company proposes that the number of External Directors be increased by one, and that seven Directors (excluding Directors who are Audit and Supervisory Committee Members) be elected.


The Audit and Supervisory Committee has reported that there are no matters to be addressed with regard to the election of Directors (excluding Directors who are Audit and Supervisory Committee Members).


The candidates are as follows:


Candidate number	Name	Status of committees attended	Attendance at meetings of the Board of Directors
1	[Reappointment] Kazuo Ushida	Nominating Committee Compensation Committee	100% (18 of 18)
2	[Reappointment] Toshikazu Umatate	Compensation Committee	100% (18 of 18)
3	[Reappointment] Takumi Odajima		100% (18 of 18)
4	[Reappointment] Muneaki Tokunari		100% (18 of 18)
5	[External/ Independent/ Reappointment] Shigeru Murayama	Nominating Committee Compensation Committee	100% (18 of 18)
6	[External/ Independent/ New candidate] Makoto Sumita	Nominating Committee	100% (14 of 14)
7	[External/ Independent/ Reappointment] Tsuneyoshi Tatsuoka	Nominating Committee	93% (13 of 14)


Candidate number 1	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p data-bbox="304 712 424 739">Kazuo Ushida</p> <p data-bbox="252 763 424 837">Date of birth: January 25, 1953 (Age: 70)</p> <p data-bbox="252 862 464 958">Shares held in the Company Actual number of common stock held: 48,299 shares</p> <p data-bbox="252 960 440 1034">Number of dilutive stock held: 169,300 shares</p> <p data-bbox="252 1059 461 1106">Years of service as Director: 18 years</p>	<p data-bbox="497 333 794 360">Apr. 1975: Joined the Company</p> <p data-bbox="497 362 1315 409">Jun. 2003: Corporate Vice President, General Manager of Development Headquarters, Precision Equipment Company, the Company</p> <p data-bbox="497 412 1382 459">Jun. 2005: Managing Director, Member of the Board & Executive Vice President, President of Precision Equipment Company, the Company</p> <p data-bbox="497 461 1294 508">Jun. 2007: Director, Member of the Board & Executive Vice President, President of Precision Equipment Company, the Company</p> <p data-bbox="497 510 1370 557">Jun. 2009: Director, Member of the Board & Executive Vice President, Officer in charge of Intellectual Property Headquarters, President of Precision Equipment Company, the Company</p> <p data-bbox="497 560 1378 633">Jun. 2013: Representative Director, Member of the Board & Senior Executive Vice President, Officer in charge of Intellectual Property Headquarters, President of Precision Equipment Company, Vice Officer in charge of Corporate Planning Headquarters, the Company</p> <p data-bbox="497 636 1374 683">Jun. 2014: President and Representative Director, Overseeing Medical Business Development Division and Business Development Division, the Company</p> <p data-bbox="497 685 1345 732">Jun. 2015: President and Representative Director, Overseeing Corporate Strategy Division, Medical Business Development Division and Business Development Division, the Company</p> <p data-bbox="497 734 1374 781">Jun. 2016: President and Representative Director, Officer in charge of Business Development Division, the Company</p> <p data-bbox="497 784 1374 831">Jun. 2017: President and Representative Director, Officer in charge of Business Development Division, Optical Engineering Division and Research & Development Division, the Company</p> <p data-bbox="497 833 1163 860">Apr. 2019: Representative Director and Chairman of the Board, the Company</p> <p data-bbox="497 862 932 889">Apr. 2020: Chairman of the Board, the Company</p> <p data-bbox="497 891 1134 918">Jun. 2021: Director and Chairman of the Board, the Company (to present)</p> <p data-bbox="497 920 943 947">[Important concurrent positions outside the Company]</p> <p data-bbox="497 949 1158 996">Outside Director and Audit & Supervisory Committee Member of Toyo Kanetsu K.K. Outside Director of JSR Corporation</p> <p data-bbox="497 999 782 1025">[Special interests in the Company]</p> <p data-bbox="528 1028 576 1043">None</p> <p data-bbox="497 1046 699 1072">[Reasons for candidacy]</p> <p data-bbox="497 1075 1378 1211">Kazuo Ushida has been engaged mainly in development of the semiconductor lithography systems since joining the Company, and has served as General Manager of Development Headquarters and President of Precision Equipment Company. He has led the restructuring as a President, exploiting his experience in business operation cultivated in the globally competitive environment of the cutting-edge semiconductor lithography market. As he is sufficiently qualified for directorship, we nominate him as a candidate to continue as Director.</p>


Candidate number 2	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p>Toshikazu Umatate</p> <p>Date of birth: March 1, 1956 (Age: 67)</p> <p>Shares held in the Company Actual number of common stock held: 66,492 shares Number of dilutive stock held: 214,700 shares</p> <p>Years of service as Director: 4 years</p>	<p>Apr. 1980: Joined the Company</p> <p>Jun. 2005: Corporate Vice President, General Manager of Development Headquarters, Precision Equipment Company, the Company</p> <p>Jun. 2009: Corporate Vice President, Vice President of Precision Equipment Company & General Manager of Sales Headquarters, Precision Equipment Company, the Company</p> <p>Jun. 2012: Senior Vice President, Vice President of Precision Equipment Company & General Manager of Semiconductor Equipment Division, Precision Equipment Company, the Company</p> <p>Jun. 2014: Senior Vice President, General Manager of Semiconductor Lithography Business Unit, the Company</p> <p>Apr. 2018: Senior Vice President, General Manager of Semiconductor Lithography Business Unit, Officer in charge of Technology Strategy and Precision Components & Modules Business Unit, the Company</p> <p>Apr. 2019: President, Officer in charge of Business Development Division, Research & Development Division and Precision Components & Modules Business Unit, the Company</p> <p>Jun. 2019: President, CEO and Representative Director, Officer in charge of Business Development Division, Research & Development Division and Precision Components & Modules Business Unit, the Company</p> <p>Jul. 2019: President, CEO and Representative Director, Officer in charge of Research & Development Division, Next Generation Project Division and Precision Components & Modules Business Unit, the Company</p> <p>Apr. 2020: Representative Director and President, CEO, Officer in charge of Research & Development Division, Design Center and Digital Solutions Business Unit, the Company</p> <p>Apr. 2021: Representative Director and President, CEO, CTO, Officer in charge of Design Center and Research & Development Division, the Company</p> <p>Oct. 2021: Representative Director and President, CEO, CTO, Officer in charge of Design Center, Imaging Solution Development Department and Advanced Technology Research & Development Division, the Company</p> <p>Apr. 2023: Representative Director and President, CEO, CTO, Officer in charge of Design Center and Imaging Solution Development Department, the Company (to present)</p> <p>[Special interests in the Company] None</p> <p>[Reasons for candidacy] Toshikazu Umatate has been engaged mainly in development of the semiconductor lithography systems since joining the Company and has served as General Manager of Development Headquarters and General Manager of Semiconductor Equipment Division, among other positions. He grasps changes in the global business environment and our core competencies, and leads management as President. As he is sufficiently qualified for directorship, we nominate him as a candidate to continue as Director.</p>

Candidate number 3	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p data-bbox="295 651 432 678">Takumi Odajima</p> <p data-bbox="252 703 437 779">Date of birth: December 5, 1958 (Age: 64)</p> <p data-bbox="252 801 464 972">Shares held in the Company Actual number of common stock held: 30,519 shares Number of dilutive stock held: 97,900 shares</p> <p data-bbox="252 996 464 1041">Years of service as Director: 6 years</p>	<p data-bbox="497 383 1385 808"> Apr. 1981: Joined the Company Jun. 2012: Corporate Vice President, General Manager of Planning Headquarters, Precision Equipment Company, the Company Jun. 2014: Corporate Vice President, Corporate Strategy Division, the Company Dec. 2016: Corporate Vice President, Corporate Strategy Division and Deputy General Manager of Human Resources & Administration Division, the Company Jun. 2017: Senior Vice President and Director, General Manager of Human Resources & Administration Division, the Company Apr. 2018: Senior Vice President and Director, General Manager of Human Resources & Administration Division, Officer in charge of Risk Management, the Company Apr. 2020: Representative Director and Executive Vice President, General Manager of Human Resources & Administration Division, Officer in charge of Risk Management, Internal Audit Department, Information Security Department and Intellectual Property Division, the Company Apr. 2021: Representative Director and Executive Vice President, CAO, CRO, General Manager of Group Governance & Administration Division, Officer in charge of Information Security Department and Legal & Intellectual Property Division, the Company (to present) </p> <p data-bbox="497 808 783 857">[Special interests in the Company] None</p> <p data-bbox="497 869 1385 1032">[Reasons for candidacy] Takumi Odajima, after having been engaged primarily in the sales and business planning sections of the Instruments Business, has served as General Manager of Corporate Planning Department, General Manager of Planning Headquarters, Precision Equipment Company, and General Manager of Human Resources & Administration Division. As he possesses a wealth of experience as the person responsible for promoting important policies, he is sufficiently qualified for directorship. Therefore, we nominate him as a candidate to continue as Director.</p>

Candidate number 4	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p data-bbox="284 741 437 768">Muneaki Tokunari</p> <p data-bbox="252 797 405 875">Date of birth: March 6, 1960 (Age: 63)</p> <p data-bbox="252 902 464 994">Shares held in the Company Actual number of common stock held: 21,819 shares</p> <p data-bbox="252 999 440 1070">Number of dilutive stock held: 56,600 shares</p> <p data-bbox="252 1095 461 1144">Years of service as Director: 3 years</p>	<p data-bbox="497 331 1386 1137"> Apr. 1982: Joined The Mitsubishi Trust and Banking Corporation (current Mitsubishi UFJ Trust and Banking Corporation) Oct. 2005: General Manager, Frontier Strategy Planning and Support Division of the said Company Apr. 2007: Assistant to the Executive Officer of the said Company and General Manager, Financial Planning Division of Mitsubishi UFJ Financial Group, Inc. Jun. 2009: Executive Officer of the said Company and General Manager, Financial Planning Division of Mitsubishi UFJ Financial Group, Inc. Jun. 2010: Executive Officer and General Manager, Corporate Planning Division of the said Company Jun. 2011: Managing Executive Officer and General Manager, Corporate Planning Division of the said Company Jun. 2012: Managing Director in charge of Corporate Planning Division, Frontier Strategy Planning and Support Division, Human Resources Division and Employee Counselling Office of the said Company Jun. 2013: Senior Managing Director in charge of Corporate Planning Division, Frontier Strategy Planning and Support Division, Human Resources Division and Employee Counselling Office of the said Company Jun. 2014: Senior Managing Director in charge of Corporate Planning Division and Frontier Strategy Planning and Support Division of the said Company Jun. 2015: Director, Managing Executive Officer and Group CFO of Mitsubishi UFJ Financial Group, Inc. and Managing Director and CFO of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.) May 2016: Director, Senior Managing Executive Officer and Group CFO of the said Company and Senior Managing Director and CFO of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Jun. 2018: Senior Managing Executive Officer and Group CFO of the said Company and Senior Managing Director and CFO of MUFG Bank, Ltd. Apr. 2020: Executive Vice President, CFO, Officer in charge of Finance & Accounting Division, the Company June 2020: Director and Executive Vice President, CFO, Officer in charge of Finance & Accounting Division, the Company Apr. 2021: Director and Executive Vice President, CFO, Officer in charge of Internal Audit Department, Corporate Sustainability Department, Finance & Accounting Division and IT Solutions Division, the Company (to present) </p> <p data-bbox="497 1137 1386 1189">[Special interests in the Company] None</p> <p data-bbox="497 1189 1386 1317">[Reasons for candidacy] Muneaki Tokunari served as the manager of planning divisions and CFO at Mitsubishi Trust and Banking Corporation and Mitsubishi UFJ Financial Group, Inc., and as the CFO of MUFG Bank, Ltd. He possesses extensive business experience and broad-ranging knowledge cultivated in a trust bank and a commercial bank. As he is sufficiently qualified for directorship, we nominate him as a candidate for Director.</p>

Candidate number 5	Career summary, position and duties at the Company, and important concurrent positions outside the Company
	<p>Apr. 1974: Joined Kawasaki Heavy Industries, Ltd. Apr. 2005: Executive Officer of the said Company Apr. 2008: Managing Executive Officer of the said Company Jun. 2010: Representative Director and Senior Vice President of the said Company Jun. 2013: Representative Director and President of the said Company Jun. 2016: Representative Director and Chairman of the said Company Jun. 2017: Chairman of the Board of the said Company Jun. 2020: Senior Strategic Advisor of the said Company (to present) Jun. 2020: External Director, the Company (to present)</p>
External/Independent	[Important concurrent positions outside the Company] Senior Advisor of Kawasaki Heavy Industries, Ltd.
Shigeru Murayama	[Special interests in the Company] None
Date of birth: February 27, 1950 (Age: 73) Shares held in the Company Actual number of common stock held: 500 shares Number of dilutive stock held: 0 shares Years of service as External Director: 3 years	[Reasons for candidacy and overview of expected roles] 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, and we believe that he will be able to contribute to the Company's overall management from a big-picture perspective. He also meets the independence criteria set by the Company (see page 16), and we expect that he will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.

Candidate number 6	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p>External/Independent</p> <p>Makoto Sumita</p> <p>Date of birth: January 6, 1954 (Age: 69)</p> <p>Shares held in the Company Actual number of common stock held: 0 shares</p> <p>Number of dilutive stock held: 0 shares</p> <p>Years of service as External Director: 1 year</p>	<p>Apr. 1980: Joined Nomura Research Institute, Ltd.</p> <p>Jun. 1996: Director of INNOTECH CORPORATION</p> <p>Apr. 2005: Executive Vice President & Representative Director of the said Company</p> <p>Apr. 2007: President and Representative Director of the said Company</p> <p>Jun. 2011: Outside Audit & Supervisory Board Member of TDK Corporation</p> <p>Apr. 2013: Chairman & CEO of INNOTECH CORPORATION</p> <p>Jun. 2013: Outside Director of TDK Corporation</p> <p>Jun. 2018: Chairman & Director of INNOTECH CORPORATION</p> <p>Jun. 2018: Chairman & Director of TDK Corporation</p> <p>Apr. 2021: Director of INNOTECH CORPORATION</p> <p>Apr. 2022: Director of TDK Corporation</p> <p>Jun. 2022: External Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>[Important concurrent positions outside the Company] Outside Director and Chairman of the board, MINKABU THE INFONOID, Inc.</p> <p>[Special interests in the Company] None</p> <p>[Reasons for candidacy and overview of expected roles] Makoto Sumita served as President and Representative Director of INNOTECH CORPORATION, Chairman & Director of TDK Corporation and other important positions, and possesses long years of management experience and outstanding insight, and we believe that he will be able to contribute to the Company's overall management from a big-picture perspective and that he can also contribute to securing the soundness and appropriateness of the Company's management as well as to the enhancement of its transparency. He also meets the independence criteria set by the Company (see page 16), and we expect that he will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>

Candidate number 7	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p data-bbox="276 674 453 696">External/Independent</p> <p data-bbox="276 723 453 745">Tsuneyoshi Tatsuoka</p> <p data-bbox="252 772 427 846">Date of birth: January 29, 1958 (Age: 65)</p> <p data-bbox="252 871 464 1039">Shares held in the Company Actual number of common stock held: 2,000 shares Number of dilutive stock held: 0 shares</p> <p data-bbox="252 1064 458 1137">Years of service as External Director: 1 year</p>	<p data-bbox="497 383 1377 427">Apr. 1980: Joined the Ministry of International Trade and Industry (current Ministry of Economy, Trade and Industry (METI))</p> <p data-bbox="497 432 1334 477">Jan. 2010: Counsellor, Cabinet Secretariat (Office of Assistant Chief Cabinet Secretary) of the said Ministry</p> <p data-bbox="497 481 879 504">Aug. 2011: Deputy Vice-Minister of METI</p> <p data-bbox="497 508 900 530">Jun. 2013: Vice Minister of the said Ministry</p> <p data-bbox="497 535 871 557">Jul. 2015: Retired from the said Ministry</p> <p data-bbox="497 562 983 584">Jun. 2022: External Director, the Company (to present)</p>
	<p data-bbox="497 595 943 618">[Important concurrent positions outside the Company]</p> <p data-bbox="497 622 863 645">Outside Director of Asahi Kasei Corporation</p> <p data-bbox="497 649 852 672">Outside Director of Mitsubishi Corporation</p>
	<p data-bbox="497 669 783 692">[Special interests in the Company]</p> <p data-bbox="528 696 576 719">None</p>
	<p data-bbox="497 721 959 743">[Reasons for candidacy and overview of expected roles]</p> <p data-bbox="497 748 1385 916">Although Tsuneyoshi Tatsuoka has never been directly involved in corporate management in the past other than through acting as an External Director or an External Audit and Supervisory Board Member, he has held important positions at the Ministry of Economy, Trade and Industry, and possesses exceptional knowledge regarding industrial and economic policies, and we believe that he will be able to contribute to the Company's overall management from a big-picture perspective. He also meets the independence criteria set by the Company (see page 16), and we expect that he will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>

Notes:

1. Shigeru Murayama, Makoto Sumita and Tsuneyoshi Tatsuoka are candidates for the position of External Directors as provided for under the Companies Act. The Company has reported each of them to Tokyo Stock Exchange, Inc. as an independent director. At the conclusion of this General Shareholders' Meeting, Shigeru Murayama will have served as External Director of the Company for three years, and Makoto Sumita and Tsuneyoshi Tatsuoka will have served as External Directors of the Company for one year.
2. If this proposal is approved, the Company intends to continue an agreement with Kazuo Ushida, Shigeru Murayama, Makoto Sumita and Tsuneyoshi Tatsuoka that limits their liability for damages under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
3. Kazuo Ushida, Toshikazu Umatate, Takumi Odajima, Muneaki Tokunari, Shigeru Murayama, Makoto Sumita and Tsuneyoshi Tatsuoka are currently Directors of the Company, and the Company has concluded a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act under which they are each included as insured persons. If this proposal is approved, they will continue to be included as insured persons in this insurance contract. This contract covers damages, etc. to be borne by the insured person as a result of claims for damages received in the course of business execution by the insured person as an officer of the company, and the insured person bears approximately 10% of the insurance premium. The Company intends to renew this insurance contract with the same terms and conditions during their terms of office.
4. Number of dilutive stock held are shown as reference for the number of shares to be delivered if subscription rights to shares granted as stock-related compensation system are exercised.

Item 3: Election of Two Directors Who Are Audit and Supervisory Committee Members


The term of office for Satoshi Hagiwara, a Director who is an Audit and Supervisory Committee Member, will expire at the conclusion of this General Shareholders' Meeting. Furthermore, Makoto Sumita, a Director who is an Audit and Supervisory Committee Member, will resign as a Director who is an Audit and Supervisory Committee Member at the conclusion of this General Shareholders' Meeting in order to being appointed as a Director other than the one who is an Audit and Supervisory Committee Member, subject to the approval of the proposal to elect him as part of Item 2. Accordingly, it is proposed that two Directors who are Audit and Supervisory Committee Members be elected.


Neither of the two candidates will be elected as a substitute for a Director who is an Audit and Supervisory Committee Member who resigns, and their terms of office will expire at the conclusion of the Annual General Shareholders' Meeting pertaining to the last fiscal year ending within two years from the time of their election.

The consent of the Audit and Supervisory Committee has been obtained for this item.

The candidates are as follows:

Candidate number	Name	Status of committees attended	Attendance at meetings of the Board of Directors*	Attendance at meetings of the Audit and Supervisory Committee
1	[Reappointment] Satoshi Hagiwara		100% (18 of 18)	100% (10 of 10)
2	[External/Independent/ New candidate] Michiko Chiba		-	-

Candidate number 1	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p>Satoshi Hagiwara</p> <p>Date of birth: July 18, 1961 (Age: 61)</p> <p>Shares held in the Company Actual number of common stock held: 19,100 shares Number of dilutive stock held: 63,600 shares</p> <p>Years of service as Director: 2 years</p>	<p>Apr. 1985: Joined the Company</p> <p>Jun. 2015: Corporate Vice President, General Manager of Finance & Accounting Division, the Company</p> <p>Jun. 2017: Senior Vice President and Director, General Manager of Finance & Accounting Division, Deputy General Manager of Corporate Strategy Division, the Company</p> <p>Apr. 2019: Senior Vice President and Director, General Manager of Corporate Strategy Division, Officer in charge of Glass Business Unit, the Company</p> <p>Apr. 2020: Senior Vice President and Director, General Manager of Corporate Strategy Division, the Company</p> <p>Jun. 2020: Senior Vice President, General Manager of Corporate Strategy Division, the Company</p> <p>Apr. 2021: Senior Vice President, the Company</p> <p>Jun. 2021: Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>[Special interests in the Company] None</p> <p>[Reasons for candidacy] Satoshi Hagiwara has been engaged in the finance and accounting sections since joining the Company, and has served as General Manager of Finance & Accounting Division and General Manager of Corporate Strategy Division. As he possesses a high degree of expertise and outstanding insight in finance and accounting, we believe that he is qualified to fulfill the responsibilities of an Audit and Supervisory Committee Member, and therefore nominate him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>

Candidate number 2	Career summary, position and duties at the Company, and important concurrent positions outside the Company
 <p data-bbox="276 629 453 651">External/Independent</p> <p data-bbox="300 678 429 701">Michiko Chiba</p> <p data-bbox="252 728 400 801">Date of birth: June 27, 1961 (Age: 61)</p> <p data-bbox="252 826 464 900">Shares held in the Company Actual number of common stock held: 0 shares</p> <p data-bbox="252 925 440 999">Number of dilutive stock held: 0 shares</p> <p data-bbox="252 1023 459 1097">Years of service as External Director: 0 years</p>	<p data-bbox="499 338 1358 555">Apr. 1984: Joined Tokyo Metropolitan Government Oct. 1989: Joined Showa Ota & Co. (current Ernst & Young ShinNihon LLC) Mar. 1993: Registered as a Certified Public Accountant Jul. 2010: Senior Partner, Ernst & Young ShinNihon LLC Aug. 2013: Member of Governance Council, Ernst & Young ShinNihon LLC Feb. 2016: Deputy Chair of Governance Council, Ernst & Young ShinNihon LLC Sep. 2016: Established Chiba Certified Public Accountant Office (to present) Apr. 2022: Commissioner of Certified Public Accountants and Auditing Oversight Board (to present)</p> <p data-bbox="499 562 1374 674">[Important concurrent positions outside the Company] Outside Director, Member of the Board (Member of the Audit and Supervisory Committee), CASIO COMPUTER CO., LTD. Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NTT DOCOMO, INC.</p> <p data-bbox="499 680 783 725">[Special interests in the Company] None</p> <p data-bbox="499 732 1385 925">[Reasons for candidacy and overview of expected roles] Although Michiko Chiba has never been directly involved in corporate management in the past other than through acting as an External Director or an External Audit and Supervisory Board Member, she possesses outstanding insight regarding corporate accounting and governance through her involvement as the person responsible for various auditing operations at an auditing firm, and we believe that she is qualified to fulfill the responsibilities of an Audit and Supervisory Committee Member. She also meets the independence criteria set by the Company (see page 16), and we expect that she will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>

Notes:

1. Michiko Chiba is a candidate for the position of External Director as provided for under the Companies Act. The Company intends to report her to Tokyo Stock Exchange, Inc. as an independent director.
2. If this proposal is approved, the Company intends to continue an agreement with Satoshi Hagiwara that limits his liability for damages under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
3. If this proposal is approved, the Company intends to conclude an agreement with Michiko Chiba that limits her liability for damages under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
4. Satoshi Hagiwara is currently a Director of the Company, and the Company has concluded a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act under which he is included as an insured person. If this proposal is approved, he will continue to be included as an insured person in this insurance contract. The Company intends to renew this insurance contract with the same terms and conditions during his term of office. In addition, if this proposal is approved, Michiko Chiba will be included as an insured person in this insurance contract. This contract covers damages, etc. to be borne by the insured person as a result of claims for damages received in the course of business execution by the insured person as an officer of the company, and the insured person bears approximately 10% of the insurance premium. The Company intends to renew this insurance contract with the same terms and conditions during her term of office.
5. Number of dilutive stock held are shown as reference for the number of shares to be delivered if subscription rights to shares granted as stock-related compensation system are exercised. These subscription rights to shares were granted to these individuals during their terms of office as Directors other than those who are Audit and Supervisory Committee Members or Officers.

(Reference)

Criteria for determining independence of external directors

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

- a) The candidate serves or had 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 the said major shareholder.
- d) The candidate had served in the past at a company whose directors are concurrently serving as the Company’s external director 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 had served in the past at said 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 fall into either of the following.

- (1) A client or supplier with whom the Company has transaction that falls into the following, in any of the past three years
 - a party which receives payment from the Company equivalent to 2% of the party’s consolidated net sales or 100.0 million yen, whichever the greater
 - a party which makes payments to the Company equivalent to 2% of the Company’s consolidated net sales or 100.0 million yen, whichever the 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)

(Reference) Directors' Skill Matrix after the 159th Annual General Shareholders' Meeting

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.

The Directors' skill matrix after the 159th Annual General Shareholders' Meeting when Items 2 and 3 are approved as originally proposed is as follows.

		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
Chairman of the Board	Kazuo Ushida	○	○				○
Representative Director	Toshikazu Umatate	○				○	○
Representative Director	Takumi Odajima	○	○	○			
Director	Muneaki Tokunari	○	○		○		
Director*	Shigeru Murayama	○				○	○
Director*	Makoto Sumita	○	○				○
Director*	Tsuneyoshi Tatsuoka		○	○		○	
Director Full-time Audit and Supervisory Committee Member	Satoshi Hagiwara	○	○		○		
Director Full-time Audit and Supervisory Committee Member	Atsushi Tsurumi		○		○	○	
Director* Audit and Supervisory Committee Member	Shiro Hiruta	○	○				○
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 are listed on which the Board particularly relies.)

*Indicates the External Director

In addition, if Items 2 and 3 are approved as originally proposed, the composition of the Nominating Committee and the Compensation Committee will be resolved as follows at the Board of Directors' meeting to be held after the 159th Annual General Shareholders' Meeting.

	Chairperson	Committee Members
Nominating Committee	Makoto Sumita	Shigeru Murayama, Asako Yamagami, Tsuneyoshi Tatsuoka, Kazuo Ushida
Compensation Committee	Shigeru Murayama	Shiro Hiruta, Kazuo Ushida, Toshikazu Umatate

(Reference) Policy on cross-shareholdings and status of cross-shareholdings

The Company's policy on cross-shareholdings is as follows.

If the Company holds shares in other listed companies for strategic purposes, the Board of Directors regularly examines and verifies the rationale for holding such shares for each of the listed companies in terms of strategic significance and rationality, benefits and risks that accompany the cross-shareholding, including total shareholder return and related earnings on transactions, and capital costs that the Company bears. If the Board of Directors finds the necessity or rationality for holding such shares insignificant, the Company gives due consideration to options, including the possibility of selling them.

When exercising voting rights associated with cross-shareholdings, the Company makes decisions based on perspectives such as whether each proposal will improve the corporate value of the Company and the issuing company over the medium-to-long term. In particular, if there is a high chance that the proposal will damage the issuing company's corporate value, or if the issuing company is facing a major corporate scandal, the Company makes a decision with extra caution to exercise its voting rights.

The latest trends are as follows.

As of March 31, 2022		As of March 31, 2023	
Number of issues of cross-shareholdings	Total balance sheet amount (million yen)	Number of issues of cross-shareholdings	Total balance sheet amount (million yen)
62	60,744	63	56,970

(Attached documents)

Business Report

(From April 1, 2022 to March 31, 2023)

1. Matters relating to the current state of the Group

(1) Results of operations

(i) Review of operations

During the fiscal year ended March 31, 2023, the global economy was adversely affected by factors such as the surge in resource prices triggered by the prolonged Ukraine crisis and the rise in policy interest rates in various countries to control the ongoing inflation, despite the reduced impact of COVID-19.

By the business segment, in the Imaging Products Business, shipped quantities of products recovered as the digital camera market saw an improvement in problems with procurement of components due in part to the shortage of semiconductors. In the Precision Equipment Business, capital investments in the field related to FPDs showed a diminishing trend both for mid-to-small size panels and large-size panels. In addition, capital investments in the fields related to semiconductors, which previously remained firm, have entered and remained in a correction phase since the third quarter. In the Healthcare Business, the life science solutions and eye care solutions markets largely remained strong. In the Components Business, the Digital Solutions Business continued a solid trend in the markets related to optical parts & components and encoders. In the Customized Products Business, the EUV-related markets remained brisk.

Under the medium-term management plan announced in April 2022, the Group put its efforts into securing stable revenues from its main businesses, consisting of the Imaging Products Business and the Precision Equipment Business, by increasing touchpoints with customers and delivering, among other things, products and services that accurately reflect the needs of customers. Meanwhile, in order to scale earnings in its strategic businesses, consisting primarily of the Healthcare Business and the Components Business, the Group worked to deliver solutions aimed at creating new value in promising markets as well as to expand new business domains and contract businesses. In addition, the Group also committed to M&As and alliances, including one that made SLM Solutions Group AG (hereinafter, "SLM") a consolidated subsidiary to expand the Digital Manufacturing Business.

Furthermore, the Group focused on sustainability strategy, human capital management, and DX strategy for customers and employees to strengthen its management base.

Under these circumstances, during the fiscal year ended March 31, 2023, revenue increased 88,494 million yen (16.4%) year on year to 628,105 million yen, operating profit increased 4,974 million yen (10.0%) year on year to 54,908 million yen, profit before tax decreased 37 million yen (0.1%) year on year to 57,058 million yen, and profit attributable to owners of parent increased 2,265 million yen (5.3%) year on year to 44,944 million yen.

Performance by segment is as follows.

Note that, since the current fiscal year, the Company has transferred the Next Generation Project Division, which was previously included in the Precision Equipment Business, to corporate profit (loss) that cannot be attributed to any segments. Accordingly, the operating results of the Precision

Equipment Business for the previous fiscal year used in the year-on-year comparisons have been reclassified in line with the revised business segments.

a. Imaging Products Business

Main businesses: Digital camera-interchangeable lens type, compact DSC, interchangeable lenses

The Group focused on expanding sales of mid- to high-end products and interchangeable lenses targeted for professionals and hobbyists. Sales of the flagship model, Z 9 full-frame mirrorless camera, and interchangeable lenses for mirrorless cameras remained strong.

As a result, in the Imaging Products Business segment, the Group recorded revenue of 227,100 million yen (up 27.4% year on year) and operating profit of 42,213 million yen (up 121.4% year on year) because of higher average unit selling prices and the positive effects of the yen depreciation.

b. Precision Equipment Business

Main businesses: FPD lithography systems, semiconductor lithography systems

The FPD lithography systems field recorded year-on-year decreases in both revenue and profit due to decreased unit sales of the systems for both mid-to-small size panels and large-size panels.

The semiconductor lithography system field recorded increases in both revenue and profit owing to increased unit sales of new systems.

As a result, in the Precision Equipment Business segment, the Group recorded revenue of 203,262 million yen (down 3.8% year on year) and operating profit of 24,386 million yen (down 38.2% year on year).

c. Healthcare Business

Main businesses: Biological microscopes, cell culture observation systems, ultra-wide field retinal imaging devices

The life science solutions and eye care solutions fields saw strong orders and product shipments carried forward from the previous fiscal year due to the impact of COVID-19 and a tight supply and demand balance for electronic and other components, as well as the positive effects of the yen depreciation. Against such a backdrop, the business segment as a whole recorded significant year-on-year increases in both revenue and profit.

As a result, in the Healthcare Business segment, the Group recorded revenue of 99,394 million yen (up 35.7% year on year) and operating profit of 11,582 million yen (up 164.1% year on year).

d. Components Business

Main businesses: Optical components, encoders, customized equipment, photomask substrates for FPD, optical processing machine

In the Digital Solutions Business, sales of optical parts & components and encoders remained brisk. Likewise, the Customized Products Business recorded increases in both revenue and profit, backed by strong sales growth of EUV-related components.

As a result, in the Components Business segment, the Group recorded revenue of 53,967 million yen (up 32.0% year on year) and operating profit of 14,671 million yen (up 15.3% year on year), despite the recording of impairment losses on non-current assets and others of Morf3D Inc., a US-based subsidiary engaged in additive manufacturing (hereinafter, “AM”).

e. Industrial Metrology and Others

Main businesses: Industrial microscopes, measuring instruments

The Industrial Metrology Business recorded increases in both revenue and profit due to favorable sales of video measuring systems, industrial microscopes, and X-ray and CT inspection systems on the back of booming markets related to semiconductors, electronic components, EVs, and others.

Due also to an increase in revenue as a result of making SLM a consolidated subsidiary, in the Industrial Metrology and Others segment, the Group recorded revenue of 44,382 million yen (up 23.1% year on year) and operating profit of 3,626 million yen (up 22.4% year on year).

Business Segment Revenue for 159th term (Year Ended March 31, 2023)

Business segment	Revenue (million yen)	Percentage of total revenue (%)	Change from previous year (%)
Imaging Products Business	227,100	36.1	27.4
Precision Equipment Business	203,262	32.4	(3.8)
Healthcare Business	99,394	15.8	35.7
Components Business	53,967	8.6	32.0
Industrial Metrology and Others	44,382	7.1	23.1

(ii) Capital investments

Fiscal year capital investments totaled 42,181 million yen. The amounts of investment by business were 6,396 million yen in the Imaging Products Business, 6,946 million yen in the Precision Equipment Business, 3,708 million yen in the Healthcare Business, 8,398 million yen in the Components Business, and 5,194 million yen in the Industrial Metrology and Others. Major capital investments in the fiscal year included an investment for manufacturing equipment related to mirrorless cameras in the Imaging Products Business, an investment to maintain and renew various pieces of equipment in the Precision Equipment Business, expansion of manufacturing equipment in the Components Business, and the construction of a new head office building which was announced in July 2022.

(iii) Fund procurement

The balance of interest-bearing liabilities at the end of the fiscal year is 158,097 million yen, an increase of 4,999 million yen from the end of the previous fiscal year. The Company did not procure funds through issuance of new shares or bonds during the fiscal year.

(2) Issues to be addressed

Under the medium-term management plan, the Group will continue to strive to strengthen the profitability of the Imaging Products Business and the Precision Equipment Business in order to secure stable revenues from its main businesses, while focusing on scaling earnings in strategic businesses, especially in the Digital Manufacturing Business, which we have positioned as a growth area. In addition, to strengthen the management base, we will continue to work on our sustainability strategy that is linked with our business strategies, human resource development for achieving the medium-term business plan, and DX strategy for customers and employees. Moreover, we will seek to further enhance our “growth investment” and “shareholder return” in accordance with the capital allocation policy set forth in the medium-term business plan.

(3) Financial highlights for three previous fiscal years

Financial highlights related to the Group are as follows.

Item	156th term (Year ended March 31, 2020)	157th term (Year ended March 31, 2021)	158th term (Year ended March 31, 2022)	159th term (Year ended March 31, 2023)
Revenue (million yen)	591,012	451,223	539,612	628,105
Operating profit (million yen)	6,751	(56,241)	49,934	54,908
Profit attributable to owners of the parent (million yen)	7,693	(34,497)	42,679	44,944
Basic earnings per share (yen)	19.93	(93.96)	116.23	125.46
Total assets (million yen)	1,005,881	989,737	1,039,566	1,050,267
Total equity (million yen)	541,760	538,726	599,967	618,351

Note: The figures for the above table are stated based on IFRS.

(4) Major offices and plants (as of March 31, 2023)

The major offices and plants of the Company are as follows.

Those of subsidiaries of the Company are shown in the following “(5) Major subsidiaries.”

Name of offices and plants	Location
Head office	Tokyo, Japan
Oi Plant	Tokyo, Japan
Yokohama Plant	Kanagawa, Japan
Sagamihara Plant	Kanagawa, Japan
Kumagaya Plant	Saitama, Japan
Mito Plant	Ibaraki, Japan
Yokosuka Plant	Kanagawa, Japan

(5) Major subsidiaries (as of March 31, 2023)

Company name	Location	Capital stock	Percentage of equity participation (%)	Main business
Tochigi Nikon Corporation	Tochigi, Japan	363 million yen	100.0	Manufacture of interchangeable lenses and optical lenses
Nikon Europe B.V.	Netherlands	20 thousand euro	100.0	Supervision of Europe, Sales in Europe of Imaging Products Business products, etc.
Nikon Imaging Japan Inc.	Tokyo, Japan	400 million yen	100.0	Sales in Japan of Imaging Products Business products
Nikon (Thailand) Co., Ltd.	Thailand	1,260 million bahts	100.0	Manufacture of Imaging Products Business products
Nikon Inc.	US	1 thousand US dollars	*100.0	Sales in the Americas of Imaging Products Business products
Nikon Singapore Pte. Ltd.	Singapore	33 million SG dollars	100.0	Sales in Asia/Oceania of Imaging Products Business products, etc.
Nikon Imaging (China) Sales Co., Ltd.	China	10 million US dollars	*100.0	Sales in China of Imaging Products Business products
Tochigi Nikon Precision Co., Ltd.	Tochigi, Japan	204 million yen	100.0	Manufacture of Precision Equipment Business products and parts
Nikon Precision Inc.	US	1 thousand US dollars	*100.0	Sales in the US and Europe of Precision Equipment Business products
Optos Plc	UK	1,524 thousand UK pounds	100.0	Manufacture and sales of Healthcare Business products
SLM Solutions Group AG	Germany	31,107 thousand euro	*92.4	Manufacture and sales of metal 3D printers
Nikon Metrology NV	Belgium	97 million euro	*100.0	Supervision of Industrial Metrology Business products in Europe and the Americas

Notes:

- * shows ownership ratios including indirect ownership.
- SLM Solutions Group AG was included as a major subsidiary from the current fiscal year.
- Sendai Nikon Corporation was excluded from the list of major subsidiaries from the current fiscal year.

(6) Employees (as of March 31, 2023)

(i) Employees of the Group

Number of employees	Change from the end of the previous consolidated fiscal year
18,790	up 353

Note: The number of employees does not include part-time employees, contract workers, etc.

(ii) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average service years
4,184	up 10	43.3	15.8

Note: The number of employees does not include employees of the Company seconded to other companies, part-time employees, contract workers, etc.

(7) Major lenders (as of March 31, 2023)

Lender	Amount borrowed (million yen)
MUFG Bank, Ltd.	19,185
Meiji Yasuda Life Insurance Company	13,000

(8) Major reorganization activities

(i) Business transfers and absorption-type or incorporation-type company split

None

(ii) Businesses acquired from other companies

None

(iii) Succession of rights and obligations associated with operations of other companies, etc. due to absorption-type merger or absorption-type company split

None

(iv) Acquisition or disposal of stock or other ownership or subscription rights to shares, etc. of other company

Through a special purpose company that is a fully owned subsidiary of the Company, the Company acquired the common stock and convertible bonds of SLM Solutions Group AG, a Germany-based company that is a global provider of integrated metal additive manufacturing solutions, for a combined total of 574,573 thousand euros (81,285 million yen, assuming an exchange rate of 141.47 yen to the euro). SLM Solutions Group AG became a consolidated subsidiary of the Company in January 2023.

(9) Other items concerning the status of the Group

None, other than those described in “2. Current State of the Company, (1) Matters relating to shares of the Company (as of March 31, 2023), (vi) Repurchase of shares of common stock and cancellation of treasury stock.”

2. Current state of the Company

(1) Matters relating to shares of the Company (as of March 31, 2023)

- | | |
|---|----------------------|
| (i) Total number of shares authorized to be issued: | 1,000,000,000 shares |
| (ii) Total number of shares issued: | 351,476,686 shares |
| (iii) Total number of shareholders: | 46,887 |
| (iv) Major shareholders: | |

Name of shareholder	Number of shares held (thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	67,752	19.6
Custody Bank of Japan, Ltd. (Trust Account)	20,399	5.9
Meiji Yasuda Life Insurance Company	17,584	5.1
STATE STREET BANK AND TRUST COMPANY 505001	7,409	2.1
MUFG Bank, Ltd.	7,009	2.0
The Joyo Bank, Ltd.	6,121	1.8
SSBTC CLIENT OMNIBUS ACCOUNT	6,003	1.7
HSBC BANK PLC A/C M AND G (ACS)	5,252	1.5
The Shizuoka Bank, Ltd.	4,996	1.4
Nippon Life Insurance Company	4,697	1.4

Note: 5,303,396 shares of treasury stock are excluded from the above major shareholders. The percentage of shares held is calculated after deducting treasury stock.

(v) Shares granted to the Company's Directors as compensation for duties performed during the fiscal year

In accordance with the performance-based stock remuneration system linked to the medium-term performance using a BIP trust, which was approved at the 155th Annual General Shareholders' Meeting held on June 27, 2019, the Company delivered the Company shares to Directors of the Company (excluding External Directors) in June 2022, as follows.

Category	Number of shares	Number of persons eligible for the delivery
Directors other than those who are Audit and Supervisory Committee Members	65,022	4
Directors who are Audit and Supervisory Committee Members	8,330	1

Notes:

- The numbers of shares in the table include shares to be converted into cash (32,722 shares out of 65,022 shares for Directors other than those who are Audit and Supervisory Committee Members, and 4,230 shares out of 8,330 shares for a Director who is an Audit and Supervisory Committee Member).
- The shares to be delivered to a Director who is an Audit and Supervisory Committee Member will be stock compensation for the period during which such individual served as Director other than the one who is an Audit and Supervisory Committee Member or Officer.

In addition, in accordance with the restricted stock remuneration system approved at the 158th Annual General Shareholders' Meeting held on June 29, 2022, the Company delivered 36,865 Company shares to three Directors other than those who are Audit and Supervisory Committee Members of the Company (excluding External Directors) in July 2022 as restricted stock remuneration for the 159th fiscal year (the current fiscal year).

Furthermore, in accordance with the performance-based stock remuneration system approved at the said Annual General Shareholders' Meeting, the Company plans to deliver 17,140 Company shares to three Directors other than those who are Audit and Supervisory Committee Members of the Company (excluding External Directors) in June 2023, as performance-based stock remuneration for the 159th fiscal year (the current fiscal year).

Please refer to “(2) Matters relating to Directors, (viii) Matters relating to performance-based compensation, etc.” and “(2) Matters relating to Directors, (ix) Content of non-monetary compensation, etc.” for information regarding the restricted stock remuneration system and performance-based stock remuneration system approved at the 158th Annual General Shareholders' Meeting held on June 29, 2022.

vi) Repurchase of shares of common stock and cancellation of treasury stock

In accordance with the written resolution of its Board of Directors dated April 7, 2022, the Company acquired and cancelled its treasury stock as follows:

- Acquisition period: from May 13, 2022 to March 24, 2023
- Total number of shares acquired: 21,451,400 shares
- Total amount of shares acquired: 29,999,949,600 yen
- Date of cancellation: March 31, 2023
- Total number of shares cancelled: 26,451,400 shares

(2) Matters relating to Directors

(i) Directors (as of March 31, 2023)

	Position	Name	Business in charge and important concurrent positions outside the Company
	Director (Chairman of the Board)	Kazuo Ushida	Outside Director and Audit & Supervisory Committee Member of Toyo Kanetsu K.K. Outside Director of JSR Corporation
*	Director (President)	Toshikazu Umatate	CEO, CTO, Officer in charge of Design Center, Imaging Solution Development Department and Advanced Technology Research & Development Division
*	Director (Executive Vice President)	Takumi Odajima	CAO, CRO, General Manager of Group Governance & Administration Division, Officer in charge of Information Security Department and Legal & Intellectual Property Division
	Director (Executive Vice President)	Muneaki Tokunari	CFO, Officer in charge of Internal Audit Department, Corporate Sustainability Department, Finance & Accounting Division and IT Solutions Division
	Director	Shigeru Murayama	Senior Strategic Advisor of Kawasaki Heavy Industries, Ltd.
**	Director	Tsuneyoshi Tatsuoka	Outside Director of Asahi Kasei Corporation Outside Director of Mitsubishi Corporation
	Director (Full-time Audit and Supervisory Committee Member)	Satoshi Hagiwara	-
	Director (Full-time Audit and Supervisory Committee Member)	Atsushi Tsurumi	-
	Director (Audit and Supervisory Committee Member)	Shiro Hiruta	-
	Director (Audit and Supervisory Committee Member)	Asako Yamagami	External Director (Audit and Supervisory Committee Member) of Kagome Co., Ltd. Outside Director of NEC Capital Solutions Limited
**	Director (Audit and Supervisory Committee Member)	Makoto Sumita	Outside Director and Chairman of the board, MINKABU THE INFONOID, Inc.

Notes:

- * indicates Representative Directors.
- ** indicates a Director newly elected at the 158th Annual General Shareholders' Meeting held on June 29, 2022.
- Shigeru Murayama, Tsuneyoshi Tatsuoka, Shiro Hiruta, Asako Yamagami and Makoto Sumita are External Directors. The Company has submitted Independent Directors/Auditors Notifications to the Tokyo Stock Exchange, Inc. designating these five individuals as independent directors as stipulated in the Tokyo Stock Exchange, Inc. Securities Listing Regulations.
- Satoshi Hagiwara and Atsushi Tsurumi were selected as Directors who are Full-time Audit and Supervisory Committee Members. For the purpose of securing the effectiveness of the activities of the Audit and Supervisory Committee, both of these Directors attend important meetings such as the Executive Committee and various committees in an effort to accurately understand and audit the status of business execution. They also perform the audit and supervisory functions necessary to ensure that the Directors' performance of duties is in compliance with laws and regulations, as well as the Company's Articles of Incorporation, and that corporate operations are properly carried out, through monitoring and verification of the development and operational status of the internal control system, including internal controls over financial reporting.
- Satoshi Hagiwara and Atsushi Tsurumi, Directors who are Audit and Supervisory Committee Members, have long-term experiences in the accounting division at the Company. Accordingly, they have considerable knowledge involving finance and accounting.
- Akio Negishi retired as Director at the conclusion of the 158th Annual General Shareholders' Meeting held on June 29, 2022 due to expiration of his term.
- Kunio Ishihara retired as Director who is an Audit and Supervisory Member at the conclusion of the 158th Annual General Shareholders' Meeting held on June 29, 2022 due to expiration of his term.

(Reference)

The Company has appointed Officers and Executive Fellows as voluntary executives. Officers who are not Directors, as well as Executive Fellows, were as follows as of March 31, 2023.

Position	Name	Duties
Executive Vice President	Nobuyuki Ishizuka	CMO, General Manager of Production Technology Division
Senior Vice President	Masato Hamatani	General Manager of Semiconductor Lithography Business Unit
Senior Vice President	Hiroyuki Ikegami	General Manager of Imaging Business Unit
Senior Vice President	Yasuhiro Ohmura	General Manager of Office of the President, Officer in charge of Optical Engineering Division
Senior Vice President	Manabu Toguchi	General Manager of FPD Lithography Business, Officer in charge of Glass Business Unit
Corporate Vice President	Tadashi Nakayama	General Manager of Industrial Metrology Business Unit
Corporate Vice President	Juro Kimpara	Sector Manager of Production Sector, Semiconductor Lithography Business Unit
Corporate Vice President	Tatsuya Yamaguchi	General Manager of Healthcare Business Unit
Corporate Vice President	Hamid Zarringhalam	Director & Executive Vice President of Nikon Precision Inc., Deputy General Manager of Digital Solutions Business Unit, and CEO of Nikon Ventures Corporation
Corporate Vice President	Yuichi Shibazaki	General Manager of Next Generation Project Division
Corporate Vice President	Masahiro Morita	Deputy General Manager of Semiconductor Lithography Business Unit
Corporate Vice President	Yoshihiro Maki	General Manager of Digital Solutions Business Unit
Corporate Vice President	Bo Kajiwara	Deputy General Manager of Group Governance & Administration Division
Corporate Vice President	Seiji Miyazaki	Sector Manager of Development Sector, FPD Lithography Business Unit
Corporate Vice President	Shigeru Emori	General Manager of Customized Products Business Unit
Executive Fellow	Naoyuki Murakami	Sector Manager of Development Sector, Imaging Business Unit
Executive Fellow	Masaaki Doi	Division Manager of Advanced Technology Research & Development Division

- (ii) Outline of contents of liability limitation agreement
The Company has signed agreements with all Non-Executive Directors that limit their liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in these agreements is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- (iii) Outline and content of the Directors and Officers Liability Insurance Contract
The Company has concluded a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3 of the Companies Act. This contract covers damages, etc. to be borne by the insured person as a result of claims for damages received in the course of business execution by the insured person as an officer of the company.
The insured persons of the Directors and Officers Liability Insurance Contract are Directors and Officers, etc. of the Company, and the insured persons bear approximately 10% of the insurance premium. However, as a measure not to impair the appropriateness of the execution of duties by Directors and Officers, etc. of the Company, the Directors and Officers Liability Insurance Contract has a clause to set a certain deductible and does not cover damages that do not reach the deductible.
- (iv) Basic policies for decisions on compensation, etc. for individual Directors and Officers
- a. Basic policies on Compensation
Executive compensation will be determined to satisfy the following basic criteria.
- Executive compensation should motivate Directors and Officers 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

- b. Compensation system and performance-based structure
- A) As a general rule, the compensation system for Executive Directors and Officers (including Executive Fellows and other positions equivalent to Officer) comprises monetary compensation (fixed monthly compensation and bonuses) and stock compensation (performance-based stock remuneration and restricted stock remuneration). The standard payment of bonuses or each stock compensation to be paid to individual Executive Directors and Officers (including Executive Fellows and other positions equivalent to Officer) is calculated by multiplying the amount of their respective fixed monthly compensation by a ratio, which is determined according to their respective title and duties. The higher and more important their title and duties are, the higher the ratio is. When the ratio of fixed monthly compensation is assumed to be 1, the range of the ratio of each compensation is as shown below. Also, stock compensation is paid to Executive Directors and Officers (including Executive Fellows and other positions equivalent to Officer) every fiscal year within the range not exceeding 1% of the share dilution ratio.

bonuses	performance-based stock remuneration	restricted stock remuneration
0.6 - 0.7	0.1 - 0.225	0.3 - 0.45

Monetary compensation

- Fixed monthly compensation
This monetary compensation is not based on performance and is paid every month.
- Bonus
This monetary compensation is determined by the Board of Directors based on an evaluation by the Compensation Committee based on the following factors on a single-year basis within the range of 0% to 200% of the standard payment, which is calculated according to title and duties. As a general rule, a bonus is paid in June every year.

- the degree of achievement of the consolidated ROE and operating profit;
- the degree of achievement of capital efficiency, profitability and other targets, as well as qualitative assessment, of each division; and
- the qualitative assessment of responses to issues assigned to individual Executive Directors and officers (including Executive Fellows and other positions equivalent to Officer)

Stock compensation

- Performance-based stock remuneration

With the aims of sharing value with shareholders and enhancing willingness and morale for improving medium-to-long-term performance, this stock compensation is determined by the Board of Directors based on an evaluation by the Compensation Committee based on the following factors within the range of 0% to 150% of the standard payment, which is calculated according to title and duties.

- the degree of achievement of the consolidated ROE target set for the final fiscal year of the medium-term management plan (the “Plan”) to be resolved every multiple fiscal years determined separately by the Board of Directors;
- the degree of achievement of consolidated revenue and operating margin targets for each fiscal year during the Plan period; and
- the degree of achievement of targets for strategic issues

As a general rule, this remuneration is paid by delivering restricted shares or the amount of cash equivalent to the market value of the restricted shares in the first June after the end of each fiscal year included in the Plan period. The restricted shares are, 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 and Officer (including Executive Fellow and other positions equivalent to Officer).

- Restricted stock remuneration

As a general rule, this stock compensation is paid by delivering restricted shares in April every year, with the aims of sharing value with shareholders and enhancing willingness and morale for improving medium-to-long-term performance. The restricted shares are, 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 and Officer (including Executive Fellow and other positions equivalent to Officer). As a general rule, the number of restricted shares to be delivered is determined by dividing an amount calculated according to title and duties by resolution of the Board of Directors by the market value of the Company’s shares.

- B) The compensation system for Non-Executive Directors consists only of fixed monthly compensation to be paid every month.

- c. Decisions on compensation amount and calculation method based on deliberations by the Compensation Committee

The Compensation Committee establishes executive compensation policies and discusses and advises on related systems in order to determine the level and system appropriate to the duties, given compensation levels of major Japanese companies that globally develop their businesses, so as to determine the compensation amount consistent with the performance of the Group and its business scale.

The Compensation Committee deliberates on compensation for individual Directors other than those who are Audit and Supervisory Committee Members and Officers. Based on the results of such deliberations, the Board of Directors decides on the compensation.

Compensation for individual Directors who are Audit and Supervisory Committee Members is determined by consultation among Directors who are Audit and Supervisory Committee Members.

From the perspective of conducting appropriate supervision, the Compensation Committee is comprised of Directors, and more than half of which are External Directors. The Committee chairperson is also an External Director.

d. Claim for return

If a Director (other than a Director who is an Audit and Supervisory Committee Member) or Officer of the Company is found to have committed serious breach of his or her duties or serious violation of internal rules, or to be in the employment of a competitor, etc., of the Company without permission from the Company (including appointment as a director or officer of the competitor or an employee of the competitor), the Company shall be able to claim return in all or part of subscription rights to shares granted, right to performance-based stock remuneration granted, and shares of the Company and cash paid to the Director or Officer.

(v) Compensation for Directors

Category			Directors other than those who are Audit and Supervisory Committee Members (of which External Directors)	Directors who are Audit and Supervisory Committee Members (of which External Directors)	Total
Fixed compensation	Fixed monthly compensation	Number of persons	7 (3)	6 (4)	13 (7)
		Amount of compensation (million yen)	241 (30)	108 (45)	349 (75)
Performance-based compensation	Bonuses	Number of persons	3 (-)	-	3 (-)
		Amount of compensation (million yen)	138 (-)	-	138 (-)
	Performance-based stock remuneration	Number of persons	3 (-)	-	3 (-)
		Amount of compensation (million yen)	26 (-)	-	26 (-)
Stock compensation	Restricted stock remuneration	Number of persons	3 (-)	-	3 (-)
		Amount of compensation (million yen)	61 (-)	-	61 (-)
Total		Number of persons	7 (3)	6 (4)	13 (7)
		Amount of compensation (million yen)	465 (30)	108 (45)	573 (75)

Notes:

1. The number of persons and the amount of compensation pertaining to fixed compensation/ fixed monthly compensation, and total shown above include one Director who is not an Audit and Supervisory Committee Member (of which, one External Director) and one Director who is an Audit and Supervisory Committee Member (of which, one External Director) who retired at the conclusion of the 158th Annual General Shareholders' Meeting held on June 29, 2022, and the amount of compensation pertaining to the said Directors.
2. The amount of bonuses shown above indicates the total amount of bonuses for Directors other than those who are Audit and Supervisory Committee Members (excluding Non-Executive Directors) resolved at the Board of Directors' meeting held on May 19, 2023 after deliberation by the Compensation Committee.
3. The amount of performance-based stock remuneration shown above indicates the total amount to be paid to Directors other than those who are Audit and Supervisory Committee Members (excluding Non-Executive Directors) during the fiscal year, by resolution of the Board of Directors held on May 19, 2023.
4. The Audit and Supervisory Committee has reported that there are no matters to be addressed with regard to compensation, etc. to Directors other than those who are Audit and Supervisory Committee Members.

(vi) Method for determining basic policies for compensation for Directors

Basic policies for determining the content of compensation, etc. for individual Directors were considered at the Compensation Committee, reported to the Board of Directors, and determined after deliberation and examination at the meeting of the Board of Directors held on May 20, 2022.

(vii) Reason why the Board of Directors judged that the content of compensation, etc. for individual Directors for the fiscal year under review was pursuant to the basic policies
For the fiscal year under review, as for the compensation for Directors other than those who are Audit and Supervisory Committee Members, the Compensation Committee examined the consistency in individual compensation and the basic policies, and reported to the Board of Directors that it was pursuant to the basic policies. The Board of Directors also judged that it was in conformity with the basic policies.

(viii) Matters relating to performance-based compensation, etc.

In calculating the amount of bonuses, performance of divisions in charge and tasks set for each director and officer were assessed in addition to evaluation of consolidated ROE and consolidated operating profit. As for these benchmarks, consolidated ROE is used for measuring capital efficiency, and consolidated operating profit is used for measuring profitability.

The base values for each benchmark and the performance results used in the calculation of compensation for the fiscal year ended March 31, 2023, are as indicated below.

Evaluation benchmarks	Weight	Degree of linkage with performance	Applicable coefficient by performance	Performance results	Degree of achievement
Consolidated ROE for the fiscal year ended March 31, 2023	10% - 50% according to title	0% - 200%	Variable in the range below: Upper limit (8.5%): Coefficient 200% Base value (6.5%): Coefficient 100% Lower limit (5.0%): Coefficient 50% * If it falls below 5.0%, the coefficient will be 0%, and if it exceeds 8.5%, the coefficient will be 200%.	7.4%	145%
Consolidated operating profit for the fiscal year ended March 31, 2023	10% - 50% according to title	0% - 200%	Variable in the range below: Upper limit (68.0 billion yen): Coefficient 200% Base value (50.0 billion yen): Coefficient 100% Lower limit (38.0 billion yen): Coefficient 50% * If it falls below 38.0 billion yen, the coefficient will be 0%, and if it exceeds 68.0 billion yen, the coefficient will be 200%.	54.9 billion yen	127%

In addition, the Company conducts qualitative assessments of the performance of each responsible division, and the responses to issues assigned to individual Officers.

When calculating performance-based stock remuneration for each fiscal year, evaluations are performed on consolidated revenue targets, consolidated operating margin targets, amounts of operating profit derived from growth drivers, services and components, respectively, and strategic targets set for each fiscal year for initiatives to strengthen the management base. In addition, consolidated ROE is evaluated for the final fiscal year of the medium-term management plan. Of these benchmarks, consolidated revenue, consolidated operating margins and consolidated ROE are used for measuring the degree of achievement of financial targets set forth in the medium-term management plan, and operating profits derived from growth drivers, services and components, respectively, are used for measuring the degree of achievement of strategic targets set forth in the medium-term management plan.

The base values for each benchmark and the performance results used in the calculation of compensation for the fiscal year ended March 31, 2023, are as indicated below.

	Evaluation benchmarks	Weight	Degree of linkage with performance	Applicable coefficient by performance	Performance results	Degree of achievement
Financial targets	Consolidated revenue for the fiscal year ended March 31, 2023	25%	0% - 150%	Variable in the range below: Upper limit (680.0 billion yen): Coefficient 150% Base value (620.0 billion yen): Coefficient 100% Lower limit (560.0 billion yen): Coefficient 50% * If it falls below 560.0 billion yen, the coefficient will be 0%, and if it exceeds 680.0 billion yen, the coefficient will be 150%.	628.1 billion yen	107%
	Consolidated operating margin for the fiscal year ended March 31, 2023	25%	0% - 150%	Variable in the range below: Upper limit (9.5%): Coefficient 150% Base value (8.0%): Coefficient 100% Lower limit (6.5%): Coefficient 50% * If it falls below 6.5%, the coefficient will be 0%, and if it exceeds 9.5%, the coefficient will be 150%.	8.7%	123%
Strategic targets	Operating profit derived from growth drivers in the fiscal year ended March 31, 2023	20%	0% - 150%	Variable in the range below: Upper limit (22.0 billion yen): Coefficient 150% Base value (19.0 billion yen): Coefficient 100% Lower limit (16.0 billion yen): Coefficient 50% * If it falls below 16.0 billion yen, the coefficient will be 0%, and if it exceeds 22.0 billion yen, the coefficient will be 150%.	11.6 billion yen	0%
	Operating profit derived from services and components in the fiscal year ended March 31, 2023	20%	0% - 150%	Variable in the range below: Upper limit (41.0 billion yen): Coefficient 150% Base value (35.0 billion yen): Coefficient 100% Lower limit (31.0 billion yen): Coefficient 50% * If it falls below 31.0 billion yen, the coefficient will be 0%, and if it exceeds 41.0 billion yen, the coefficient will be 150%.	37.7 billion yen	123%
	Initiatives to strengthen the management base	10%	0% - 150%	Comprehensive evaluation on initiatives for sustainability strategies and human capital management, etc.	-	100%

(ix) Content of non-monetary compensation, etc.

With the aim of further promoting medium- to long-term enhancement of corporate value and value sharing with shareholders, in addition to providing incentives to achieve the targets set forth in the medium-term management plan, the Company provides non-monetary compensation, etc., in the form of performance-based stock remuneration and restricted stock remuneration that are subject to grounds for acquisition by the Company without contribution, etc.

The details of the performance-based stock remuneration are as follows. The shares, etc. will be delivered as remuneration to Directors (excluding Audit and Supervisory Committee Members, External Directors, other Non-Executive Directors and non-residents of Japan) and Officers (including Executive Fellows and other positions equivalent to Officers; excluding non-residents of Japan) of the Company, based on the degree of achievement of targets in each fiscal year of the medium-term management plan, within the range of 0% to 150%. The details of the restricted stock remuneration are as follows. The base reference amount by title for each fiscal year shall be divided by the reference price to determine the number of shares to be delivered. The current state of issuance is as described in “2. Current state of the Company, (1) Matters relating to shares of the Company, (v) Shares granted to the Company’s Directors as compensation for duties performed during the fiscal year.” The benchmarks for performance-based stock remuneration are as described in “(2) Matters relating to Directors, (viii) Matters relating to performance-based compensation, etc.”

- (x) Resolution at the General Shareholders' Meeting concerning Directors' and Officers' compensation, etc.
- a. It was approved, at the 152nd Annual General Shareholders' Meeting held on June 29, 2016, that the amount of compensation for Directors who are Audit and Supervisory Committee Members shall be 150 million yen or less per year. The number of Directors who are Audit and Supervisory Committee Members was five at the time of resolution.
- b. It was approved at the 158th Annual General Shareholders' Meeting held on June 29, 2022 as follows:
- The aggregate amount of monthly compensation and other monetary compensation for Directors other than those who are Audit and Supervisory Committee Members shall be 650 million yen or less per year (of which 50 million yen or less is for External Directors per year) (this amount does not include the portion of employees' salaries for Directors who also serve as employees) (The number of eligible Directors at the time of resolution was six (two of whom were External Directors).)
 - With respect to the restricted stock remuneration system for Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors, other Non-Executive Directors and non-residents of Japan), the total amount of monetary compensation claims to be granted as contributed assets for the acquisition of restricted stock shall be 100 million yen or less per fiscal year, the total number of restricted shares to be delivered shall be 150,000 shares or less per fiscal year, and the shares that are delivered shall be restricted shares that are subject to grounds for acquisition by the Company without contribution. (The number of eligible Directors at the time of resolution was three.)
 - The amount of compensation for Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors, other Non-Executive Directors and non-residents of Japan) under the performance-based stock remuneration system linked to the medium-term performance shall be limited to 110,000 shares per evaluation fiscal year. The maximum total amount of monetary compensation claims and money to be granted as contributed assets for the acquisition of restricted stock shall be determined by multiplying the limit of 110,000 shares by the closing share price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors' resolution with respect to the issue of the restricted stock or the disposal of the treasury shares, and the shares that are delivered shall be restricted shares that are subject to grounds for acquisition by the Company without contribution. (The number of eligible Directors at the time of resolution was three.)
- (xi) Matters relating to External Directors
- a. Relationships between organizations where important concurrent positions are held and the Company
There is no special relationship between the organizations where External Directors hold important concurrent positions and the Company.

b. Major activities during the fiscal year

Name	Category	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Committee
Shigeru Murayama	Director	18 of 18	-
Tsuneyoshi Tatsuoka	Director	13 of 14	-
Shiro Hiruta	Director (Audit and Supervisory Committee Member)	18 of 18	10 of 10
Asako Yamagami	Director (Audit and Supervisory Committee Member)	18 of 18	10 of 10
Makoto Sumita	Director (Audit and Supervisory Committee Member)	14 of 14	7 of 7

- Tsuneyoshi Tatsuoka and Makoto Sumita were newly appointed at the 158th Annual General Shareholders' Meeting held on June 29, 2022. The number of meetings held and the number of meetings attended are indicated based on the number of meetings held since their appointment.
- Shigeru Murayama proactively made remarks for the Company's business strategy, among other issues, based on long years of management experience at a manufacturer, concerning matters under deliberation and the contents of reports by the Board of Directors. In addition, as a member of the Nominating Committee where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, he attended all 7 meetings of the Nominating Committee held during the fiscal year under review. Following the 158th Annual General Shareholders' Meeting held on June 29, 2022, as the chairperson of the Compensation Committee where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, he attended all 3 meetings of the Compensation Committee held after the said Annual General Shareholders' Meeting. He strives to supervise the management from an independent and objective position.
- Tsuneyoshi Tatsuoka proactively made remarks for the Company's business strategy, among other issues, based on his exceptional knowledge regarding industrial and economic policies gained through holding important positions at the Ministry of Economy, Trade and Industry, concerning matters under deliberation and the contents of reports by the Board of Directors. In addition, following his appointment as Director at the 158th Annual General Shareholders' Meeting held on June 29, 2022, as a member of the Nominating Committee where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, he attended all 6 meetings of the Nominating Committee held after his appointment as Director. He strives to supervise the management from an independent and objective position.
- Shiro Hiruta proactively made remarks for the Company's business strategy, among other issues, based on his long years of management experience at a manufacturer, concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. In addition, he served as chairperson of the Audit and Supervisory Committee, and also, as a member of the Compensation Committee where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, he attended all 6 meetings of the Compensation Committee held during the fiscal year under review. He strives to supervise the management from an independent and objective position.

- Asako Yamagami proactively made remarks based on her knowledge and experience as a lawyer concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. She strives to supervise the management from an independent and objective position mainly for matters relating to governance and compliance.
- Makoto Sumita proactively made remarks for the Company's business strategy, among other issues, based on his long years of management experience at a manufacturer, concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. In addition, following his appointment as Director at the 158th Annual General Shareholders' Meeting held on June 29, 2022, as the chairperson of the Nominating Committee where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, he attended all 6 meetings of the Nominating Committee held after his appointment as Director. He strives to supervise the management from an independent and objective position.

(3) Matters relating to Accounting Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of compensation, etc.

	Amount
Total amount of compensation, etc. of Accounting Auditor during the fiscal year under review	120 million yen
Total amount of money and other properties which the Company and its subsidiaries should pay in remuneration of Accounting Auditor for their services to the Company and its subsidiaries during the fiscal year under review	203 million yen

Notes:

1. The Audit and Supervisory Committee determined, after carrying out necessary verifications of whether the content of the Accounting Auditors' audit plans, execution of duties of audits up until the previous fiscal year, and the calculation basis for the compensation estimate for the fiscal year are appropriate, that the compensation for Accounting Auditors is reasonable, and has given its consent pursuant to Article 399, Paragraph 1 of the Companies Act.
2. Major overseas subsidiaries of the Company are audited (only auditing subject to the provisions of overseas laws and regulations similar to Japanese Companies Act or Japanese Financial Instruments and Exchange Act) by parties other than Deloitte Touche Tohmatsu LLC (overseas certified public accountants or individuals with qualifications equivalent to those of an auditing company).
3. In the audit contract with the Accounting Auditor, auditing compensation amounts for auditing based on the Companies Act and auditing based on the Financial Instruments and Exchange Act are not separated. Because they essentially cannot be separated, the amount stated in the upper line of the above table is found from adding them together.
4. The Company has commissioned Deloitte Touche Tohmatsu LLC to provide advisory and other services on standardization of accounting operations at overseas subsidiaries and branches as part of services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services) and has paid for such service. The amount stated in the lower line of the above table includes the amount of the payment.

(iii) Policy for decisions to terminate or not extend contracts with an Accounting Auditor

The Audit and Supervisory Committee can terminate the Accounting Auditor with the unanimous consent of the Audit and Supervisory Committee Members in cases where it has been determined that actions by the Accounting Auditor apply to any item of Article 340, Paragraph 1 of the Companies Act.

In addition, even if the actions of the Accounting Auditor do not apply to any item of Article 340, Paragraph 1 of the Companies Act, in the event that it has been determined that the Accounting Auditor is unable to perform proper audits due to a lack of accuracy and independence, the Board of Directors can submit a proposal to terminate the Accounting Auditor or not renew the contract at the General Shareholders' Meeting, in accordance with the decision of the Audit and Supervisory Committee.

The number of shares presented in this business report are rounded to the specified units.

The amounts stated are rounded to the nearest million yen, and amounts less than 100 million yen are rounded off.

Consolidated Financial Statements
Consolidated Statement of Financial Position
(As of March 31, 2023)

(Million yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash and cash equivalents	211,337	Trade and other payables	68,026
Trade and other receivables	114,239	Bonds and borrowings	26,395
Inventories	277,281	Income taxes payable	8,845
Other current financial assets	1,242	Advances received	99,836
Other current assets	13,781	Provisions	5,872
Total current assets	617,880	Other current financial liabilities	29,367
Non-current assets		Other current liabilities	38,962
Property, plant and equipment	101,553	Total current liabilities	277,303
Right-of-use assets	23,195	Non-current liabilities	
Goodwill and intangible assets	139,476	Bonds and borrowings	107,625
Retirement benefit asset	8,474	Retirement benefit liability	6,616
Investments accounted for using equity method	10,308	Provisions	5,372
Other non-current financial assets	92,200	Deferred tax liabilities	15,388
Deferred tax assets	56,654	Other non-current financial liabilities	16,836
Other non-current assets	528	Other non-current liabilities	2,777
Total non-current assets	432,387	Total non-current liabilities	154,614
		Total liabilities	431,917
		EQUITY	
		Share capital	65,476
		Capital surplus	7,053
		Treasury shares	(7,709)
		Other components of equity	22,999
		Retained earnings	527,148
		Equity attributable to owners of parent	614,966
		Non-controlling interests	3,384
		Total equity	618,351
Total assets	1,050,267	Total liabilities and equity	1,050,267

Consolidated Statement of Profit or Loss

(From April 1, 2022 to March 31, 2023)

(Million yen)

Item	Amount
Revenue	628,105
Cost of sales	(338,931)
Gross profit	289,174
Selling, general and administrative expenses	(231,228)
Other operating income	3,209
Other operating expenses	(6,247)
Operating profit	54,908
Finance income	5,529
Finance costs	(5,921)
Share of profit of investments accounted for using equity method	2,543
Profit before tax	57,058
Income tax expense	(13,775)
Profit for year	43,284
Profit attributable to:	
Owners of parent	44,944
Non-controlling interests	(1,660)
Profit for year	43,284

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet
(As of March 31, 2023)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	310,936	Current liabilities	207,528
Cash and deposits	74,860	Electronically recorded obligations - operating	8,049
Notes receivable - trade	2,953	Accounts payable - trade	43,185
Accounts receivable - trade	55,240	Short-term loans payable	9,950
Finished goods	41,535	Current portion of long-term loans payable	2,000
Semi-finished goods	2,917	Current portion of bonds payable	10,000
Raw materials	144	Lease obligations	333
Work in process	96,571	Accounts payable - facilities	3,858
Supplies	11,901	Accrued expenses	21,868
Short-term loans receivable from subsidiaries and associates	15,074	Income taxes payable	4,865
Accounts receivable - other	9,089	Advances received	60,964
Other	652	Deposits received	39,888
Allowance for doubtful accounts	(1)	Provision for product warranties	1,212
		Other	1,355
Non-current assets	390,296	Non-current liabilities	118,186
Property, plant and equipment	53,648	Bonds payable	20,000
Buildings	17,629	Long-term loans payable	87,310
Structures	621	Lease obligations	656
Machinery and equipment	10,734	Asset retirement obligations	2,448
Vehicles	112	Provision for loss on business of subsidiaries and associates	7,455
Tools, furniture and fixtures	5,850	Other	318
Land	8,297	Total liabilities	325,714
Leased assets	861		
Construction in progress	9,544	(Net assets)	
Intangible assets	8,454	Shareholders' equity	349,455
Software	7,319	Share capital	65,476
Other	1,135	Capital surplus	80,712
Investments and other assets	328,194	Legal capital surplus	80,712
Investment securities	76,795	Retained earnings	210,976
Shares of subsidiaries and associates	179,186	Legal retained earnings	5,565
Investments in capital	3	Other retained earnings	205,411
Investments in capital of subsidiaries and associates	16,595	Reserve for research and development	2,056
Long-term loans receivable from subsidiaries and associates	8,639	Reserve for tax purpose reduction entry of replacement assets	5,033
Prepaid pension cost	6,493	Reserve for tax purpose reduction entry	2,996
Deferred tax assets	35,880	Reserve for promoting open innovation	321
Other	8,954	General reserve	111,211
Allowance for doubtful accounts	(4,352)	Retained earnings brought forward	83,795
		Treasury shares	(7,709)
		Valuation and translation adjustments	24,086
		Valuation difference on available-for-sale securities	24,259
		Deferred gains or losses on hedges	(173)
		Share acquisition rights	1,977
Total assets	701,232	Total net assets	375,518
		Total liabilities and net assets	701,232

Non-Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Million yen)

Item	Amount	
Net sales		411,667
Cost of sales		262,320
Gross profit		149,347
Selling, general and administrative expenses		120,049
Operating profit		29,298
Non-operating income		
Interest and dividend income	46,212	
Other	6,553	52,765
Non-operating expenses		
Interest expenses	1,484	
Other	8,439	9,923
Ordinary profit		72,139
Extraordinary income		
Gain on sale of non-current assets	200	
Gain on sale of investment securities	298	
Gain on sale of shares of subsidiaries and associates	11	
Gain on receipt of donated non-current assets	3	511
Extraordinary losses		
Loss on sale of non-current assets	2	
Impairment loss on non-current assets	182	
Loss on sale of investment securities	5	
Loss on valuation of investment securities	3,060	
Loss on valuation of shares of subsidiaries and associates	4,330	7,578
Profit before income taxes		65,073
Income taxes - current	5,649	
Income taxes - deferred	1,632	7,282
Profit for year		57,791

(TRANSLATION) Auditor's Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 16, 2023

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Tokio Suzuki

Designated Engagement Partner,
Certified Public Accountant:

Hajime Yoshizaki

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of NIKON CORPORATION and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2023, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from April 1, 2022 to March 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards .

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(TRANSLATION) Auditor's Report on the Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 16, 2023

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Tokio Suzuki

Designated Engagement Partner,
Certified Public Accountant:

Hajime Yoshizaki

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of NIKON CORPORATION (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2023, and the non-consolidated statement of income and non-consolidated statement of changes in equity for the 159th fiscal year from April 1, 2022 to March 31, 2023, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

Audit Report

The Audit and Supervisory Committee has audited the performance of the Directors' duties for the 159th term (April 1, 2022 to March 31, 2023). This Report was prepared from the unanimous opinions of all the Audit and Supervisory Committee Members, and the methods and results are as follows.

1. Method and Contents of Audit

- (1) The Audit and Supervisory Committee has received reports on a regular basis from the Directors and employees, etc. with respect to the content of the resolutions at the Board of Directors' meeting relating to the matters set out in Article 399-13, Paragraph 1, items (1) (b) and (c) of the Companies Act and the systems (internal control systems) established based on such resolutions, the status of their development and operation, requested explanations as necessary, and has expressed its opinions. Regarding internal controls over financial reporting under the Financial Instruments and Exchange Act, reports have been received from the Directors and Deloitte Touche Tohmatsu LLC with respect to the state of assessments and audits of those internal controls, and explanations were requested as necessary.
- (2) The Audit and Supervisory Committee has conducted audit activities with a focus on whether the Group's internal control system is appropriately maintained and operated. In conformity with the Audit and Supervisory Committee auditing standards established by the Audit and Supervisory Committee, and in accordance with audit policies, audit plans and assignment of duties, etc., in cooperation with the Internal Audit Department and other related departments, each Audit and Supervisory Committee Member has attended important meetings, received reports on the status of performance of duties from the Directors and other employees, etc. and requested explanations as necessary, examined important documents, etc. and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit and Supervisory Committee Member conducted an audit of subsidiaries selected based on audit plans, endeavored to facilitate a mutual understanding and exchange of information with the Directors and Corporate Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Taking into account the situation of the spread of COVID-19, the Audit and Supervisory Committee has conducted audit activities for the fiscal year while utilizing online conference systems.
- (3) Each Audit and Supervisory Committee Member monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit and Supervisory Committee Member was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters set forth in the items of Article 131 of the Rules of Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, November 16, 2021) and requested explanations as necessary.

Based on the above-described methods, each Audit and Supervisory Committee Member examined the Business Report and its accompanying supplemental schedules, the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements, which were prepared omitting certain disclosure items required by the International Financial Reporting Standards as allowed by the provision set forth in the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting) as well as the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to financial statements) and their accompanying supplemental schedules for the fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and the accompanying supplemental schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the description of the Business Report and the Directors' performance of their duties concerning the internal control systems, including the internal controls over financial reporting.

(2) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Non-Consolidated Financial Statements and the Accompanying Supplemental Schedules

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 19, 2023

Audit and Supervisory Committee of NIKON CORPORATION

Audit and Supervisory Committee Member:	Shiro Hiruta	(seal)
Audit and Supervisory Committee Member:	Asako Yamagami	(seal)
Audit and Supervisory Committee Member:	Makoto Sumita	(seal)
Full-time Audit and Supervisory Committee Member:	Satoshi Hagiwara	(seal)
Full-time Audit and Supervisory Committee Member:	Atsushi Tsurumi	(seal)

(Note) Audit and Supervisory Committee Members Shiro Hiruta, Asako Yamagami and Makoto Sumita are External Directors pursuant to Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.