

Governance

Awareness of the Whistleblower (Reporting and Consultation) System



98%

Tax risk assessment



Conducted quarterly on a global basis

Significant information security incidents in the past 3 years



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Thorough Compliance

Reasons for Priority

The global social situation facing companies continues to change rapidly. No matter how the times may change, we will continue to fulfill our social responsibilities by thoroughly complying with corporate ethics as well as laws and regulations.

Cases where even one misconduct has caused a loss of credibility that has endangered a company's existence are too numerous to mention. Therefore, in addition to preventing misconduct before occurrence, it is important to strengthen compliance systems in a broad sense in accordance with international guidelines and directives, while simultaneously carrying out appropriate risk evaluation and training.

Commitment

The Nikon Code of Conduct is a set of guidelines that ensure every employee of the Nikon Group performs their duties faithfully and acts with integrity.

Standards and norms that dictate "proper behavior" change as the world changes, changing what society expects of corporations. The Nikon Group recently revised the Nikon Code of Conduct to respond to these changes in the internal and external environments.

We are committed to spreading awareness of the Code of Conduct to ensure our employees always recognize the importance of compliance in daily business activities, make appropriate judgments, and take appropriate actions. We strive to be a valued and trusted company to our customers and stakeholders around the world by complying with laws and regulations to prevent compliance violations.

Yoichi Kassai

Corporate Vice President

General Manager of Group Governance & Administration Division

[Policy for Activities]

- Nikon Code of Conduct
- Nikon Anti-Bribery Policy

[Organizations]

- Compliance Committee

Compliance

Basic Approach

The Nikon Group believes that our business is rooted in every member acting with integrity and fairness under our Corporate Philosophy of Trustworthiness and Creativity. Therefore, we established the Nikon Code of Conduct to stipulate our basic stance toward social responsibility and the standards for all officers and employees working for the Group to behave in a sensible manner with high ethical standards.

The Code of Conduct defines actions to be taken as a member of the Nikon Group on respecting human rights and sound working environments. The code also defines actions to be taken for all possible matters in daily business operations in the following categories: anti-bribery and corruption, relationships with business partners and social responsibility, fair competition and business transactions, import and export control, and taxation.

Our vision is to strive for zero compliance violations to ensure compliance with the Code of Conduct, and we are committed to ensuring each member is aware of this code.



Nikon Code of Conduct

<https://www.nikon.com/company/sustainability/management/codeofconduct/>

Strategy

Risk

Serious compliance violations may lead to a loss of stakeholder trust and damage to our brand.

Opportunity

Daily business activities based on ethical and good-faith behavior and in accordance with international guidelines will maintain stakeholder trust and stabilize the continuity of our business. We also expect that ensuring sound working environments will improve overall workplace ethics and individual employee performance. These efforts will in turn lead to a higher customer perspective supporting the enhancement of our company-wide direction to enhance the delivery of integrated solutions, as stated in our Medium-Term Management Plan.

Strategy

The Nikon Group will take the following measures to achieve our Vision to strive for zero compliance violations.

- We will continue to provide education and training, as well as implement measures to ensure all employees are aware of the Nikon Code of Conduct. We will periodically review the Code of Conduct in light of stakeholder requests, trends in social issues, and the business activities of the Nikon Group.
- We will raise awareness of the reporting and consultation system, foster an environment that allows ease of use for employees, work to detect behavior that conflicts with laws and compliance in early stages, and resolve any issues appropriately.
- We will establish a system to respond in accordance with the culture, customs, laws, and regulations of each country and region.

Governance

The Nikon Group established a Compliance Committee under the Risk Management Committee to strengthen governance and risk management. This committee is chaired by the General Manager of the Group Governance & Administration Division, who also serves as the corporate vice president of Nikon. The committee deliberates and decides on measures related to anti-bribery and other priority compliance promotion issues. Deliberations and decisions are reported to the Risk Management Committee. The Risk Management Committee reports annually to the Board of Directors on the status of risk management activities, and the board uses this report to oversee compliance issues and initiatives. The Sustainability Committee also monitors the status of activities against materiality compliance targets.

The secretariat of the Compliance Committee is served jointly by the Compliance Section of the Legal and Intellectual Property Division, which spearheads compliance promotion activities, and the Internal Control Promotion Section of the Group Governance & Administration Division. As secretariat, both parties implement compliance promotion activities based on decisions made by the Committee, as shown in the diagram on the next page.

In Japan, the Compliance Section undertakes compliance promotion activities in each of Nikon's departments and at Group companies, by holding liaison meetings of compliance coordinators, etc.

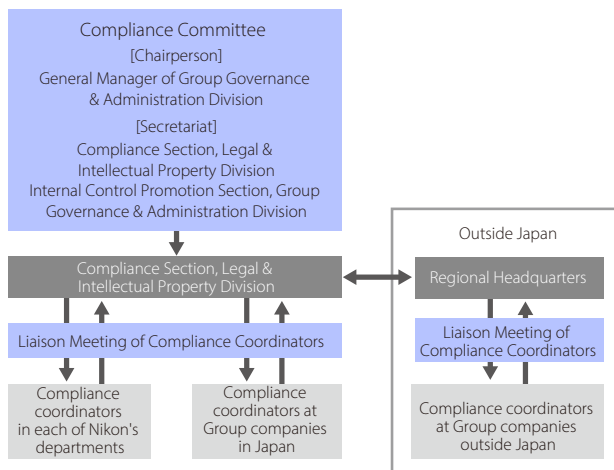
The Nikon Group also established a system in which the Regional Headquarters Compliance Section and coordinators in charge of compliance at overseas Group companies cooperate with each other. This system aims to ensure that overseas initiatives are in line with the culture, customs, laws,

and regulations of each country and region. The Compliance Section and the Regional Headquarters Compliance Department share information and collaborate in activities to educate and raise awareness throughout the Group.

The Nikon Group has included provisions regarding a reporting and consulting system in the Nikon Code of Conduct and has established such systems at all Group companies in and outside Japan in order to respond to reports of violations or potential violations of the Nikon Code of Conduct. The Internal Control Promotion Section is responsible for internal consultation systems in Japan while advising overseas reporting and consulting systems and escalating issues from overseas to the head office.

Reporting and Consulting System (Code of Conduct Hotline) → p.147
 Nikon's Corporate Governance Organization (As of June 24, 2024) → p.153

● **Compliance Promotion Structure Diagram (As of April 1, 2024)**



Risk Management

We identify and evaluate compliance risks and opportunities using the following method.

- ① Identify various issues
 - Conduct compliance awareness surveys and other promotion activities
 - Identify company issues raised through the reporting and consulting system
 - Determine if the reporting and consulting system needs to be improved and grasp the operational status of the system
- ② Review various issues with relevant departments, centered on the Compliance Committee secretariat (set issues to be prioritized and review measures to prevent recurrence)
- ③ Share issues at Compliance Committee meetings (including reports on the operational status of the reporting and consulting system, etc.)

In the event of violations of employment rules or the Nikon Code of Conduct, the Nikon Group will take strict disciplinary action in accordance with internal regulations after investigating all related matters.

Indicators and Targets

Indicators and Targets (Target Fiscal Year)

Establishment of compliance awareness*: 95% or more (FY2025)

▶ **FY2023**

Plan

- 1. Code of Conduct education: Implemented throughout the Nikon Group (100% implementation rate by number of companies)
- 2. Individual issue education (competition laws, harassment, etc.): Implemented at relevant workplaces/companies

Results

- 1. The Code of Conduct was revised in 2024. Therefore, the Group began education in Japan after the revision was completed.
- 2. Provide education on specific issues (e.g., competition laws) at relevant workplaces and companies.

▶ **FY2024**

Plan

- 1. Develop a global legal and compliance structure
- 2. Communicate the revised Code of Conduct and review awareness measures
- 3. Conduct awareness surveys to determine awareness and identify issues

Indicators and Targets (Target Fiscal Year)

Awareness level of whistleblower system*: 95% or more (FY2025)

▶ **FY2023**

Plan

Re-permeating information about reporting (consultation) contact points in the whistleblower system (reporting and consulting system)

Results

- 1. Awareness level in FY2023 awareness survey: 98%
- 2. Distributed Ethics Hotline cards to Nikon Group employees nationwide in June 2023 and January 2024

FY2024**Plan**

Implement activities to raise awareness of the whistleblower (reporting and consultation) system (in Japan, this includes establishing an external contact to handle cases related to heads of organizations and other executives, as well as compliance with the Freelance Protection Act)

*Checked by Nikon Group awareness surveys.

Major Initiatives**Ensure compliance with the Nikon Code of Conduct**

The Nikon Code of Conduct is a specific set of standards that each and every employee should understand in depth and utilize to implement the concept of compliance. Additionally, to ensure thorough compliance with the Code of Conduct across the Nikon Group, the heads or above of each department or equivalent organization at Nikon and the president of each Group company make a pledge each year to take responsibility for compliance with the Code of Conduct in the organizations of which they are in charge.

The Code of Conduct is translated into 16 languages and made publicly available to external parties. We also post the Code of Conduct on the Company intranet for all employees to reference whenever necessary. We also include processes that refer to the Code of Conduct in our regular compliance training to ensure awareness. In April 2024, we revised the Code of Conduct to reflect

changes in internal and external conditions.



Nikon Code of Conduct

<https://www.nikon.com/company/sustainability/management/codeofconduct/>

Reporting and Consulting System (Code of Conduct Hotline)

The Nikon Group has included provisions regarding a reporting and consulting system in the Nikon Code of Conduct and has established such systems at all Group companies in and outside Japan in order to respond to reports of violations or potential violations of the Nikon Code of Conduct. We also make employees aware of this system through written explanations on the Nikon Code of Conduct, accessible to all employees, and relevant training programs.

In Japan, the Code of Conduct Hotline has been established as a unified Reporting and Consultation System for the Nikon Group in Japan (including non-consolidated Group companies). The Code of Conduct Hotline has both an internal contact point and an external contact point set up with a specialized vendor. The external contact point is available every day of the year except during the year-end and New Year holidays. In Japan, upon the enforcement of the revised Whistleblower Protection Act on June 1, 2022, an external contact point for cases related to heads of organizations and other executives has been established at a law firm handling whistleblower cases, and a full-time member of the Audit & Supervisory Board Committee is handling these cases.

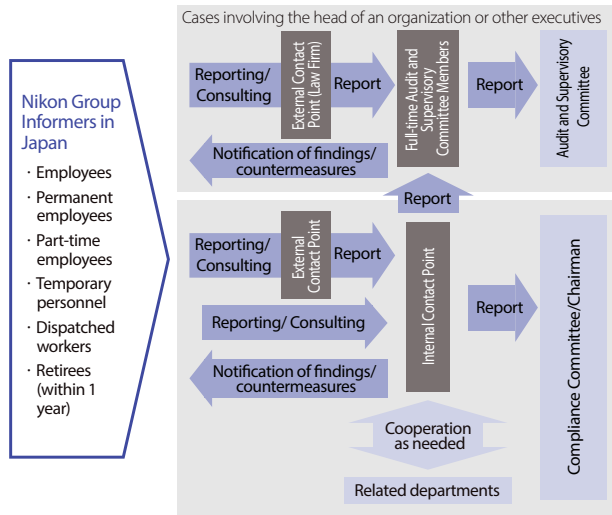
In principle, each Group company overseas establishes its own external contact point with specialized firms and operates said contact point 24 hours a day, 365 days a year, in the local language(s). We also established our own internal contact points in Europe and Asia.

Reporting can be done anonymously. When violations or potential violations of the Code of Conduct are reported, we promptly investigate the facts and take steps to resolve the matter and prevent recurrence. For each case received through the system, information is gathered from the reporter and persons relevant to the matter in order to understand the issue objectively. We then work together with relevant departments to resolve the case and follow up as necessary. We treat each case with the utmost care by respecting human rights, which includes keeping the matter in strict confidence, protecting privacy, ensuring anonymity, and preventing any negative treatment as a result of using the system.

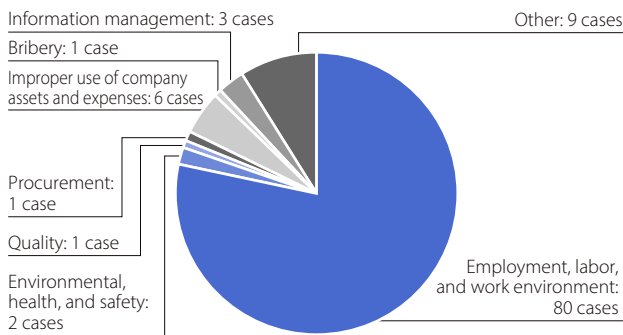
In fiscal year 2023, the Nikon Group as a whole received 99 reports through the reporting and consulting system. Cases related to employment, labor, and work environment were the most reported, with a total of 80 reports. Of these reports, 39 were related to discrimination and harassment. No cases of conflict of interest or insider trading were reported.

In addition, to ensure that this reporting and consultation system is functioning properly, the secretariat operating the Code of Conduct Hotline reports regularly to the Compliance Committee on the development and operational status of the system, which is based on the regulations. The Committee is also informed of the status of overseas operations.

● **Diagram of the Reporting and Consulting System in Japan**



● **FY2023 Reporting and Consulting System Use Results (Report Details)**



*Total number of consultations in Japan and overseas. In cases where consultants make more than one report, each report is counted individually.

Compliance Training for Directors and Employees of the Nikon Group

The Nikon Group aims to instill an awareness of the concept of compliance in every person at the Nikon Group, from our top management to each and every employee.

At the December 2023 meeting of the Compliance Committee, a compliance seminar was conducted by a specialist lawyer for 23 committee members, including Nikon's full-time directors. The seminar covered recent trends in compliance.

For employees, we provide classroom training and e-learning. In fiscal year 2023, the Nikon Group in Japan provided education on psychological safety, power harassment, and the importance of the Code of Conduct led by compliance coordinators in each department and company. At Group companies outside Japan, the Regional Headquarters take the lead in continuously implementing activities to train and raise awareness of the Code of Conduct. In fiscal year 2023, we conducted training on anti-bribery and the prevention of competition law violations in all regions. We also held trainings tailored to the individual situations in each region.

In addition to this, in our quarterly sustainability newsletter to all Nikon Group employees, we explain the Nikon Group's approach to compliance by featuring compliance-related news that is attracting attention around the world.

Global Awareness Survey (Monitoring)

The Nikon Group conducts monitoring through an awareness survey given to its employees at Group companies in and outside Japan every one or two years.

The survey enables the Nikon Group to assess the

degree of compliance awareness, the level of employees' confidence in the reporting and consulting system, and the current status of Code of Conduct training, and reflect the results in improvements made to the Nikon Group's promotional activities.

In fiscal year 2023, we conducted an awareness survey for the Nikon Group in Japan with 11,073 employees responding (response rate of 94.0%).

We reported these results and year-on-year comparisons at the Compliance Committee meeting held in December 2023. Survey results were relayed back to each Nikon department and Nikon Group company, who work to make improvements based on these results.

Through such efforts, the Nikon Group has established a PDCA cycle for promoting compliance in all regions where we conduct business activities.

Prevention of Bribery

The Nikon Group has established the Nikon Anti-Bribery Policy with the approval of the Executive Committee to reconfirm our commitment to the prevention of bribery both internally and externally. To ensure compliance with the Nikon Anti-Bribery Policy, led by the Compliance Section, regional headquarters outside Japan have each formulated Anti-Bribery Guidelines. These guidelines reflect regional characteristics and summarize business approaches, precautions and operational procedures, etc., for entertainment, gifts and donations that are necessary to comply with the policy.

Specifically, we are taking steps to ensure full compliance with written application and approval procedures for expenditures related to public officials, etc.

As a general rule, we have banned facilitation payments. In addition, at the start of transactions with third parties, such as intermediaries, Nikon makes the Nikon Anti-Bribery Policy known to all parties, and in principle, the contract must include a clause regarding the prohibition of bribery. In fiscal year 2023, we revised the Anti-Bribery Guidelines (Japan) in full by reviewing the approval rules and others to mitigate risks

The Compliance Section and regional headquarters outside Japan are working continuously to provide training and make procedures regarding anti-bribery known to all. Each Group company also checks the operation of the Anti-Bribery Guidelines using a self-assessment checklist at the end of every fiscal year, and the results are used to improve practices in the subsequent fiscal year.

In fiscal year 2023, we raised awareness of and implemented the revised guidelines at all companies thoroughly in Japan. In addition, we conducted anti-bribery training at overseas Group companies in the Americas, Europe, South Korea, and Hong Kong. Note that the Nikon Group has not experienced any violations of anti-bribery laws and regulations in fiscal year 2023.



Nikon Anti-Bribery Policy

https://www.nikon.com/company/sustainability/governance/compliance/anti-bribery_policy.pdf

Prevention of Competition Law Violations

As set out in the Free Competition and Fair Business Dealings section of the Nikon Code of Conduct, the Nikon Group's fundamental position is to carry out fair competition and engage in business deals that comply

with the competition laws of each country.

In recent years, the international community has increased its focus on compliance with competition laws, requiring more stringent efforts to comply with these laws. Through this training, which the Nikon Group provides on an annual basis, we strive to promote and raise awareness of legal compliance across the entire Nikon Group, as well as prevent competition law violations.

Training on Competition Law

In order to provide competition law training that is in line with the laws and regulations of each country where we operate, the Nikon Group conducts training globally. Specifically, Nikon's Compliance Section takes the lead role in competition law training for the entire group, and the same office is in charge of training for the Nikon Group in Japan. Outside Japan, the legal department of each business operations site and each Group company prepares a curriculum and provides training with the assistance of local law firms as necessary.

In the fiscal year 2023, the Nikon Group in Japan continued to implement e-learning programs, while outside Japan, training was provided based on the risks associated with each company's business activities.

Responding to Misconduct

In the event of violations of employment rules or the Nikon Code of Conduct, the Nikon Group will take strict disciplinary action in accordance with internal regulations after investigating all related matters.

In fiscal year 2023, we took serious disciplinary actions

in a total of three cases based on misconduct in the Nikon Group. Of these cases, the major incident was due to fraudulent insurance claims by employees of a Group company outside Japan, resulting in disciplinary actions against the principal parties (2) and relevant parties involved (51). These cases in which serious disciplinary action was taken do not involve discrimination or harassment.

Nikon continually provides education for employees through newsletters, e-learning, and other means in order to prevent the recurrence of misconduct.

Violation of the Production Safety Law of the People's Republic of China

In January 2024, a worker fell at the construction site of a directly managed Beijing branch of Nikon Imaging (China) Sales Co., Ltd. An investigation by the Beijing authorities found Nikon Imaging (China) Sales to be in breach of the safety management obligations as stipulated in the Production Safety Law of the People's Republic of China. In response, the Beijing authorities imposed an administrative penalty (fine) on the company in May 2024.

Nikon Imaging (China) Sales cooperated promptly with the investigation by the Beijing authorities after the accident and resumed operation in compliance with the safety responsibilities stipulated under the law. The company also established an internal production safety system and appointed a production safety manager in compliance with the Production Safety Law of the People's Republic of China. Furthermore, Nikon Imaging (China) Sales raised awareness of the law within the company and other Group companies in China to prevent recurrence.