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Supply Chain Management

Basic Approach

Nikon considers suppliers to be important partners helping us create and provide products and solutions useful for the world. Based on this belief, we strive to deepen mutual understanding and build trust with these procurement partners, and seek co-existence and co-prosperity. We established the Nikon Basic Procurement Policy based on this this approach to ensure honest and fair procurement of materials.

Nikon Basic Procurement Policy (Summary)

Procurement based on the concept of partnership

1. Sustainable corporate activities
2. Open-door procurement
3. Procurement founded in fair competition

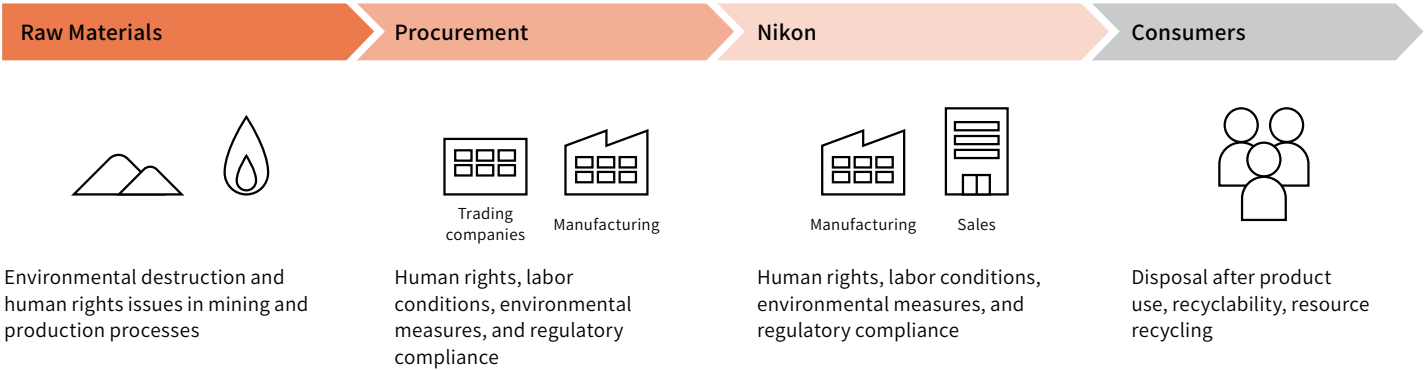
 [Nikon Basic Procurement Policy](#)

The Nikon Group's Supply Chain

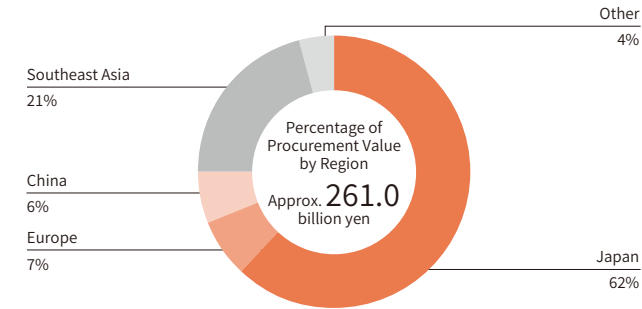
The Nikon Group has approximately 2,590 direct procurement partners globally. Beyond them, there are numerous Tier 2 and Tier 3 suppliers from whom we procure raw materials, electronic components, mechanical components, units, and others.

The Nikon Group's overseas production sites hire employees locally and actively procure raw materials and components from the countries and regions where the sites operate to ensure quality (Q), cost (C), and delivery (D). We require our local procurement partners to comply with various standards and provide assistance for improvement. In this way, we work from a long-term perspective to enhance our procurement partners' corporate capabilities and to generate new business opportunities for them.

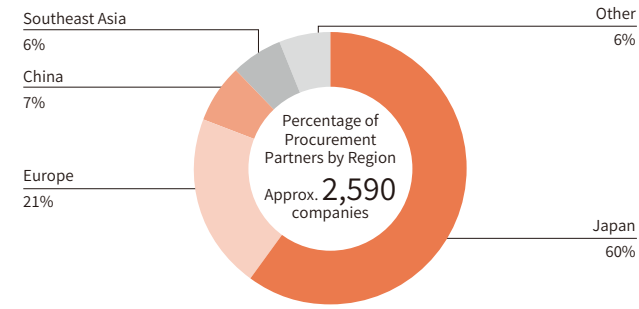
Supply Chain Overview and Risks at Each Stage



Percentage of Procurement Value by Region



Percentage of Procurement Partners by Region



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Strategy

Risk

Major supply chain risks include extreme weather and natural disasters on a global scale, geopolitical tensions, and international conflicts, and the spread of infectious diseases. These events could significantly disrupt the supply-demand balance for components and cause fluctuations in energy and raw material prices, destabilizing supply systems and potentially resulting in lost business opportunities and impacts on business performance.

In particular, a significant portion of the Nikon Group supply chain is concentrated in Japan, where the risk of earthquakes remains high. Insufficient business continuity planning among procurement partners could hinder stable procurement and disrupt the market supply of products in the event of a disaster.

Growing concern over social issues related to human rights, labor conditions, occupational health and safety, and environmental considerations also creates risk. Inadequate responses or insufficient initiatives within the supply chain could damage brand image and reduce stakeholder trust if such issues come to light.

Opportunities

Achieving a sustainable society requires procurement activities that incorporate ESG perspectives and the establishment of a responsible supply chain through collaboration with procurement partners.

These efforts can stabilize supply, improve cost efficiency, reduce resource and energy consumption, and differentiate products and services.

The Nikon Group strives to achieve sustainable business growth through environmentally and socially conscious procurement while strengthening supply chain stability. At the same time, the Group aims to strengthen trust among stakeholders and customers and enhance brand value.

Strategy

The Nikon Group builds frameworks and systems that can respond flexibly and appropriately to rapidly changing business environments, social issues, and various supply chain risks based on strong relationships of trust with procurement partners.

Specifically, we evaluate procurement partner risks to minimize supply chain disruptions during emergencies and to ensure a swift response and business continuity. We strive to strengthen resilience to risks by assessing business continuity planning systems and supporting partners with insufficient systems.

The Group also conducts procurement partner assessments through questionnaires to identify, prevent, and mitigate social risks in the supply chain related to human rights, labor conditions, occupational health and safety, and environmental considerations. We conduct second-party audits for procurement partners identified as high risk and encourage corrective action by assisting such partners in making improvements. In addition, the Nikon Group establishes and operates effective remediation mechanisms to enable prompt and appropriate responses when risks materialize.

These efforts continuously support the development of a sound and sustainable supply chain. The Nikon Group achieves sustainable business operations by strengthening supply chain stability, creating social value, and fulfilling corporate responsibilities. These efforts further strengthen trust among stakeholders and customers and enhance brand value.

Governance

The Nikon Group established the Supply Chain Subcommittee under the Sustainability Committee to pursue sustainable procurement with our procurement partners.

The Sector Manager of the Procurement and Logistics Sector chairs the Supply Chain Subcommittee under the supervision of an officer serving as the General Manager of the Production Technology Division. Members of the subcommittee include the

heads of corporate sustainability departments, quality assurance departments, and the procurement departments, as well as Group company officers. This subcommittee meets twice a year, managing risks and opportunities related to the supply chain and deliberating on activity reports and plans for building a resilient supply chain.

We established the new Procurement Quality Liaison Meeting (held biannually) to operate under the Supply Chain Subcommittee alongside the existing Sustainable Procurement Promotion Conference (held monthly) and the Green Procurement Promotion Conference (held biannually). This addition of the Procurement Quality Liason Meeting provides a stronger framework for quality management in procurement processes. Each of the meetings overseen by the Supply Chain Subcommittee reviews subcommittee reports and discussion items in advance and implements specific initiatives to build a resilient and sustainable supply chain in cooperation with procurement departments and related divisions in each business, as well as administration departments at each manufacturing site.

● Supply Chain Subcommittee

Chair: Sector Manager, Procurement and Logistics Sector
Vice Chairman: Department Manager, Procurement and Logistics Sector, Supplier Management Department
Members: Manager of the Corporate Sustainability Department, managers in charge of procurement and quality assurance from each business unit, and officers from each Group company

● Sustainable Procurement Promotion Conference

Chair: Department Manager, Supplier Management Department
Vice Chair: Section Manager, Management Section, Supplier Management Department
Committee Members: Persons in charge of advancing ESG from each business unit and Group company

● Green Procurement Promotion Conference

Chair: Department Manager, Supplier Management Department
Vice Chair: Department Manager, Quality Strategy and Management Department
Committee Members: Members in charge of advancing Green Procurement from each business unit and Group company

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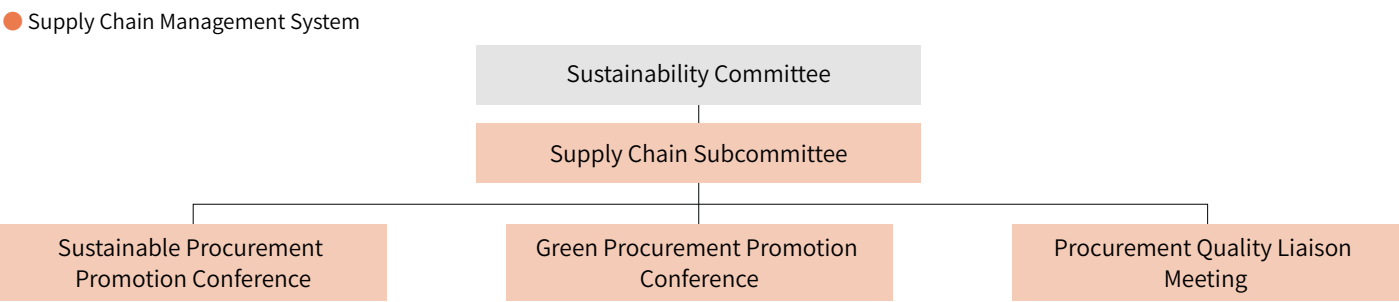
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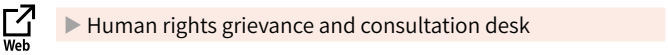
- **Procurement Quality Liaison Meeting**
Chair: Department Manager, Supplier Management Department
Vice Chair: Section Manager, Supplier Quality Section, Supplier Management Department
Committee Members: Heads of procurement departments and quality assurance departments of each business unit, site, and Group company

Human Rights Grievance and Consultation Desk

The Nikon Group replaced our previous reporting channel with the Human Rights Grievance and Consultation Desk in September 2025 to identify risks of human rights violations and other supply chain risks at an early stage and ensure appropriate responses. The Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) operates our new reporting channel, which is available to all stakeholders, including procurement partners, to assist grievance handling in accordance with the UN Guiding Principles on Business and Human Rights. We strictly protect the personal information of reporting parties, accept anonymous consultations, and prohibit disadvantageous treatment based on reporting. We investigate accepted cases, and in the event that issues are identified, we respond in accordance with internal procedures. We also work with external experts as necessary and implement corrective actions and measures to prevent recurrence.

In November 2025, we explained the new reporting channel

and provided detailed guidance on how to use the system at the Sustainable Procurement Briefing for procurement partners as part of our efforts to raise awareness and encourage use. The briefing aimed to encourage consultations and reporting with confidence. The Nikon Group plans to continue raising awareness through annual briefings going forward. Neither the previous reporting channel nor the new reporting channel received procurement-related reports in fiscal year 2025.



Risk Management

The Nikon Group identifies supply chain risks through a process that involves selecting critical procurement partners and conducting risk assessments covering CSR procurement, responsible mineral sourcing, and business continuity planning (BCP). We clearly define the criteria for each assessment item to determine risks. Procurement departments and related divisions in each business, as well as lead teams at manufacturing sites, take the lead in addressing assessments and mitigating identified risks.

The Supply Chain Subcommittee and the Sustainable Procurement Promotion Conference, a subordinate body of the subcommittee, coordinate stronger responses to cross-functional high-priority risks, work with relevant departments, and review

risk assessments. These discussions also involve coordination with the Human Rights Subcommittee and support management-level monitoring and decision making.

Identifying Critical Procurement Partners

The Nikon Group identifies critical procurement partners through the following process based on perspectives such as procurement value, importance of procured components, and availability of substitutes. We give priority to these partners in conducting surveys related to social issues, while also working to strengthen intercompany collaboration in business operations. The Nikon Group selects critical procurement partners from among partners accounting for more than 80% of the Group's total procurement value. Critical partners play an important role in advancing risk management and responsible procurement across the supply chain.

We identify critical procurement partners on a three-year cycle (i.e., fiscal year 2023 to fiscal year 2025, fiscal year 2026 to fiscal year 2028), and conduct annual reviews as necessary. In fiscal year 2023, we identified 247 companies worldwide as critical procurement partners. We subsequently identified an additional 15 companies in fiscal year 2024 and 4 companies in fiscal year 2025 to reflect changes from M&A and other factors. These additions brought the total number of critical procurement partners for fiscal year 2023 to fiscal year 2025 to 266 companies.

- **STEP 1**
When beginning business with a new supplier, we apply the Nikon Group Procurement Procedure Manual to identify any environmental, social, governance, and sector- and product-specific risks. We also stipulate ESG in the terms of our master agreements. Suppliers that meet these standards are selected as procurement partners.
- **STEP 2**
Among procurement partners, we identify those with whom we have large procurement values, those that handle critical

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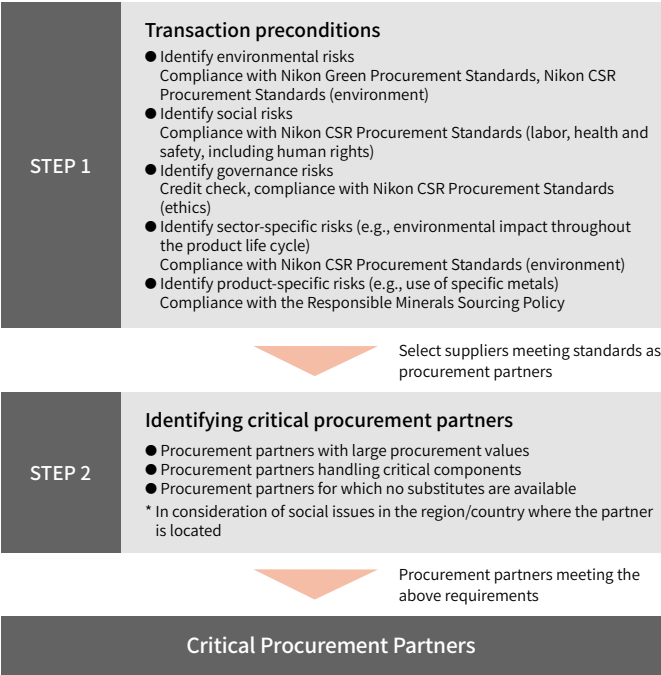
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components, and those for which no substitutes are available as critical procurement partners.

● Process for Identifying Critical Procurement Partners



● Number of Procurement Partners (Tier 1 Suppliers) and Critical Procurement Partners

	FY2021	FY2022	FY2023	FY2024	FY2025
Procurement partners (Tier 1 suppliers)	Approx. 2,300	Approx. 2,250	Approx. 2,250	Approx. 2,270	Approx. 2,590
Critical procurement partners (Tier 1 suppliers)	211	211	247	262	266

Main Initiatives

Communication With Procurement Partners

Sustainable Procurement Briefings

The Nikon Group holds briefings every year to gain procurement partner understanding of Nikon Group procurement quality management and ESG-related policies and approaches.

The Sustainable Procurement Briefing met four times in fiscal year 2025 between November 19 and 21 in an online format for procurement partners we engage with at our Japan, China, and Thailand locations. A total of 1,266 participants representing 1,034 companies attended the briefing, with topics related to BCP enhancement, green procurement, and human rights gaining the highest interest from participants.

We also took time to recognize procurement partners who contributed to ESG and quality management through flexibility, promptness, and resiliency.

Meetings With Procurement Partners

The Nikon Group believes in close communication with procurement partners and the importance of strengthening mutual relationships. To this end, we invite the representatives of approximately 160 major procurement partner companies in Japan and overseas to our annual meetings with procurement partners. These meetings report on Nikon's business environment, provide an overview of our business operations, and convey a message from the president to ensure communication with top management and strengthen relationships.

The relationships we strive to build extend beyond those between the Nikon Group and procurement partners. Beginning in 2025, the Nikon Group also took on a hub role, creating opportunities for collaboration among procurement partners and helping strengthen supply chain resilience across the Group.

Education and Communication

Nikon implements the following initiatives to build a responsible supply chain.

Internal Education and Training

We conduct training programs and awareness activities on an ongoing basis for employees in procurement departments. We continued efforts from the previous fiscal year to provide employees involved in procurement operations and new employees with training designed to strengthen understanding of procurement fundamentals and sustainable procurement. These efforts help strengthen supply chain stability and improve understanding of procurement practices conscious of the environment and society. Procurement and sustainability departments also conduct joint training that provides opportunities for communication and discussion on what sustainability activities in procurement should look like. The training sessions also aim to strengthen awareness and engagement among individual procurement personnel.

Awareness-Raising Activities

We held a seminar on responsible minerals sourcing alongside the Sustainable Procurement Briefing for procurement partners. A total of 686 participants attended the event. The seminar marked the first session held specifically for procurement partners and aimed to deepen understanding of the annual surveys and encourage voluntary due diligence at each company. We also shared archived recordings with employees and incorporated the seminar into training programs to expand viewing opportunities. Through these efforts, the Nikon Group strives to strengthen understanding and implementation of responsible minerals sourcing both inside and outside the company.

Donation Activities

We continue to support the resilience-building project in the Democratic Republic of the Congo conducted by the certified NPO Terra Renaissance. The project supports women and children

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affected by conflict and helps reduce the risk of young people and others becoming involved with armed groups and conflict mineral-related businesses. Specific support activities are listed below. Donations from Nikon supported a portion of the funding for these activities.

- Malaria prevention awareness activities for 300 elementary school students
- Provision of pharmaceuticals to over 1,000 patients
- Installation of water supply facilities for approx. 500 households (approx. 3,000 people)
- Improvement of schooling environments for 231 vulnerable children
- Livelihood support for 30 women affected by conflict
- Sewing skills training for 76 women in the poorest communities

Visualizing Supplier Supply Chain Information
and Understanding BCP Systems

Business continuity challenges have become increasingly diverse in recent years, due in part to natural disasters, growing geopolitical risks, and rapid changes in the business environment. In fiscal year 2025, the Nikon Group continued advancing the visualization of supplier supply chain information to respond swiftly to these risks. We also worked more closely with critical suppliers through efforts to understand BCP systems and support system enhancement to strengthen resilience across the entire supply chain.

● Initiatives to Strengthen BCP

	I Visualizing the Supply Chain	II Establishing a Contingency Survey System	III Establishing Supplier BCP Systems
FY2020	• Registered procurement partner (Tier 1 supplier) location information necessary for contingency surveys in the integrated procurement data management system	• Developed BCP internal first response infrastructure to efficiently assess procurement partner situations in the event of an emergency	
FY2021		• Launched contingency surveys using the integrated procurement data management system	• Conducted a survey on the status of infrastructure-related BCP system construction among our major procurement partners
FY2022	• Expanded the scope of supplier location information visualization to include Tier 2 suppliers and beyond (manufacturing sites beyond trading company procurement partners)		• Conducted a survey on the status of BCP system construction among our major procurement partners, including those not related to infrastructure
FY2023	• Visualized procurement partner handling of critical parts and materials, beginning with Tier 2 suppliers		• Provided support for procurement partners with insufficient BCP systems; expanded survey coverage
FY2024	• Visualized procurement partners, including Tier 2 suppliers, that handle critical parts and materials		• Provided support for procurement partners with insufficient BCP systems; expanded survey coverage
FY2025	• Visualized Tier 2 suppliers of procurement partners handling of critical parts and materials (expanded scope) • Updated and screened existing registration information for other suppliers		• Provided support for procurement partners with insufficient BCP systems; expanded survey coverage