

Governance

Sustainability Promotion System

The Nikon Group established the Sustainability Committee, chaired by the president, to implement the Sustainability Policy throughout the Group and to advance our sustainability strategy consistently. The vice chair is the officer in charge of the Corporate Sustainability Department, while the committee members consist of all Executive Committee members and all general managers responsible as heads of the business units and divisions.

The committee, which meets twice per year as a rule, deliberates and manages overall sustainability activities, including the review of materialities, setting related strategies and targets, managing progress, evaluating performance, and directing improvements. The committee also monitors risks and opportunities related to sustainability, with a focus on materiality.

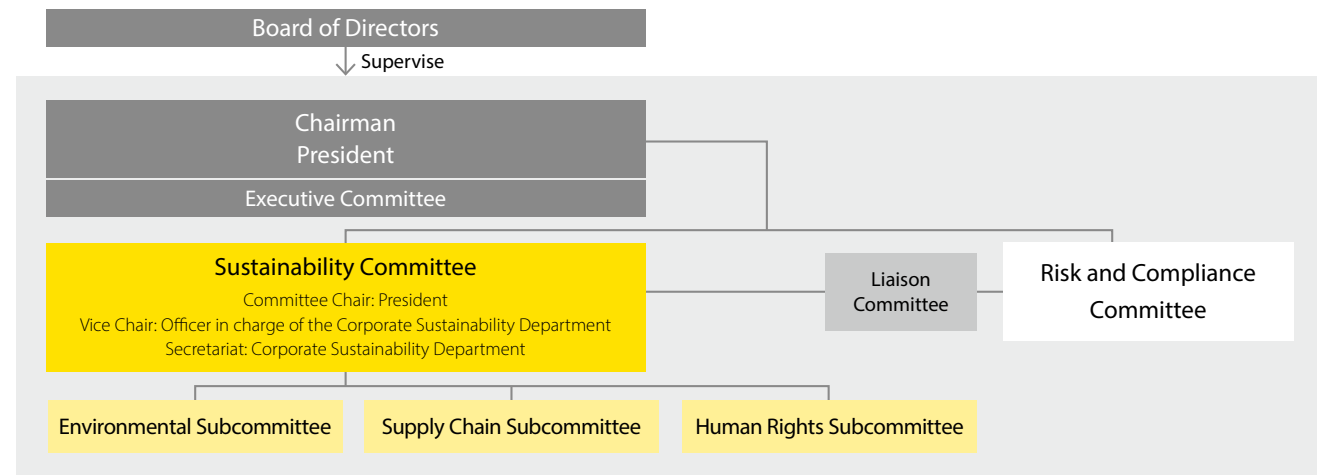
The Environmental Subcommittee and Supply Chain Subcommittee are organized under the Sustainability Committee. We also established the Human Rights Subcommittee in April 2025 to engage with important human rights issues. These subcommittees examine specific initiatives and submit reports on activities to the Sustainability Committee once per year and as needed.

We also established a liaison meeting with the Risk and Compliance Committee (name changed in April 2025; jurisdiction over all Nikon Group risks) for sustainability-related risk management. This subcommittee shares information regularly and cooperates to address risks.

The Board of Directors receives reports of the activities of these committees at least once a year. In turn, the Board supervises the appropriateness, effectiveness, and risks of

various sustainability activities, including those related to climate change.

Sustainability Promotion System (As of April 01, 2025)



Main Agenda for Fiscal Year 2024 Sustainability Committee Meetings

8th Meeting (May 2024)	9th Meeting (November 2024)	10th Meeting (February 2025)
<ul style="list-style-type: none"> Review of human rights initiatives Report on the fiscal year 2024 plan for DEI promotion EMS system at the new headquarters Fiscal year 2023 performance versus targets 	<ul style="list-style-type: none"> Review of human rights initiatives Responsible Business Alliance (RBA) Code of Conduct compliance (results of response to non-compliant matters found during audits) Progress in complying with the Corporate Sustainability Reporting Directive (CSRD) Fiscal year 2024 progress 	<ul style="list-style-type: none"> Review of human rights response, final report Environmental Policy revision Targets for fiscal year 2025 Review of materiality under the new Medium-Term Management Plan Changes in the Nikon EMS system Clarification of medium-term targets for product resource circulation

Main Reporting and Deliberations at Board of Directors Meetings in Fiscal Year 2024

April 2024	August 2024	March 2025
<ul style="list-style-type: none"> Report from the Sustainability Committee (environment (decarbonization, resource circulation), human rights, etc.) 	<ul style="list-style-type: none"> Discussion regarding compliance with the UK Modern Slavery Act 	<ul style="list-style-type: none"> Report on revised initiatives related to human rights Discussion regarding revisions to the Nikon Human Rights Policy

Promotion System at Group Companies outside Japan

The Nikon Group has established a sustainability department at each regional headquarters, in order to advance consistent sustainability initiatives across the Group companies while taking into account the characteristics of each region where they are located, including culture, customs, language, etc. Toward this objective, the Nikon Group Sustainability Committee manages the overall sustainability activities of the Nikon Group as a whole, communicating decisions to each relevant Group company through business divisions and headquarters to ensure decisions are reflected in management and business activities.

In addition, we established sustainability divisions at regional headquarters outside Japan. We divide the geographic

areas where we operate into four regions (excluding Japan), and the sustainability departments of Nikon and of each regional headquarters puts in place systems for the promotion of sustainability within their jurisdiction. Furthermore, a Compliance and Sustainability Coordinator is appointed at each company to ensure collaboration.

The Corporate Sustainability Department, which serves as the secretariat of the Sustainability Committee, and the sustainability divisions of the regional headquarters exchange information at regular monthly meetings and coordinates efforts. The sustainability global communication meeting is held once a year, with participants representing the sustainability departments at each regional headquarters. At this meeting, information regarding social trends in each region, progress made in sustainability activities, and issues that need to be addressed

are shared, and response measures discussed. The May 2025 meeting included updates on our efforts in human rights, DEI, environment, and information disclosure. The meeting also discussed issues and future actions in each region.

PDCA Cycle Implementation Framework

In the Nikon Group, corporate administration divisions take the lead in developing Group-wide activities based on materiality goals discussed and finalized by the Sustainability Committee. At the same time, other divisions recognize the risks and opportunities related to materiality in their business activities, taking action to address such risks and opportunities. Every Nikon business unit and division proposes integrated goals for sustainability and business activities for inclusion in annual plans. The Sustainability Committee deliberates on the appropriateness and manages the progress of these sustainability-related goals. At the same time, each department and section employee is made aware through the goal management system. In this way, we ensure that sustainability is communicated throughout the entire Group and initiatives are carried out toward achieving these goals.

In addition, to clarify initiatives related to sustainability and management's responsibility for achieving goals, effective June 2022, we revised the performance-based stock compensation plan for Nikon executives, allocating 10% of evaluation factor scoring to efforts for strengthening the management base, such as sustainability strategies and human capital management.

● Group-Wide Sustainability Structure



Participation in International Initiatives

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

Participation in Environmental Initiatives and Outreach to Society ➡p.052

Joining the UN Global Compact

Nikon became a signatory to the UN Global Compact (UNGC) in 2007. We respect the ten principles covering the four areas

of human rights, labor, environment and anticorruption.

Through the UNGC, the Nikon Group acquires a global perspective on social challenges as well as gaining opportunities to share information with other companies and build a network with experts.



Joining the RBA

With the aim of enhancing sustainability both within the Nikon Group and in the supply chain, Nikon joined the Responsible Business Alliance (RBA) in May 2018. The RBA has established the RBA Code of Conduct to ensure that working environments remain safe and workers are treated with respect and dignity, while also setting standards for the fulfillment of environmental and ethical responsibilities within the supply chains of all member companies.

Promoting CSR Procurement ➡p.096
Respecting Human Rights ➡p.101

● Main Achievements for the Fiscal Year 2024 in Relation to the Ten Principles of the UN Global Compact

	Principle	Policy	Jurisdiction	Achievements
Human rights/ Labor	1・2/3・4・5・6	Nikon Human Rights Policy	Sustainability Committee	Reviewed activities in line with international agreements, including the UN Guiding Principles on Business and Human Rights, to respond to social demands, adapt to business changes, and strengthen our commitment to human rights. Contracted with outside experts to conduct a human rights impact assessment. The assessment identified six salient human rights issues for Nikon to prioritize. We also revised the Nikon Human Rights Policy.
		Nikon CSR Procurement Standards	Supply Chain Subcommittee	Conducted CSR assessment, audits, and corrective actions once every three years for procurement partners that are selected based on risk assessment from various perspectives. Based on the results of the CSR questionnaire diagnosis for Tier 1 suppliers and Tier 2 suppliers conducted in the previous fiscal year, in fiscal year 2024, we requested that 14 companies make improvements and audited two companies, requesting improve. We confirmed that the improvements were completed.
		Responsible Minerals Sourcing Policy		We conducted a survey on the use of five minerals (3TG plus cobalt), regarding these substances as high-risk conflict minerals. In fiscal year 2024, we found 229 of the 362 smelters identified in the 3TG survey, and 54 of the 85 smelters identified in the cobalt survey, to be RMAP compliant.
Environment	7・8・9	Nikon Long-Term Environmental Vision	Environmental Subcommittee	Deployment throughout the Group of Environmental Management Systems and implementation of initiatives. In fiscal year 2024, we revised the Nikon Environmental Policy to respond to stricter disclosure requirements in Japan and outside Japan, as well as to further clarify matters we should address. We also implemented the Environmental Action Plan to achieve greenhouse gas reduction targets, renewable energy targets, and other targets.
		Nikon Green Procurement Standards	Supply Chain Subcommittee	Conducted our triennial environmental management system survey in accordance with risks of chemical substances occurring in materials used, components, and processes. We also conducted environmental management system assessments to confirm the establishment and management of environmental management systems. In fiscal year 2024, we conducted assessments for 27 procurement partners. As a result, we certified 23 companies as new environmental partners (461 certified environmental partners in total).
Anticorruption	10	Nikon Anti-Bribery Policy	Compliance Committee	Confirmed the operation of anti-bribery guidelines using a self-inspection sheet. In fiscal year 2024, elective compliance education in Japan for each workplace during the year focused on precautions to prevent illegal activities related to entertainment and gifts for university and research institute employees. We also conducted anti-bribery training at Group companies in the Americas, Europe, South Korea, and Hong Kong.

Stakeholder Engagement

The Nikon Group believes that stakeholder engagement is important to properly understand and identify sustainability risks and opportunities, as well as to objectively evaluate and improve overall sustainability efforts, including strategies, indicators, targets, and performance.

Therefore, we disclose policies and results to Nikon Group stakeholders, including customers, shareholders, employees, business partners, and society at large, conducting disclosure through a variety of opportunities and methods. We take opinions and expectations received in response into consideration. As examples where we listen to stakeholder feedback, management communicates directly with customers in business meetings, with shareholders and

investors during investor relations activities, with employees in town hall meetings and labor-management council meetings, and with business partners in procurement partner meetings. As examples where we listen to stakeholder feedback, management communicates directly with customers in business meetings, with shareholders and investors during investor relations activities, with employees in town hall meetings and labor-management council meetings, and with business partners in procurement partner meetings. In addition, the IR department regularly shares the content of

dialogues with shareholders and investors at meetings of the Board of Directors and the Executive Committee. The opinions of stakeholders collected and analyzed by each department are also reported to the directors in charge and the Executive Committee as appropriate, and subsequently utilized in management and business activities.

In this way, the Nikon Group strives to foster sound relationships with stakeholders and engage actively in two-way communication.

● Nikon Group's Main Stakeholders



● Main Forms of Engagement with Stakeholders

Main Stakeholders	Methods of Engagement	Objectives
Customers	<ul style="list-style-type: none"> • Call centers and service counters (as required) • Responses to customers by departments in charge of sales/services (as required) • Sharing of information via the website and other methods (as required) • Exhibitions/events (several times a year) • News releases via mass media and other methods (as required), etc. 	Provision of high quality, high value-added products and services, response to feedback and requests, and provision of appropriate information on products and services
Shareholders	<ul style="list-style-type: none"> • General Shareholders' Meeting (once a year) • Announcements (as required) • Publishing of various types of printed materials including the NIKON REPORT and interim reports (once a year), etc. • Sharing of information via the website and other methods (as required) • Financial Results Conference (four times a year) • Responding to ESG investment (as required), etc. 	Timely and appropriate disclosure of information, acquisition of appropriate evaluation and support from capital markets, fair and highly transparent corporate management, appropriate return of profits
Employees	<ul style="list-style-type: none"> • Sharing of information via company newsletters, the Group portal site and other methods (as required) • Labor and management conferences, and conferences with employee-elected representatives (as required) • Reporting and Consulting System (as required) • Conducting labor standards surveys at the Group companies (once a year) • Conducting employee awareness surveys and questionnaires (once every one to two years) • President's town hall meetings, etc. (as required) 	Active utilization of diverse human resources, provision rewarding work and workplace environments, proper treatment of workers, enhancement of occupational safety and mental health, positive labor-management relationships
Business partners	<ul style="list-style-type: none"> • Dialog through everyday business activities (as required) • Meetings with procurement partners (once a year) • Briefings/surveys/audits/correctional support for procurement partners on CSR procurement (as required) • Survey/assessments of the establishment of environmental management systems (as required), etc. 	Mutual development through provision of products and services that are useful to society, fair business relationships, smooth sharing of information, joint research and development, and CSR procurement
Society	<ul style="list-style-type: none"> • Participation in local events (as required) • Collaboration with NGOs/NPOs in Corporate Citizenship Activities (as required) • Participation in economic and industry organizations (as required) • Consultations with governmental agencies, academic societies/research organizations (as required) • Issuing of the Nikon Sustainability Report (once a year), etc. 	Compliance with laws and regulations, participation in industry-government-academia collaboration projects, participation in the community as a corporate citizen, contribution to technology development through support for research organizations, and enhancement of our activities through partnerships

● Main Affiliated Organizations Related to Sustainability (as of March 2025)

Organization Name
Joint Article Management Promotion-consortium (JAMP)
Global Compact Network Japan (GCNJ)
Business Ethics Research Center (BERC)
Japan Electronics and Information Technology Industries Association (JEITA) (CSR Committee, Environment Committee, and Responsible Minerals Trade Working Group)
Keidanren (Japan Business Federation) (Committee on Responsible Business Conduct and SDGs Promotion)
Platform for Learning Innovation - Japan (PLIJ)
The four Japanese electric and electronic (E&E) industrial associations, JEITA, CIAJ, JBMIA and JEMA (The Expert Committee on Chemical Substances in Products, Expert Committee on Waste and Recycling Measures Relating to Business Facilities, Expert Committee on Chemical Substance Measures Relating to Business Facilities, and Biodiversity Working Group)
Japan Machinery Center for Trade and Investment (JMC)
Business for Social Responsibility (BSR)
Institute of Business Ethics (IBE)
Japan Business Council in Europe (JBCE) (CSR Committee)
Responsible Business Alliance (RBA)
Responsible Minerals Initiative (RMI)
SEMI Japan (Sustainability Committee)

Engagement with Employees

The Nikon Group believes that it is very important for every employee to share the company's vision, to be committed to the company's policies and plans, and to work proactively to put these policies and plans into effect.

During fiscal year 2024, we held town hall meetings at two locations in Japan and seven outside Japan. Roughly 2,530 employees participated, including many via an online conference system. At each town meeting, management provided unvarnished updates of the current Nikon status, social trends, sustainability, diversity, equity and inclusion (DEI), and the roles and expectations of each location. Employees offered many questions and opinions, leading to passionate discussions.

Many of the questions regarding sustainability related to specific initiatives based on the Nikon Global Diversity, Equity

& Inclusion Policy (established in fiscal year 2023), showing the high level of interest in this topic.

In addition, we continue to communicate actively through the Nikon Group portal site, internal newsletters, e-mails, and other means. One unique method is our Talk NARI TV, a video program in which the president himself discusses the current state of the Nikon Group.

Engagement with Shareholders and Investors

Nikon set a goal of capital market-oriented management and has been focusing on investor relations activities that emphasize dialogue with shareholders and investors as opportunities to hear valuable opinions from a variety of perspectives.

We hold interviews with approximately 600 shareholders and institutional investors both in and outside Japan

● Town Hall Meetings Outside Japan



RED (RED Digital Cinema, Inc.)

RED joined the Nikon Group in March 2024. President Tokunari explained the video portion of our Imaging Products Business to approximately 200 RED employees, emphasizing the importance of cooperation with RED. During the reception that followed, many employees took the opportunity to speak with President Tokunari directly.



Nanjing Nikon Jiangnan Optical Instrument Co., Ltd. (NNJC)

NNJC manufactures microscopes and objective lenses for microscopes. Twenty employees participated in the event, and President Tokunari expressed his desire for the participants to take pride in making microscopes for the development of medicine and pharmaceuticals around the world.



Nikon SLM Solutions AG (SLM)

Approximately 400 people attended the town hall meeting in December 2024. Many of the questions were related to sustainability, including what opportunities existed to address DEI and related goals under the current DEI policy.

throughout the year. Throughout fiscal year 2024, we continued to give quarterly financial results conferences in an online format. We endeavor to improve our approach and engagement with shareholders and investors, including participation in conferences sponsored by securities firms. Top management also engages in face-to-face meetings in and outside Japan to listen directly to opinions from shareholders and institutional investors. In this way, we have redoubled our efforts to disseminate information regarding the current state of the company's operations in a timely, appropriate manner through numerous constructive dialogues.

We receive a great many useful opinions and suggestions from shareholders and investors related to Nikon Group growth strategy, business management, restructuring, and more. With investors placing particular emphasis on the long-term perspective, we engage in frank exchanges of opinion across a wide range of topics. These topics include solving social issues through our businesses, financial strategies, including capital allocation, and ESG issues, focused mainly on governance. We make effective use of these opinions when reflecting on our business management and considering our strategies, and by sharing the same with our Board of Directors and the Executive Committee on a regular basis.

Going forward, Nikon aims to enhance its engagement with shareholders and investors in terms of both quality and quantity. In addition, we will listen carefully to stakeholders' hopes and expectations, and will make effective use of what we have learned to improve our business management.

Customer Satisfaction Initiatives ➔ **p.042**

Communication with Procurement Partners ➔ **p.094**

Reviews Conducted by Outside Experts

The Nikon Sustainability Report is a good report offering tremendous accuracy and detail.

The company organized the 2024 edition into four pillars of disclosure information: strategy, governance, risk management, and indicators and targets. This format is commendable for a certain degree of clarity, but I noted a number of initiatives and examples listed in a group toward the end of the report that did not fit neatly under one of the four pillars. In addition, there was a noticeable lack of information in the strategy section in general. When a company has a means to explain its approach, the details, and examples for each strategy, these elements should be incorporated into the strategy as appropriate. Nikon provides many good examples, which makes it easier for the reader to understand what Nikon is thinking.

I think the top message could be a bit more detailed and strategic.

In terms of information disclosure by materiality, I noted that the Environment area of the report offered the information necessary. However, information in the Society/Labor area related to human rights, in particular, was insufficient. I do not think the company has been sufficient in disclosing human rights due diligence results or in identifying risks. While I read various activities regarding diversity, equity and inclusion, it seems to me that the content reflected modern trends. I don't see any original ideas being communicated. The Corporate Citizenship Activities section does not describe a strategy. Since Nikon is active in this area, I'm sure there is a strategy involved. I think Nikon should state this strategy clearly.

I believe that the numerical information, such as targets and results, have been disclosed fairly well throughout the

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report. However, there is a lack of indication as to what the numbers actually mean in terms of definitions or boundaries, for example. Providing information in an easy-to-understand manner enhances the trust placed in said numerical information. I also commend Nikon for properly disclosing negative information.

The information disclosure system at Nikon and other Japanese companies is organized across certain media. This media includes sustainability reports, integrated reports, annual securities reports, governance reports, and related websites. However, the amount of information disclosed is quite large, and there are subtle differences and many redundancies. In light of CSRD and other mandatory information disclosure frameworks, separating disclosure media and organizing the content of disclosures will become important issues in the future.

The Nikon Group underwent another external expert review this year to improve the disclosure of non-financial information. Based on the feedback, the company revised and reorganized the content, structure, and connections with other information disclosure tools. I am sure that Nikon will endeavor in the future to enhance information disclosure, improve transparency, and foster greater credibility to comply with international standards, such as the European Sustainability Reporting Standards (ESRS) and the Sustainability Standards Board of Japan (SSBJ). And through these efforts, the company will pursue practical sustainability activities further to meet stakeholder expectations.