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Basic Approach

The Nikon Group sees our mission as exploring the potential of light to shape the future and has set *Unlock the future with the power of light* as our corporate mission. We also defined our vision as becoming *a key technology solutions company in a global society where humans and machines co-create seamlessly*, aiming to play an essential role in enabling this future.

Over our history spanning more than 100 years, the Nikon Group has cultivated ultra-precise manufacturing capabilities, as evidenced in our lithography systems. We have also cultivated a brand recognized worldwide for imaging products, led by our digital cameras, and earned the trust of our stakeholders. Social and industrial needs, as well as the processes and methods of delivering value, will continue to diversify. In this social environment, we expect collaboration between humans and machines to advance and shift the focus from functional value to meaningful value. As this future takes shape, the Nikon Group will leverage our strengths to provide solutions that expand human potential by helping create valuable customer experiences and driving innovation. We will also contribute to the realization of a prosperous and sustainable society by providing innovative value that will help address societal and industrial challenges.

Strategy

The Nikon Group aspires to be a company that contributes to the sustainable development of society by creating new value through our business activity based on our Corporate Philosophy of *Trustworthiness and Creativity*. We defined Key Themes for Creating Value in the FY2026-FY2030 Medium-Term Management Plan, which launched in April 2026. The first key theme is *Creating Social Value Through Our Business Activities*, with priority areas defined as enriched spirits, more precise treatment and health, the future of a digital society, and manufacturing solutions.

The second key theme is *Empowering Diverse Talent and*

Strengthening Organizational Capabilities, which we position as the driving force behind our value creation. The third key theme is *Driving Value Through Collaboration* by strengthening collaboration with key partners to accelerate and expand value creation. Each key

theme also has clearly defined key elements.

The Nikon Group will advance our business strategy by addressing these Key Themes for Creating Value to contribute to a sustainable society and achieve continued growth.

● Contribution Areas and Key Elements in Our Key Themes for Creating Value



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● Key Themes for Creating Value and Related Content

Key Focus Areas	Related Content
● Creating Social Value Through Business Activities	• Value-Creating Technology Capabilities (Research and Development, Intellectual Property Initiatives) • Manufacturing That Brings Value to Life
● Empowering Diverse Talent and Strengthening Organizational Capabilities	• Human Capital Management (Web Page) • Diversity, Equity & Inclusion • Human Resources Development • Employees' Health and Safety
● Driving Value Through Collaboration	• Value-Creating Technology Capabilities (Open Innovation) • Supply Chain Management • Promoting CSR Procurement



▶ Medium-Term Management Plan

Value-Creating Technology Capabilities

Research and Development

The Nikon Group identifies future social issues within the contribution areas defined in our Medium-Term Management Plan. The Technology Strategy Committee, chaired by the Corporate Vice President serving as Chief Technology Officer (CTO), determines our priority investment areas and the direction of technology development.

Nikon works with our corporate R&D department, which is responsible for fundamental and future technologies, to develop technologies in collaboration with business units responsible for product development and Group companies. We also engage actively in joint development with universities, research institutions, and companies, including startups.



▶ Research and Development

Open Innovation

In order to accelerate the development of new products and services, as well as the launch of new businesses that address diversifying social issues, Nikon actively adopts open innovation by leveraging external resources.

Specifically, as a part of our corporate venture capital activities, we established the private funds to directly invest in startups and nurture promising technologies and ideas from startups. We have established the Nikon-SBI Innovation Fund and Nikon-SBI Innovation Fund II in Japan, as well as the NFocus Fund in the United States.

As of March 31, 2026, we provide investment support to 23 startups and 12 venture capital firms.



▶ Open Innovation

Creation and Utilization of Intellectual Property

Nikon has established and effectively leverages a necessary and sufficient intellectual property portfolio to adequately protect the competitiveness of the products and technologies that support our business growth, thereby enabling continuous value creation. At the same time, we respect others' intellectual property rights while taking a resolute stance against infringements of our own intellectual property rights.

Supporting each business strategy through intellectual property is important to supporting the Key Themes for Creating Value. To this end, our business units and R&D and Intellectual Property Department work closely together to formulate and implement intellectual property strategies optimized for each of our business activities. These strategies involve utilizing an IP mix that combines patents, designs, and trademarks to provide comprehensive protections for our products and services. Following these strategies enables us to create intellectual property and manage associated risks, both of which serve as part of the technological foundation that creates value and are essential for business growth

from a medium- to long-term perspective.



▶ Intellectual Property Initiatives

Manufacturing That Brings Value to Life

The Nikon Group's basic philosophy is Customer and Quality First, and we provide the products and services that our customers need in the most optimized way through our manufacturing. Our approach to manufacturing is to anticipate customer needs and drive innovation through a range of solutions. The technical expertise and solution capabilities we have built over many years underpin the quality products and services we deliver and create unique value that earns customer trust and meets expectations. These strengths also form the foundation of our competitiveness and brand strength.

Manufacturing is the main source of our corporate activities. Maintaining and enhancing our manufacturing capabilities enables us to continue to further expand the value we provide to our customers.

Production Strategy

The Nikon Group aims to build a flexible production structure capable of adapting to change to achieve our Vision.

Production Base Strategy

We are building a flexible production system that can respond to changes in business activity by clearly defining the role of each of our manufacturing sites, developing their unique advantages, and enhancing cooperation between each site. All of our production bases in Japan have been allocated to the Production Technology Division, where we address productivity improvement and quality issues that extend across our business activities. Furthermore, by sharing information to create synergy, we are optimizing the

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entire Nikon Group, building a production system that is resilient to production fluctuations in each business activity.

Manufacturing Technology Strategy

We will continue to enhance the core technologies that support Nikon Group manufacturing, including materials, manufacturing, and assembly and calibration technologies. At the same time, we will also continue utilizing industrial engineering (IE), equipment development, digital transformation, and other measures to create new manufacturing processes and achieve sustainable productivity improvements.

We will continue these efforts to advance future product development and manufacturing.

Procurement and Logistics Strategy

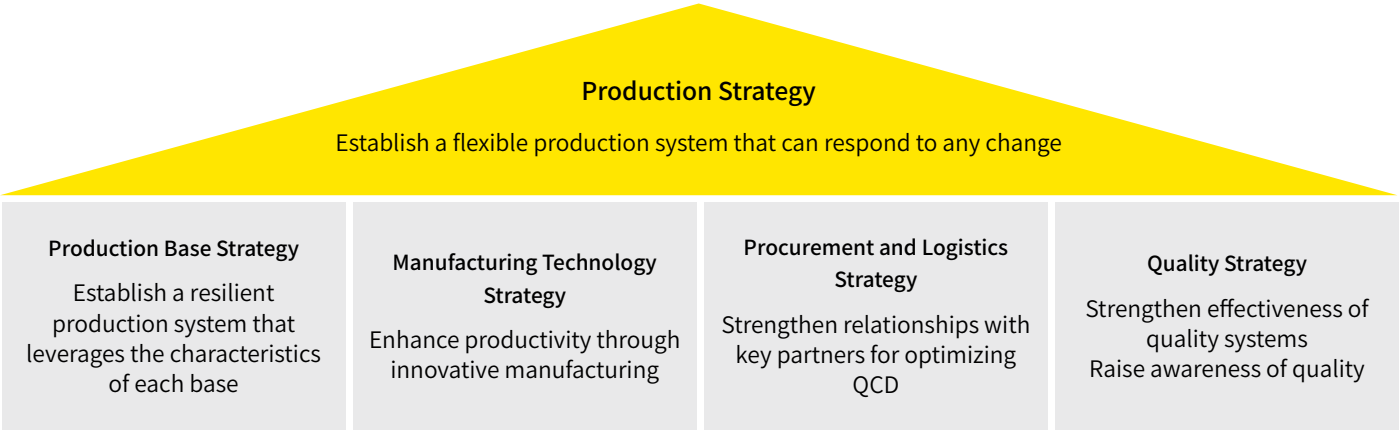
The supply chain environment is becoming increasingly complex due to factors including rising labor and material costs, natural disasters, infectious diseases, constraints in parts and materials component procurement caused by geopolitical risks, and logistical disruptions. Against this backdrop, Nikon will strengthen collaboration with procurement and logistics partners that comply with our quality and sustainability standards, building on strong relationships of trust.

Quality Strategy

In order to meet customer needs and provide safe and reliable products and services in a timely manner, we are working to maintain and strengthen the quality systems in each of our business units. We have established a Quality Committee to deliberate and make decisions on important issues related to quality control. We are also advancing initiatives to embed a quality-first culture across the entire Nikon Group.

Supply Chain Management	▶ p.085
Ensuring Quality and Safety	▶ p.095

Strengthening Our Manufacturing Foundation (Conceptual Image)



Group-Wide Manufacturing Framework

Nikon established cross-functional divisions to implement strategies for production, technology, procurement and logistics, quality, and other strategies across the organization. We have also reviewed our technology development process, and we are deploying it to our Group manufacturing companies both in and outside Japan. This deployment allows us to seamlessly link Engineering Chain Management (ECM) with Supply Chain Management (SCM), thereby achieving optimization from a company-wide perspective that spans across business units. Consequently, we have been able to establish a system that not only smoothly maintains and expands our existing business activities but also launches new businesses.

Risk Management to Support Manufacturing Capabilities

The Nikon Group views the various risks associated with production as opportunities to continuously improve our manufacturing. We manage these risks through various councils for each of the four strategies that underpin our production strategy (see figure above). Councils identify risks in a timely manner and ensure that countermeasures are implemented. Specific risks reviewed are as follows: market risks related to changes in the competitive environment and demand fluctuations; risks to our manufacturing that may hinder the maintenance and improvement of our core technologies; supply chain risks resulting from soaring resource prices, natural disasters, infectious disease outbreaks, and disputes; and quality risks that may reduce customer satisfaction due to declines in quality.

We also strive to formulate and implement optimal risk mitigation measures by taking a holistic view of all risks under the four aforementioned strategies and comprehensively assessing their potential impact on each other and on our business activities as a whole.

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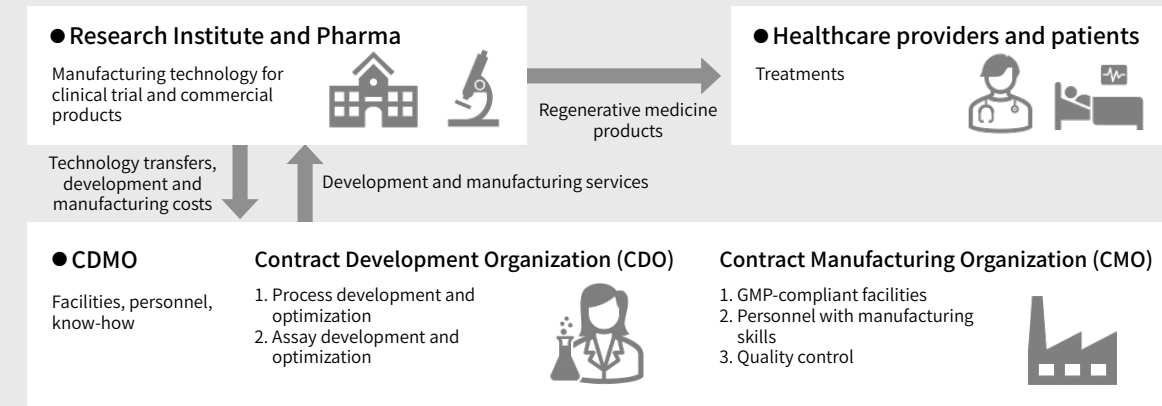
Value Provided Through Business Activities-1

Areas Where Nikon Contributes: **More precise treatment and health**

**Supporting the Future of Medicine With
Contract Cell Manufacturing Services
— NCLi's Commitment to the Future**

CDMOs Addressing Unmet Medical Needs
Despite advances in medicine, there are still some rare and intractable diseases against which current treatments are less effective. As there is growing need to address unmet medical needs for diseases with no effective treatments to date, regenerative medicine and gene therapies have attracted attention as promising treatment approaches for the diseases. The spread of these advanced therapies (regenerative medicine products) is supported by Contract Development and Manufacturing Organizations (CDMOs). CDMOs possess advanced facilities and know-how that can be used in both small scale clinical manufacturing and commercial manufacturing conducted in compliance with Good Manufacturing Practice (GMP) standards

● Roles of a CDMO



for the consistent manufacture of safe, high quality pharmaceuticals. CDMOs are entrusted with process development, manufacturing, and quality control by research institutions and pharmaceutical companies, helping reduce the operational burden on these organizations and supporting efficient clinical implementation and a stable supply of pharmaceuticals.

The Challenge of Quality and Stability of Cells
Even with innovative regenerative medicine and gene therapy candidates, significant challenges remain in bringing regenerative medicine products into practical pharmaceutical use. One of the most significant challenges is ensuring cell quality and stability. Regenerative medicine products are manufactured from cells, which are critical raw materials and therefore require extensive know-how to store, transport, and handle cells. As living materials, cells are highly sensitive to changes in culture conditions, temperature, and nutrients. These changes can alter cell characteristics and affect product quality. Although the manufacturing has been increasingly mechanized and automated, there are still certain manufacturing processes that require manual operations performed by operators. Addressing these challenges requires optimized processes and more



Cell cultures are grown in temperature-controlled incubators (left). Quality testing includes not only product testing but also environmental monitoring within manufacturing facilities (right).

NCLi Meeting Expectations as a CDMO
Nikon Cell Innovation Co., Ltd. (NCLi) was founded in 2015 as a CDMO for regenerative medicine products. NCLi combines Nikon's long-cultivated technologies in optics, precision control, and image processing with the know-how of manufacturing, training, and quality control, which we gained through our collaboration with Lonza, a global leader in pharmaceutical CDMO services. NCLi possesses the required capabilities for advanced manufacturing, quality control, and process design to provide contract development and manufacturing services for regenerative medicine and gene therapies. With over 10,000 m² of facilities including manufacturing rooms and quality control laboratories, the company operates under a GMP-compliant quality assurance system and responds flexibly to a wide range of manufacturing needs from customers in Japan and overseas. In 2025, NCLi was selected as a recipient of a subsidy from the Ministry of Economy, Trade and Industry (METI) for supporting capital investment in regenerative medicine CDMO facilities. Additionally, through a strategic license agreement with RoosterBio, a US biotechnology company, NCLi has gained access to their 3D cell culture technology for mesenchymal stem cells (MSCs). Building on these opportunities, NCLi has continued to expand cell manufacturing facilities and strengthen process development capabilities, accelerating the

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development of platforms intended for large-scale cell culture, and digital transformation in manufacturing and quality control processes.



Inside a NCLi manufacturing room

NCLi Contributing to Patient Quality of Life and Sustainable Healthcare

From a manufacturing point of view, NCLi supports physicians and medical institutions to enable them to provide stable treatment for patients fighting diseases. Delivering high-quality and stable cell products is critical to ensure treatment reproducibility and safety. These capabilities help NCLi reduce hospital visits and shorten treatment periods, improving quality of life for patients and their families. Additionally, by using the automated cell analysis and efficient cell culture technologies, which NCLi aims to adopt with the use of the Nikon-cultivated technologies, NCLi can reduce manufacturing costs as well as resource and energy consumption in manufacturing, which is vital to building a sustainable healthcare system.

NCLi pursues further value creation by combining the Nikon-cultivated technologies including optics, image processing, and precision control with new cell manufacturing technologies. Looking ahead, NCLi will continue efforts to improve quality of life for patients and their families and deliver sustainable healthcare through our medical and healthcare businesses.

Value Provided Through Business Activities-2

Areas Where Nikon Contributes: **Future of a digital society**

Increasing Productivity and Environmental Value With FPD Lithography Systems

What Are FPD Lithography Systems?

Substrates used in flat panel displays for smartphones, televisions, and other devices contain fine, high density circuit patterns. FPD lithography systems use light to form these patterns and serve as essential production equipment supporting today's information society.

As display resolutions continue to improve, FPD lithography systems require the ability to draw increasingly fine patterns with high precision while maintaining the productivity needed to process large substrates in a short period of time.

These large systems, which occupy roughly the area of a volleyball court, typically operates continuously 24 hours a day to ensure high production efficiency and stable operation. As a result, energy consumption arising from operation accounts for a significant portion of the product lifecycle, making environmental impact a serious challenge.

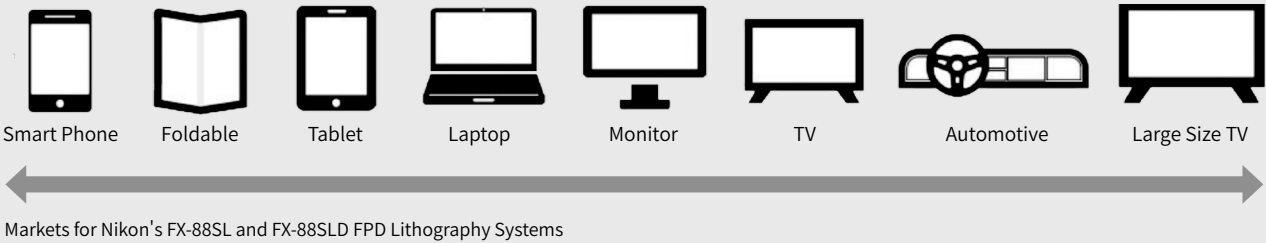
Nikon's FX-88SL and FX-88SLD^{*1} are the first^{*2} next-generation FPD lithography systems to adopt UV-LEDs (ultraviolet LED light source). These two models reduce energy consumption while maintaining high resolution and throughput, strengthening both product and environmental performance.

^{*1} The FX-88SL and FX-88SLD models use different UV-LED light source wavelengths.
^{*2} Based on Nikon research of publicly announced FPD lithography systems as of October 23, 2025.

Reduced Power Consumption and Higher Productivity

Introducing UV-LEDs into FPD lithography systems presented numerous technical challenges that made commercialization difficult, including sufficient light intensity and heat control. Nikon partnered with a light source manufacturer to enhance our proprietary control technologies and successfully integrate UV-LEDs capable of providing sufficient light intensity and quality required for lithography.

UV-LEDs can directly generate the specific ultraviolet wavelengths required for FPD lithography systems, improving light source efficiency compared with mercury lamps, which extract the required wavelengths from multi wavelength light. UV-LEDs also offer stable high brightness output with less fluctuation in light intensity over time.



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The FX-88SL leverages these UV-LED characteristics to reduce power consumption in the illumination system by approximately 27% compared with previous models. This model also achieves higher illuminance while suppressing power consumption in the illumination system. Combined with Nikon's optical technologies, the system achieves 1.5 $\mu\text{m}^3 \text{ L/S}^4$ resolution, shortens takt time by approximately 17% compared with previous models, and achieves approximately 39 seconds^{*5} per plate.

^{*3} 1 μm (micrometer) equals one millionth of a meter (1/1000 mm).
^{*4} Abbreviation for Line and Space. Refers to wiring width and the spacing between adjacent wiring lines.
^{*5} When configured for 2,290 × 2,620 mm substrates, four scans, i-line, and 30 mJ/cm².

LCA Evaluation Shows CO₂ Reduction Effects
A Life Cycle Assessment (LCA) calculating CO₂ emissions from procurement through disposal shows that the FX-88SL reduces CO₂ emissions per unit by approximately 30% compared with previous models. Emission reductions during the use phase account for the largest share of the overall reduction and serve as the primary driver of improved environmental performance. Improved distribution efficiency resulting from a redesigned system structure also helps reduce emissions across the entire lifecycle.
The FX-88SL not only helps Nikon reduce CO₂ emissions but also supports CO₂ reduction efforts by user companies, helping improve environmental value across the entire supply chain.

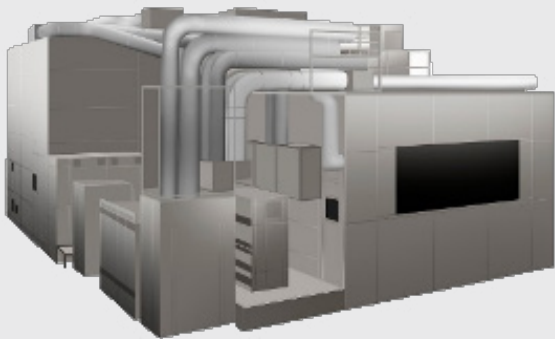
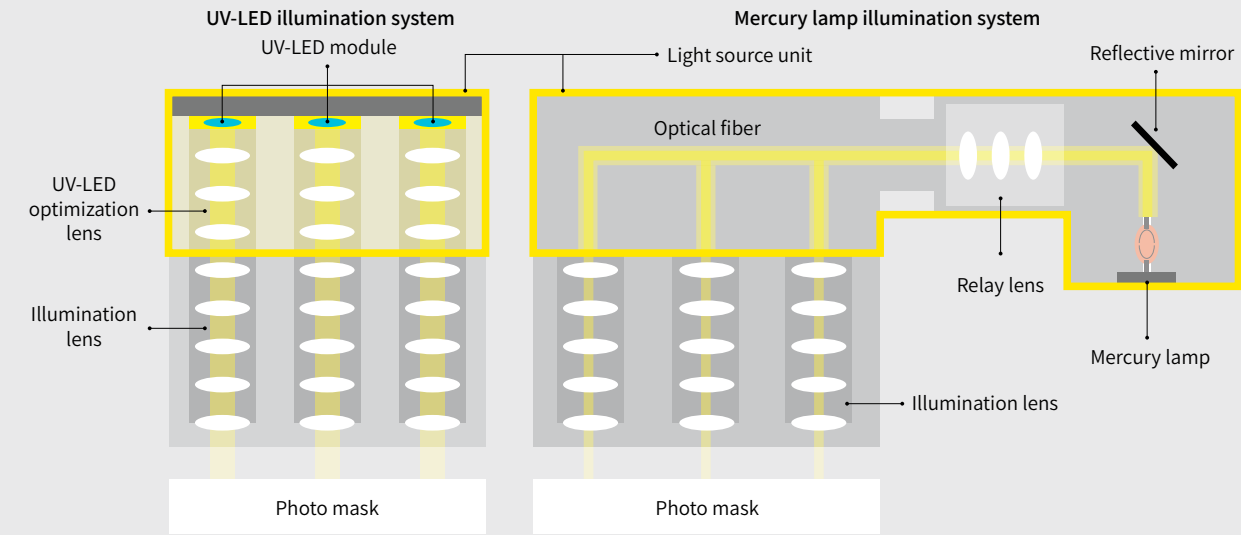


Image of FPD Lithography System FX-88SL

● Comparison of UV-LED and Mercury Lamp Illumination System Configurations
Adopting a UV-LED light source simplifies the system configuration and improves operational stability and space efficiency.



Supporting a Sustainable Future Through Technology
Nikon is committed to helping reduce environmental impact while meeting the performance requirements of the FPD market. We strive to develop illuminance control technologies that further maximize the advantages of UV-LEDs in FPD lithography systems, establish LED light source recycling systems, and implement mercury-free system designs.
Looking ahead, we will continue implementing initiatives that help achieve a sustainable society by enhancing not only productivity but also environmental performance through technological innovation.