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Basic Approach

Based on our Corporate Philosophy, the Nikon Group will conduct operations in a highly transparent manner in order to fulfill our fiduciary responsibilities to shareholders as well as responsibilities to all stakeholders, including customers, employees, business partners, and society, with a sincere and diligent attitude.

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



▶ Corporate Governance Guidelines

Strategy

Risk

A governance system that fails to ensure fair and transparent management will lead to a decline in stakeholder confidence. At the same time, this type of failure reduces the effectiveness of the Board of Directors. The resulting environment is not conducive to appropriate risk-taking, which may result in lost business opportunities and may impede a company's sustainable growth.

Opportunities

Effective, fair, and transparent governance strengthens a company's resilience, maintains and enhances stakeholder trust, and creates an environment that supports appropriate risk-taking. Supported in this way, a company captures and expands business opportunities.

The resulting environment is stable management and sustainable growth of the company in question.

Strategy

Nikon fulfills our responsibilities to stakeholders and implements highly transparent management, while improving management efficiency and transparency, and further strengthening the supervisory function over management for sustainable growth and enhanced corporate value over the medium to long term. To reach higher levels of supervisory functions, the Company continues to evaluate the effectiveness of the Board of Directors, resolving issues raised in said evaluations.

We also enhance the effectiveness of the Board of Directors by increasing diversity and improving the executive compensation system. Through these efforts, we achieve the goal of strengthening our management base as described in our Medium-Term Management Plan.

History of Enhancing Corporate Governance

		- FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026	FY3/2027
Increasing Board of Directors' diversity	% of external directors	45% (5 out of 11) ^{*1}	45% (5 out of 11)	50% (6 out of 12)	55% (6 out of 11)	55% (6 out of 11)	55% (6 out of 11)
	o/w % of those from major shareholders, etc.	40% (2 out of 5) ^{*1}	0%	0%	0%	0%	0%
	% of female directors	9% (1 out of 11) ^{*1}	9% (1 out of 11)	17% (2 out of 12)	18% (2 out of 11)	18% (2 out of 11)	18% (2 out of 11)
Improving the effectiveness of the Board of Directors	Chairman of the Board	FY3/2020 ●Separation from the position of officer FY3/2021 ●Separation from the representative director (strengthening of supervisory function over management)					
	Nominating Committee	FY3/2020 ●Established (Chair: External director)					
	Compensation Committee	FY3/2004 ●Established FY3/2020 ●Changed chair to an external director			●Majority of members changed to external directors		
	Independent External Directors' Meeting		●Establishment				
	Effectiveness evaluation	●Continuation of consideration and implementation cycles for improvement measure based on the results of the evaluation of Board of Directors' effectiveness conducted in the previous year					
Nominating	Succession Planning for President	FY3/2020 ●Formulation of the plan FY3/2021 ●Commencement of implementation FY3/2022 ●Full-scale implementation		●President was selected for the first time since the establishment of Nominating Committee ^{*2}			
Compensation	Performance-based stock remuneration	FY3/2020 ●Resumption of officer compensation system linked to the Medium-Term Management Plan	●Determined KPIs based on 2022-2025 Medium-Term Management Plan				●Revised officer remuneration and determined KPIs based on the 2026-2030 Medium-Term Management Plan

^{*1} Composition of the board of directors as of FY3/2022 ^{*2} The change of president was in April 2024

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Organizations

Aiming to further enhance corporate governance, Nikon adopted a company with an Audit and Supervisory Committee. This position further strengthens the supervisory function of the Board of Directors as it strives to streamline decision-making and clarify management responsibility arising through the delegation of authority. In addition, we recognize the importance of identifying, evaluating, and managing risks that may have a significant impact on corporate management and business continuity. Based on this recognition, the Risk Management and Compliance Committee strives to develop systems to manage risks appropriately, including identifying risks affecting the Nikon Group and determining appropriate policies in response.

Sustainability Promotion System ▶ p.010

Risk Management and Compliance Committee ▶ p.108



- ▶ Corporate Governance Organization
- ▶ Internal Control System
- ▶ Basic Policy on Internal Control System
- ▶ General Shareholders' Meeting

Risk Management

The Board of Directors consists of a majority of Independent External Directors. The Company identifies governance issues by striving to increase diversity and transparency in this way. At the same time, committees and the Board of Directors examine issues, strengthening management over governance-related risks.



- ▶ Corporate Governance Organization

Main Initiatives

Evaluation of the Board of Directors' Effectiveness

Nikon asks a third-party organization to analyze and evaluate the effectiveness of our Board of Directors in order to further improve our functions. See the Nikon corporate website for more on issues raised during the fiscal year 2025 evaluation and future responses.



- ▶ Evaluation of the Board of Directors' Effectiveness

Independent External Directors' Meeting

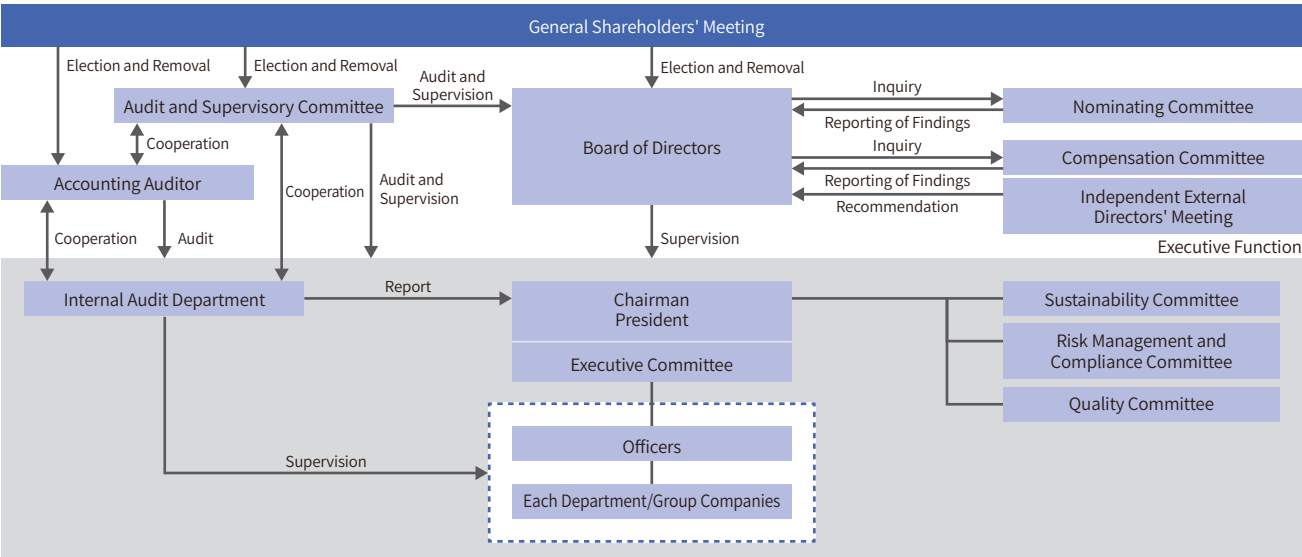
The Company established the Independent External Directors' Meeting in October 2022. The meeting membership consists of all of the Company's external directors, and serves as an opportunity for the members to freely exchange opinions and have discussions from an independent and objective standpoint about issues and matters to be deliberated by the Board of Directors. Based on the results of this meeting, the Independent External Directors' Meeting makes proposals to the Board of Directors and helps stimulate discussions at Board meetings.

Taxation

Taxes have a significant impact on the development of local communities, and proper payment of taxes is an important corporate social obligation. In its Nikon Code of Conduct, the Nikon Group stipulates conduct that is in compliance with applicable tax laws and regulations as well as open and honest dialogue with tax authorities. We have also established the Global Tax Policy, which has been approved by the Board of Directors, in order to improve tax compliance and strengthen governance.

Based on this policy, the Nikon Group will implement tax compliance measures that are aligned with management policy and management of taxation that is consistent across the Group. The Nikon Group CFO is responsible for tax governance. Tax compliance

● Nikon's Corporate Governance Organization (As of June 27, 2026)



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is delegated to the tax department within each Group company, and each regional headquarters is responsible for managing their respective region. Tax management and compliance for the entire Nikon Group is the responsibility of the tax department within Nikon's Finance & Accounting Division.

Each regional headquarters conducts quarterly monitoring of Group companies in its region and implements appropriate countermeasures in response to regional tax risks and in order to effect awareness of and compliance with this policy. Furthermore, the tax team at Nikon's Finance & Accounting Division receives reports from each regional headquarters, based on which it provides supervision and support and addresses issues that cross regional lines.

The tax team at Nikon's Finance & Accounting Division also regularly reports to the CFO on the status of tax governance. In addition, the CFO submits these reports to the Board of Directors as appropriate.

Looking ahead, the Nikon Group endeavors to respond appropriately to changes in conditions and tax risks pertaining to tax governance in and outside Japan.

Fiscal Year 2024 Tax Payments by Region

(million yen)

Region	Tax payment
Japan	2,938
USA	(84)
Europe	2,523
China	673
Other Areas	2,145
Total	8,195

* Results for the fiscal year ended March 2025

Details on Corporate Governance

Refer to our website for more information on corporate governance.



Corporate Governance



Global Tax Policy