

Thorough Compliance



Reason for Priority

The global social situation facing companies continues to change rapidly, and has even included the occurrence of unforeseen events such as pandemics. No matter how the times may change, we will continue to fulfill our social responsibilities by thoroughly complying with corporate ethics as well as laws and regulations.

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

Commitment

The Nikon Code of Conduct constitutes the fundamental rules of the Group based on its Corporate Philosophy of *Trustworthiness and Creativity*. It sets the standards by which all Nikon Group employees fully recognize the importance of compliance, abide by laws and regulations, company rules, and social norms, make ethical decisions, and take appropriate actions with integrity in day-to-day business activities. The Nikon Code of Conduct also represents the foundation on which we will strengthen global governance and respond to the expectations of the international community. Nikon aims to be a company that lives up to society's expectations by striving to continuously make the Code of Conduct widely known and understood, and by engaging in honest actions, including those related to legal compliance.

In order to contribute to the sustainable development of society by realizing Corporate Philosophy of *Trustworthiness and Creativity* and our vision of *Unlock the future with the power of light*, I will continue to demand thorough compliance through adherence to the Nikon Code of Conduct.

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

[Policy for Activities]

- Nikon Code of Conduct
- Nikon Anti-Bribery Policy

[System]

- Compliance Committee

Goals for the fiscal year ending March 2031 (What Nikon Intends to Achieve)	What Nikon Needs to Do	Related SDGs	Goals for the fiscal year ended March 2022	Scope	Results
Becoming a company that is trusted by society, by ensuring adherence to the Nikon Code of Conduct and by acting with integrity, including compliance with laws and regulations	Implement awareness-raising initiatives and education with regard to laws, regulations and ethics	16.5	Revise the content of the documents used to disseminate the Nikon Code of Conduct, and implement related education	Nikon Group	The commentary section was revised, and e-learning on the Code of Conduct in general was conducted in Japan during the fiscal year ended March 2022. Outside Japan, regional headquarters chose a theme for each region and conducted activities to raise awareness of the Code of Conduct.
			Collect information on the revision, etc. of laws and guidelines relating to bribery prevention in major countries, and implement a review of the Anti-Bribery Guidelines for Nikon Group Companies	Nikon Group	Reviewed the latest information on key anti-bribery laws and regulations and determined that no revisions are necessary as they are covered by the current anti-bribery guidelines
			Aim to achieve effective implementation of the Code of Conduct Hotline (Reporting and Consulting System)	Nikon Group	The reporting and consulting system was reinforced through compliance education throughout the year, and was further entrenched through an employee awareness survey conducted in Japan in October.

Compliance


Nikon Code of Conduct

Approach and Policy

The Nikon Code of Conduct is a specific set of standards that each and every employee should understand in depth and utilize to implement the concept of compliance. In January 2018, we revised the Code of Conduct to address the latest requirements of the global community. Specifically, the revision included adding descriptions on such topics as human rights, taxation, export and import control and social responsibilities of the supply chain. We then standardized the Code of Conduct as the common set of rules for all Group companies in and outside Japan.

Nikon makes its Code of Conduct known to all employees in and outside Japan and promotes their understanding of it through various means, such as messages from the president, company principles, explanations of terms, and Q&A. The Code of Conduct and accompanying commentary have been translated into 16 languages and have been published to ensure that all employees have access to them at any time. Furthermore, the content of the Code of Conduct and commentary is reviewed regularly. In the fiscal year ended March 2022, revisions were made to the commentary.

Additionally, to ensure thorough compliance with the Code of Conduct across the Nikon Group, the head of each department at Nikon and above, and the president of each Group company make a pledge each year to take responsibility for compliance with the code of conduct in the organizations of which they are in charge.

 Nikon Code of Conduct
<https://www.nikon.com/about/sustainability/policy/codeofconduct/>

System

System and Framework

The Nikon Group has established the Compliance Committee* for deliberating and making decisions on priority issues regarding promotion of compliance, such as the prevention of bribery. The committee is chaired by the Representative Director and General Manager of the Group Governance & Administration Division of Nikon. The Compliance Section of the Legal and Intellectual Property Division, which spearheads compliance promotion activities, and the Administration Department of the Group Governance & Administration Division, which is in charge of the Code of Conduct Hotline (Reporting and Consulting System), both serve as secretariats of the committee.

In order to strengthen governance and risk management, the Compliance Committee came under the umbrella of the Risk Management Committee as of April 1, 2022. The Nikon Group promotes compliance according to the system outlined in the diagram.

In Japan, the Compliance Section undertakes compliance promotion activities through collaboration with the

compliance coordinators in each of Nikon's departments and at Group companies, by holding liaison meeting with them, etc. Outside Japan, we cooperate with each group company, led by the regional headquarters, to address the risk of violations of local laws and regulations. Furthermore, we promote global activities by sharing their knowledge of cultures, customs and regulation in each country and region.

Code of Conduct Hotline (reporting and consulting system)

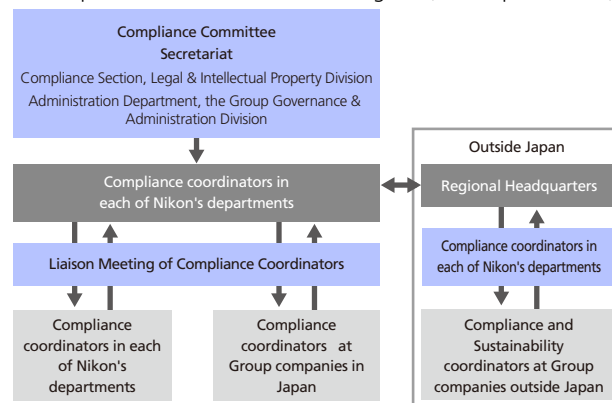
The Nikon Group has included provisions regarding a reporting and consulting system in the Nikon Code of Conduct and has established such systems at all Group companies in and outside Japan in order to respond to reports of violations or potential violations of the Nikon Code of Conduct.

The Code of Conduct Hotline, a common reporting/consulting channel for employees of the Nikon Group in Japan (including non-consolidated Group companies), consists of an internal contact point and an external contact point which is handled by an external specialist firm. In the fiscal year ended March 2022, the reporting and consulting system was inspected and revised in line with the implementation of the revised Whistleblower Protection Act in June 2022.

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

Reporting can be done anonymously. Furthermore, external contact points are open daily in Japan (with the exception of the year-end and New Year's holidays) and open 24 hours a day, 365 days a year outside of Japan where reports can be made in the local language. For each case received through the system,

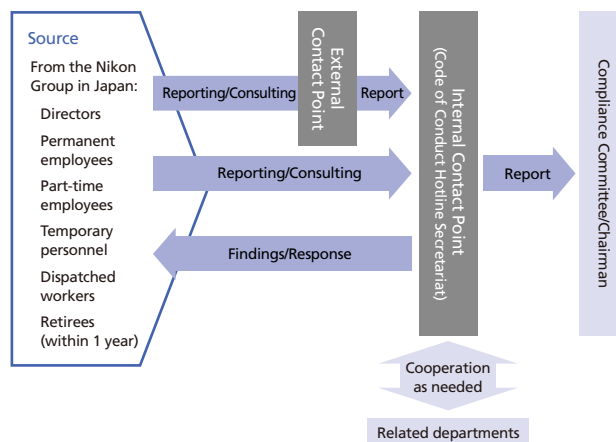
● Compliance Promotion Structure Diagram (As of April 1, 2022)



information is gathered from the reporter and persons relevant to the matter in order to understand the issue objectively. We then work together with relevant departments to resolve the case and follow up as necessary. We treat each case with the utmost care by respecting human rights, which includes keeping the matter in strict confidence, protecting privacy, ensuring anonymity, and preventing any negative treatment as a result of using the system.

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

● Diagram of the Reporting and Consulting System in Japan



● Use of Reporting and Consulting System (Fiscal year ended March 2022) (Unit: cases)

	Cases
Nikon Group companies in Japan	26
human rights-related matters (harassment, labor disputes, etc.)	23
Group companies outside Japan	6
human rights-related matters (harassment, labor disputes, etc.)	3

Promotion Activities

Activities and Results

Compliance Training for Directors and Employees of the Nikon Group

The Nikon Group aims to instill an awareness of the concept of compliance in every person at the Nikon Group, from our top management to each and every employee.

At the December 2021 meeting of the Compliance Committee, a compliance seminar was conducted by a specialist lawyer for 23 committee members, including Nikon's full-time directors. Seminar topics included compliance in a changing society, the responsibilities of companies and directors, and whistleblower systems. For Group employees, we hold classroom training and e-learning. In the fiscal year ended March 2022, training on harassment and other issues was conducted by the compliance coordinators in each workplace, and e-learning comprehensively covering the Code of Conduct was conducted at the Nikon Group companies in Japan. Group companies outside Japan are continuously conducting training activities to disseminate the Nikon Code of Conduct. In addition, regional headquarters took the lead in providing training on harassment and discrimination prevention, anti-bribery, competition law, and other issues. In response to the results of an awareness survey conducted in Japan that showed a decline in the level of awareness of the Code of Conduct, we plan to consider and implement in the fiscal year ending March 2023, training activities that will increase opportunities to refer to the Code of Conduct. Further, in the Nikon Group's newsletter to all of its employees, we feature compliance related news that is reported around the world and explain the Nikon Group's view on compliance.

Global Awareness Survey (Monitoring)

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

In the fiscal year ended March 2022, we conducted an awareness survey for the Nikon Group in Japan, with 10,308 employees responding (response rate of 95.1%). While awareness and commitment to compliance remained high, the level of awareness of the Nikon Code of Conduct was lower than in the survey conducted in the fiscal year ended March 2021. Major changes in the way people worked during the COVID-19 pandemic may have had an impact to the results.

The results of the awareness survey were reported, along with a comparison of results over time, during the meeting of the Compliance Committee held in December 2021. The results of the survey and requests for improvement were relayed back to each Nikon division and Nikon Group company in Japan, and each division and company is working to make improvements based on these results. Through such efforts, the Nikon Group has established a PDCA cycle for promoting compliance in all regions where we conduct business activities.

Prevention of Bribery


Approach and Policy | System and Framework | Activities and Results

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

Specifically, we are taking steps to ensure full compliance with written application and approval procedures, for expenditures related to public officials, etc. As a general rule, we have banned facilitation payments. In addition, at the start of transactions with third parties, such as intermediaries, Nikon makes the Nikon Anti-Bribery Policy known to all parties, and in principle, the contract must include a clause regarding the prohibition of bribery. We have a system in place to confirm matters using a prescribed checklist in situations deemed to be high risk.

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

In the fiscal year ended March 2022, we conducted anti-bribery training in the Americas and Republic of Korea. No cases of violation of anti-bribery-related laws and regulations occurred in the Nikon Group during this period.

 Nikon Anti-Bribery Policy
https://www.nikon.com/about/sustainability/governance/compliance/anti-bribery_policy.pdf

Prevention of Competition Law Violations

Approach and Policy | System and Framework | Activities and Results

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

In recent years, the international community has increased its focus on compliance with competition laws, requiring more stringent efforts to comply with these laws. The Nikon Group continues to provide training on competition law and since 2014 we have reinforced this initiative. Through this training, which we provide on an annual basis, we strive to promote and disseminate the awareness of legal compliance across the entire Nikon Group as well as prevent competition law violations.

No cases of violation of competition laws occurred in the Nikon Group during the fiscal year ended March 2022.

Training on Competition Law

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

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

Responding to Misconduct

Activities and Results

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

In the fiscal year ended March 2022, there were a total of six disciplinary cases based on misconduct, etc. in the Nikon Group, and the parties involved (a total of nine persons) and management and supervisory personnel (a total of nine persons), were punished. The disciplinary cases include two cases related to harassment and similar conduct. Nikon continually provides education for employees through the newsletter, e-learning and other means in order to prevent the recurrence of misconduct.