

Overview of the Medium-Term Management Plan

Vision 2030

On April 7, 2022, the Nikon Group announced its Medium-Term Management Plan (fiscal years 2022-2025). In order to formulate this Medium-Term Management Plan, we first imagined our Vision 2030, set targets to be reached by 2025 to move toward achieving this, and then laid down measures to make it a reality. When we imagine society in 2030, there will be changes in people's values and outlook on life, changes in social environments, such as climate change and resource scarcity, and the continuation of technological innovations, such as the arrival of Industry 5.0. In the midst of such great change (a megashift), we believe that people will leave the labor required to live up to machines and humans and machines will co-create seamlessly in order to enable people to focus on more creative work for self-expression and consumption in the pursuit of value.

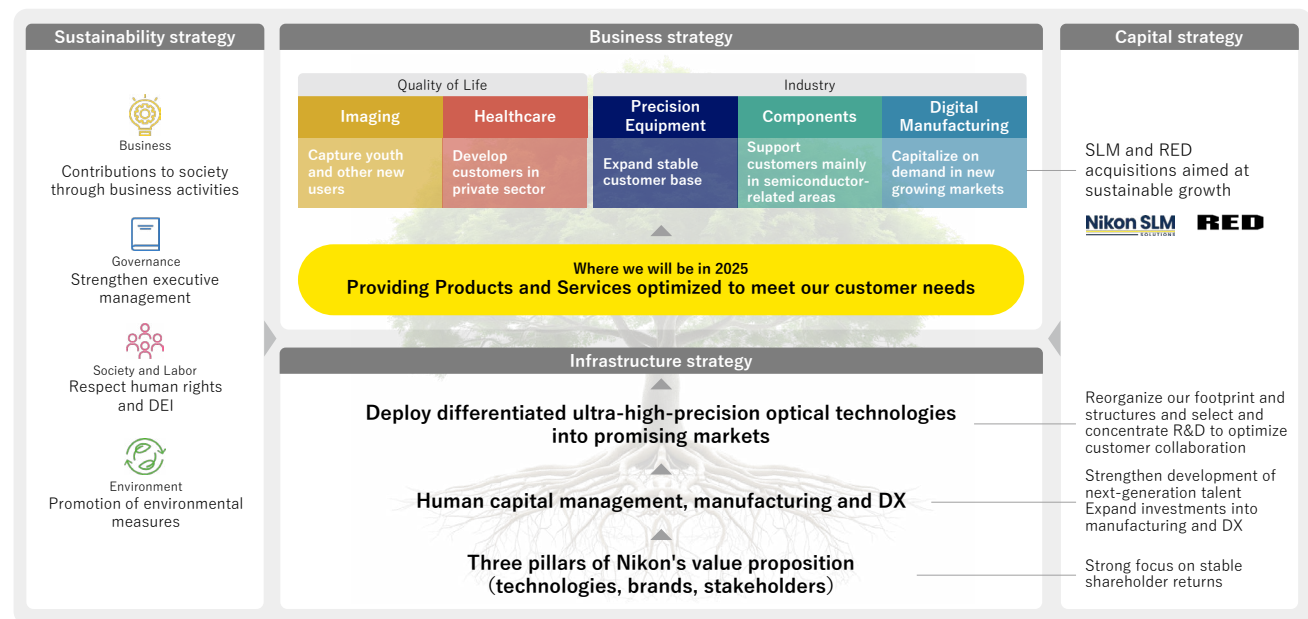
Nikon has three strengths: innovations in manufacturing technologies, proven capability and brand to deliver sophisticated solutions globally, and strong support from stakeholders. Taking advantage of these, we wanted to continue to provide new value to a global society where humans and machines co-create seamlessly in 2030, and so we formulated our Vision 2030 as A key technology solutions company in a global society where humans and machines co-create seamlessly. In order to do this, we will accompany our customers and deeply align with customer needs, thereby aiming to be a supporter of customer innovation.

Direction for the Entire Company

The current Medium-Term Management Plan covers the four-year period from fiscal year 2022 to fiscal year 2025. Toward the year 2030, we have set where we will be in 2025 as a company that providing products and services optimized to meet our customer needs.

In order to reach this point, Nikon has set the direction for the entire company to strengthen delivery of solutions integrating end products, services and components in order to address two management issues: evolve from a business mainly in sales of end products, and cultivate new earnings pillars alongside Imaging Products and Precision Equipment.

First, in order to strengthen solution delivery, we are breaking away from the production-oriented perspective, being closer to our customers, accurately grasping their needs, and providing end products, services, and components as integrated solutions. In addition, in the main businesses of the Imaging Products Business and Precision Equipment Business, we will expand customer interactions and the value delivered to secure stable revenues, and work to scale earnings in Strategic Businesses such as the Healthcare Business and Components Business. Furthermore, we will strive to grow profits through growth drivers in each of our businesses and diversify profits with expansion in services and components.



Specifically, we will focus on five growth drivers: optical and EUV related components, material processing and robot vision, digital lithography, imaging contents, and contract cell manufacturing and drug discovery support.



Medium-Term Management Plan
<https://www.nikon.com/company/ir/management/midtermbusiness/>

Strengthen Management Base to Support the Implementation of the Medium-Term Management Plan

Strengthening the management base is critical to implementing the business strategy set out in the Medium-Term Management Plan.

To this end, we pursue the sustainability strategy, human capital management, DX with a focused on customers and employees, technology, *Monodzukuri* (manufacturing), and corporate governance. We continue to develop human resources and systems to respond to business changes and strengthen our delivery of solutions.

Our Approach to Sustainability → p.019
 Corporate Governance → p.151



Technology and Design
<https://www.nikon.com/company/technology/>
 Corporate Governance
<https://www.nikon.com/company/ir/governance/>

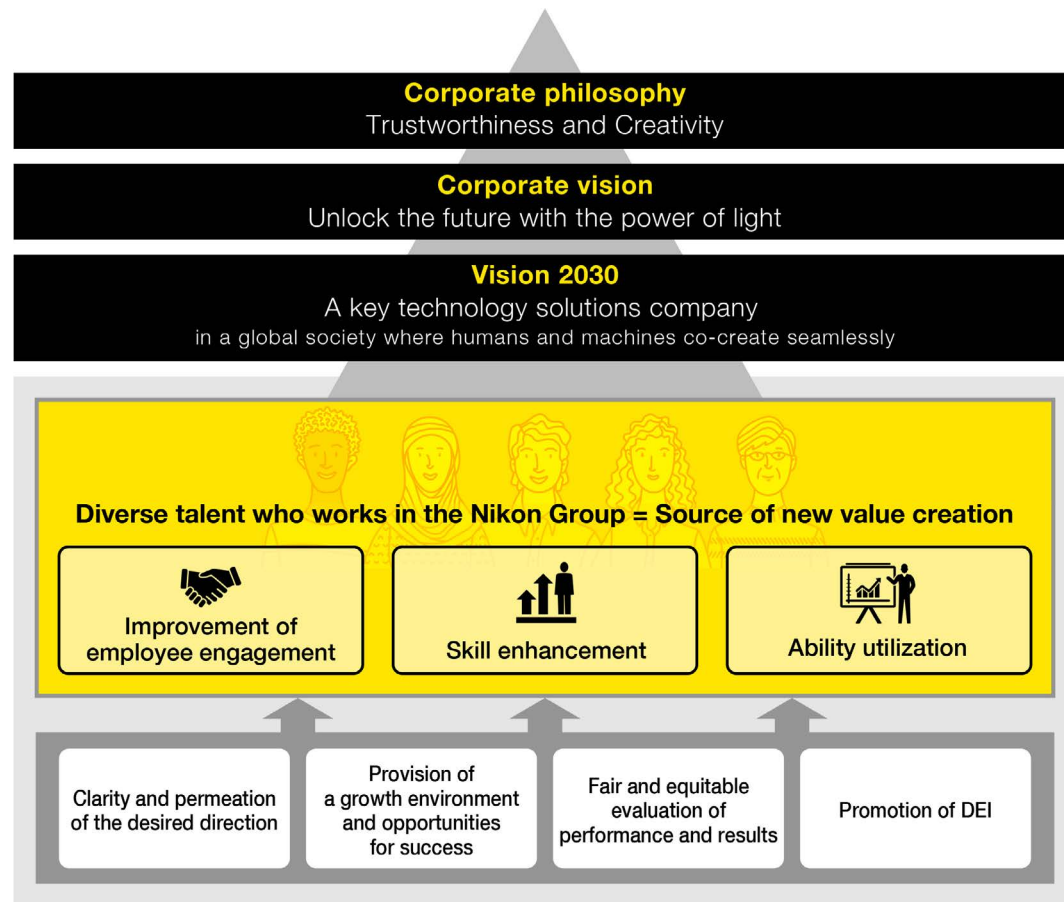
Human Capital Management

Basic Approach

The diverse talent who works in the Nikon Group are the driving force behind realizing our Corporate Philosophy. Nikon has built its reputation as a world-leading manufacturer with more than 100 years of achievements

by remaining a company where people with an array of skills, values and experiences come together and maximize their collective abilities.

If Nikon and each one of our employees are to become a presence sought after by society and customers in this continuously globalizing and diversifying world, we must continue to grow together.



To make this possible, Nikon will clearly present its target direction and organizational goals, and execute a human resources strategy accordingly in order to provide environments and opportunities for contribution where diverse employees can make the most of their abilities and truly feel the growth of both themselves and the company. What we ask from our employees is that they take advantage of these opportunities and show proactive and continuous interest in honing their skills. Nikon will support the efforts of employees who strive for growth, and both fairly and impartially reward those who produce results and contribute to the company.

To respond to change, the diversification of society and customer challenges, we must also draw on a wealth of knowledge, experience, values and expertise. Nikon thus promotes diversity, equity and inclusion (DEI) with the aim of creating working environments and a company culture where the characteristics and abilities of all team members are accepted and valued. These actions will create a virtuous cycle that will enhance our ability to offer value to customers and society, as well as improve employee motivation and engagement, helping nurture autonomous individuals who proactively think and act for the team.

Nikon aims to grow together with each of our diverse employees to achieve our corporate philosophy of "Trustworthiness and Creativity," and remain a company that contributes to a sustainable society.

Human Resource Strategy

The policy at the core of our Medium-Term Management Plan is to "sustain our main businesses" and "scale earnings in strategic businesses", by strengthening

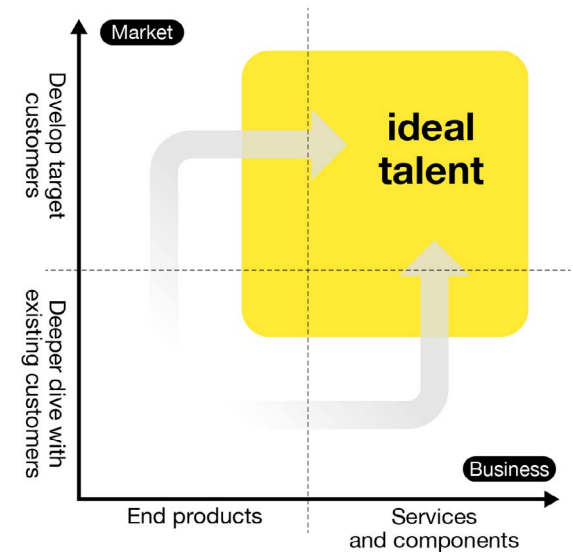
the delivery of integrated solutions. Across all of our businesses, we have also established a common strategy of deeply aligning and understanding with the "essence" of needs of customers around the world, and delivering end products, components and services optimized to these needs. We will also transform our business model, striving to strengthen our synergies inside and outside the company by combining Nikon's core technologies and open innovation with other companies.

We seek the following traits in the talent that will drive this management strategy.

- Able to respond flexibly to changes in environment, and to think and provide value from the perspective of society and customers
- Able to autonomously think and act in order to achieve organizational or team goals
- Able to work together with diverse individuals and organizations across national, regional and business boundaries
- Able to create synergy by merging new and existing values

We urgently need talent who can lead customer development and strengthen our solutions businesses, particularly in our growth areas. In our established areas, we also predict a future shortage of talent to support Nikon's core strength of manufacturing.

Although we need both a qualitative and a quantitative securing of talent in order to achieve our goals, we are also greatly aware of the increasing difficulty in securing the human resources required to carry out our management strategy due to the ever-greater movement of human resources and competitive hiring



● The Three Pillars of Our Human Resource Strategy (Policy)

- Acquire talent**
 - Reliably secure the human resources required to operate our business.
 - Aim to immediately acquire the talent urgently needed for our management strategies through new recruitment, M&As and other avenues.
- Develop talent**
 - Define the skills, roles and career paths required to execute duties, and provide a wealth of education and training opportunities to encourage growth.
 - Systematically develop core and global talent through strategic promotions and placements.
- Leverage talent**
 - Promote the creation of environments (systems, workplaces, company culture, etc.) where diverse employees can show interest in autonomous growth, recognize their contribution to the team, and utilize their abilities to the fullest.

environment globally. Considering these circumstances and the needs of our management strategy, we have formulated a human resources strategy founded on the three pillars of our human capital management approach — “acquire talent”, “develop talent”, and “leverage talent” — and are developing a number of measures based on the policies shown on the right.

Furthermore, in order to unite our management and human resources strategies, top management under the President will work with the human resources department to establish exact definitions of the required human resources and skills, and set forth measures to acquire, develop and leverage them.

The Culture and Environment That Support Our Human Resources Strategy

In achieving our management strategy, it is essential to create environments in which every one of the diverse employees of the Nikon Group can maximize their abilities and feel physically and mentally healthy and safe. Based on this belief, the Nikon Group engages in various initiatives and regards *Diversity, Equity and Inclusion* and *Employees' Health and Safety* as a materiality of sustainability.

Diversity, Equity and Inclusion → p.123
 Employees' Health and Safety → p.135



Human Capital Management
<https://www.nikon.com/company/ir/management/human-capital/>

DX Focused on Customers and Employee

The Nikon Group develops our Digital Transformation (DX) strategy from the perspective of both customers and employees. The Nikon Group incorporates the four perspectives of Customer Relations, Idea, Data, and Work Style into our DX Vision, engaging in various measures to achieve these goals.

Customer Experience and Satisfaction

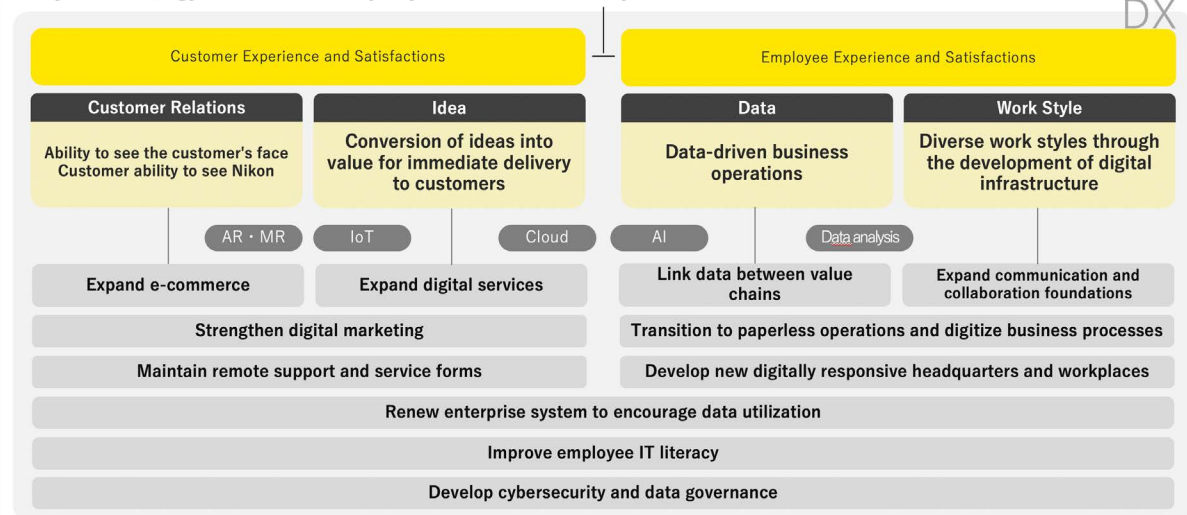
For Customer Relations, the Nikon Group aims to create environments through which we can provide value to our customers with digital connections. We aim to provide customers with value that matches their exact needs by striving to help customers understand the extent of our technology as we work to understand their needs.

Under our Idea perspective, we aim to create environments that use various digital technologies to convert ideas rapidly into value for delivery to customers. Specifically, we work to strengthen digital marketing through website integration of BtoB businesses to improve such customer experiences and satisfaction. Consolidating information on the Nikon Group BtoB products on a single website will enable customers to search across products from each of our businesses and find solutions quickly.

The Nikon Group ensures the delivery of our technologies to customers by strengthening digital marketing, leading to the further creation of social value through the core technologies of the Group.

Creating Social Value Through Core Technologies → p.038

A Key Technology Solutions Company in a Global Society Where Humans and Machines Co-Create Seamless



Employee Experience and Satisfaction

From our Data perspective, we aim to create environments that enable us to utilize necessary data as needed and solve business issues by linking operations and data.

For Work Style, we aim to create digital infrastructure that allows employees to work anywhere, anytime, with anyone, in comfortable work environments through which they can maximize results. Specifically, our efforts to improve these employee experiences and satisfaction include constructing the next enterprise system and utilizing generative AI. To construct the next enterprise system, we will introduce SAP S/4HANA to standardize and streamline our system and business processes. This system enables the Nikon Group to link operations and data in business and business areas, solving various business issues. Furthermore, standardizing and automating operations will allow employees to focus on higher value-added tasks. Our efforts to utilize generative AI will help improve the operational efficiency and product development of business units, while enabling employees to shift to operations more suited for humans and high-value-added work.

IT Strategy From the Perspective of DEI

To create customer and employee experiences and satisfaction in the Nikon Group's DX, we will create environments that enable every employee to act from the perspective of DEI. Here, we set six goals and engage in various IT measures.

Specifically, our efforts to provide a space for online exchange, to achieve the goal of connecting and co-creating with anyone, help ensure diversity through

the use of diversified information generated from individuality and differences. Our efforts to construct an all-inclusive portal site, to achieve our goal of utilizing necessary information with anyone, help ensure equity, as this site would enable all users to obtain and transmit information fairly. We ensure inclusion with multilingual support for IT tools, necessary to achieve our goal of multilingual and cultural support, as this language support enables employees to support each other and connect as part of a team.

These measures enable the company to produce diverse ideas, new value creation, and ease of work. In this way, the Nikon Group aims to also improve customer and employee experience from the DEI perspective.

Creating Social Value Through Core Technologies → p.038
 Diversity, Equity and Inclusion → p.123



Monodzukuri (manufacturing)

The Nikon Group's basic philosophy is Customer and Quality first, and we provide *Monodzukuri* (manufacturing) to achieve the products and services that our customers want in the best way. We anticipate our customers' challenges and drive innovation utilizing a variety of solutions. This is our vision for Nikon *Monodzukuri* (manufacturing).

To achieve our vision, the Nikon Group must create a strong production system that can correspond to change.

The Nikon Group strives to strengthen resilience against changes in our business environment and achieve sustainable *Monodzukuri* (manufacturing) in our strategies for production sites, technology, procurement, logistics, quality, and others. To this end, we work to enhance our *Monodzukuri* (manufacturing) foundation by establishing a cross-functional framework within

each business unit, including the Production Technology Division, the Optical Engineering Division, the Advanced Technology Research & Development Division, and the Next Generation Project Division. We also achieve optimization from a company-wide perspective that transcends the boundaries of each business unit. Specifically, we are enhancing our manufacturing base by building an engineering chain management (ECM) system and framework, along with the corresponding technology, and developing our supply chain management (SCM) for Group manufacturing companies in Japan and overseas.

Under this structure and framework, we work for the smooth start of new and existing businesses and continue to develop comfortable workspaces for our employees. In this way, we improve productivity and achieve high-quality *Monodzukuri* (manufacturing).

As a manufacturer, *Monodzukuri* (manufacturing)

is the main source of Nikon's business activities. Going forward, we will further expand the value provided to our customers.

Strategies for Achieving Our Vision

● Production Base Strategy

We are establishing a strong production system that can correspond to changes in business activities by developing the unique strengths of each site and strengthening cooperation.

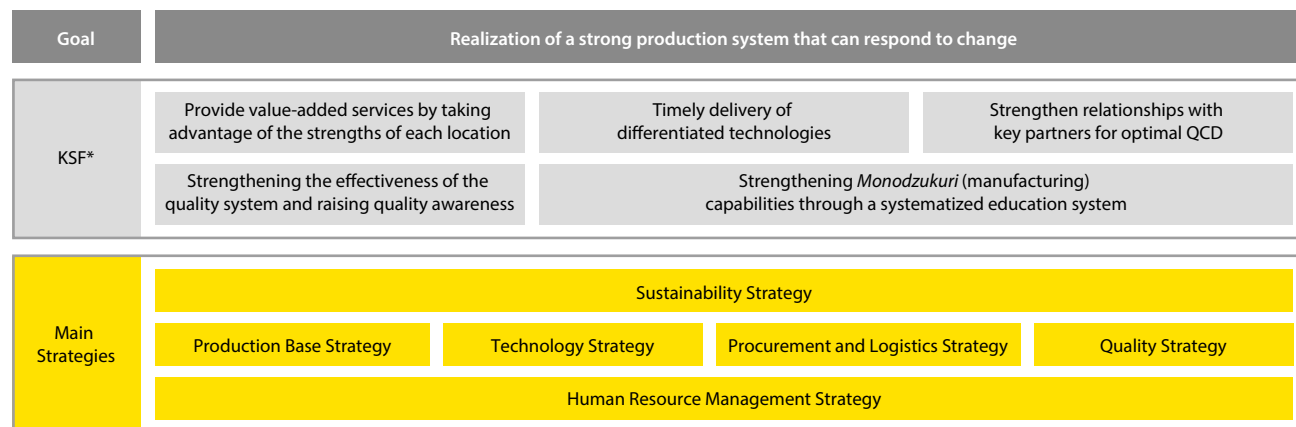
All current domestic production sites work under the Production Technology Division, working to transcend business activities to improve productivity and solve quality issues. In this way, we work harder to collaborate and share more information to achieve synergy effects.

The Nikon Group also aims to establish a production system resilient to changes in production in each business segment. To do so, we will revise our current production system to focus on the optimal for the entire Nikon Group instead of the optimal for business units. We began discussions on large-scale investments, including those to address again plants, to improve production capacity and productivity at Tochigi Nikon Corp. and Nikon Mito Plant.

● *Monodzukuri* (manufacturing) Technology Strategy

We will continue to strengthen the core technologies that will support Nikon Group's *Monodzukuri* (manufacturing) (materials, manufacturing, and assembly and adjustment technology) and utilize IE (industrial engineering) initiatives, equipment development, and DX, which make up the foundation of *Monodzukuri* (manufacturing), for future product development and

● Enhancing Our *Monodzukuri* (Manufacturing) Foundation Under the Medium-Term Management Plan (Conceptual Image)



*KSF: Key Success Factor

manufacturing.

● Procurement and Logistics Strategy

The environment surrounding the supply chain is undergoing dramatic changes, including soaring labor and resource costs, tightness in material procurement due to natural disasters and infectious diseases, and logistics disruptions. Cooperation with procurement and logistics partners based on a strong relationship of trust is important for stable supply in the supply chain.

We aim to work with partners that adhere to the levels of quality and sustainability for providing the best required by Nikon, to deliver high quality and sustainable products to the world, to earn the trust of our stakeholders, and to sustain our corporate activities.

Building a Resilient Supply Chain → p.104

● Quality Strategy

In order to always meet customer needs and deliver safe and reliable products in a timely manner, we are working to maintain and strengthen the quality systems in each of our business units. To this end, we established a Quality Committee to deliberate and make decisions on important matters related to quality control. Under this committee, we oversee the status of quality control in each division throughout the Nikon Group. We also established various subcommittees under the Quality Committee. These subcommittees strengthen the functions of the committee by meeting legal and regulatory standards, ensuring security, and maintaining and improving manufacturing technologies. Through these efforts, the subcommittees engage in activities to prevent quality and environmental problems.

We summarize our quality-oriented approach and

actions currently practiced at each production site into our basic principles. By deploying these principles throughout the Group, we also work to establish a *Monodzukuri* (manufacturing) quality-oriented culture.

Ensuring Trustworthiness by Maintaining and Increasing Quality → p.046

Strengthening *Monodzukuri* (Manufacturing) Capabilities

The Nikon Group provides various types of training for promoting high-level *Monodzukuri* (manufacturing) capabilities, including specialized technical training by field for new employees, as well as employee training based on job duties and experience. Nikon has been providing long-term training, including technical training for new employees to acquire basic manufacturing skills, as well as basic training to cultivate design developers who will acquire knowledge and experience encompassing all *Monodzukuri* (manufacturing) processes, from upstream processes to downstream processes. Moreover, mid-level designers receive practical training on processing to acquire general machining knowledge, with the aim of encouraging skills advancement. Furthermore, Nikon has also been offering training for cultivating optical designers in relation to maintaining and advancing opto-electronics technologies, one of Nikon's core technologies. The training entails both fundamental theoretical knowledge and passing on the Company's unique technology and skills.

In fiscal year 2023, 208 courses were held with 4,209 participants.

Human Resource Development → p.133

Presenting Our Vision to Stakeholders

We have established a special website to help more stakeholders understand Nikon's Vision 2030.

In addition, Nikon has launched the Vision 2030 Magazine website in Japanese to communicate about how the world is changing and what challenges Nikon is taking on toward the year 2030 from various perspectives. We hope you will avail yourself of this information.



Vision 2030 Special Website

<https://www.nikon.com/vision2030e/>

Vision 2030 Magazine

<https://www.nikon.com/vision2030magazinee/>