

June 29, 2022

Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration

NIKON CORPORATION (“Company”) hereby announces, as described below, that it has resolved at its Board of Directors meeting held on June 29, 2022 to dispose of treasury stock as restricted stock remuneration (“Disposal of Treasury Stock” or “Disposal”).

1. Overview of Disposal

(1) Disposal date	July 28, 2022
(2) Type and number of shares to be disposed of	114, 932 shares of common stock of the Company
(3) Disposal price	1, 643 yen per share
(4) Total amount of shares to be disposed of	188, 833, 276 yen
(5) Planned allottees	3 Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors, other Non-executive Directors, and non-residents of Japan), 36, 865 shares 15 Officers (including Executive Fellows and other positions equivalent to Officer and excluding non-residents of Japan), 78, 067 shares
(6) Other	The Disposal of Treasury Stock is conditional upon the effectuation of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and reason for Disposal

In conjunction with the announcement of the new Medium-term Management Plan on April 7, 2022, the Company resolved at its Board of Directors meeting held on May 20, 2022 to introduce a restricted stock remuneration system (“System”) and a new performance-based stock remuneration system for Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors, other Non-executive Directors, and non-residents of Japan; the same shall apply hereinafter) to replace the previous stock compensation system (subscription rights to shares granted as stock-related compensation and performance-based stock remuneration using the BIP Trust) in order to provide them an incentive to achieve the target set forth in the Medium-term Management Plan and to enhance corporate value over the medium to long term, as well as to further promote greater value sharing with shareholders.

Furthermore, it was approved, at the Annual General Shareholders’ Meeting held on June 29, 2022, that monetary compensation claims of 100 million yen or less per year shall be, in principle, granted to Directors other than those who are Audit and Supervisory Committee Members every year under the System, separately from monetary

compensation to be paid to Directors, as remuneration to serve as the property to be contributed for acquisition of shares of the Company's common stock that are subject to provisions of a certain transfer restriction period and grounds for acquisition by the Company without contribution ("Restricted Shares"), and that Directors other than those who are Audit and Supervisory Committee Members shall receive Restricted Shares by making an in-kind contribution of the said monetary compensation claims at the time of issuance of shares of the Company's common stock or disposal of treasury stock by the Company. It was also approved that a period between the date on which a Director other than those who are Audit and Supervisory Committee Members receives Restricted Shares and the date on which he/she retires from any of the positions as Director (including executive officer at a company with three committees) and Officer (including Executive Fellow and other positions equivalent to Officer) shall be set as the transfer restriction period. At the same time, the Company also announced that it would deliver the same restricted shares to Officers (including Executive Fellows and other positions equivalent to Officer).

The overview of the System is as described below.

[Outline of System]

Under the System, Directors other than those who are Audit and Supervisory Committee Members and Officers (including Executive Fellows and other positions equivalent to Officers and excluding non-residents of Japan; hereinafter, together with Directors other than those who are Audit and Supervisory Committee Members, referred to as "Eligible Directors, etc.") shall receive Restricted Shares by making an in-kind contribution of all the monetary compensation claims to be paid by the Company at the time of issuance of shares of the Company's common stock or disposal of treasury stock by the Company.

For the issuance of shares of the Company's common stock or disposal of treasury stock under the System, Eligible Directors, etc. shall enter into an agreement on allotment of Restricted Shares, which also serve as an account management agreement, ("Allotment Agreement") with the Company and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. The Allotment Agreement shall specify the following:

- (i) Eligible Directors, etc. shall not transfer, create a security interest on, or otherwise dispose of shares of the Company's common stock received under the Allotment Agreement during the predetermined period; and
- (ii) the Company shall acquire the said shares of common stock without contribution if certain circumstances arise.

Upon the resolution by the Board of Directors, the Company has decided today to pay monetary compensation claims totaling 188,833,276 yen ("Monetary Compensation Claims") to 18 Eligible Directors, etc. and allot 114,932 shares of the Company's common stock to them as Restricted Shares when they make an in-kind contribution of all the Monetary Compensation Claims. The amount of Monetary Compensation Claims to be paid to each of Eligible Directors, etc. has been determined by taking comprehensively into account various circumstances, such as his/her title, content of duties, and responsibilities. In addition, the Company shall pay Monetary Compensation Claims on conditions such as that each of Eligible Directors, etc. shall enter into the Allotment Agreement which specifies the following details.

3. Outline of Allotment Agreement

(i) Transfer restriction period

The transfer restriction period starts on July 28, 2022 and ends on the date on which each of Eligible Directors, etc. retires from any of the positions as Director (including executive officer at a company with three committees; the same shall apply hereinafter) and Officer (including Executive Fellow and other positions equivalent to Officer, the same shall apply hereinafter).

Eligible Directors, etc. shall be, in principle, prohibited from transferring, creating a security interest on, or otherwise disposing of Restricted Shares to be allotted ("Allotted Shares") during the transfer restriction period

specified above (“Restriction Period”) (“Transfer Restrictions”).

(ii) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions on all of the Restricted Shares upon the expiry of the Restricted Period, on condition that each of Eligible Directors, etc. who received the Restricted Shares has remained in any of the positions as Director and Officer throughout the period from April 1, 2022 to March 31, 2023 (“Service Offering Period”).

If each of Eligible Directors, etc. retires from any of the positions as Director and Officer due to a justifiable reason (including the case where he/she has died) during the Service Offering Period, the number of shares on which the Transfer Restrictions are to be lifted shall be reasonably adjusted based on the period between the start date of the Service Offering Period and the date of retirement.

(iii) Acquisition of Restricted Shares without contribution

The Company shall acquire without contribution the remaining shares of Restricted Shares on which the Transfer Restrictions have not been lifted in accordance with (ii) above.

If each of Eligible Directors, etc. retires from any of the positions as Director and Officer without a justifiable reason or if certain other circumstances arise before the lifting of the Transfer Restrictions, the Company shall acquire all of the Restricted Shares without contribution immediately after the circumstance arises.

(iv) Treatment during reorganization, etc.

If, during the Restriction Period, matters relating to a merger agreement under which the Company will become a dissolving company, a share exchange agreement or a share transfer plan under which the Company will become a wholly-owned subsidiary of another company, or other certain reorganization, etc. are approved at the Company’s general shareholders’ meeting (or at its Board of Directors’ meeting in case where approval at its general shareholders’ meeting is not required in relation to the reorganization, etc.) (“Approval for Reorganization”), the Company shall lift the Transfer Restrictions on all of the Allotted Shares. Provided, however, that if the Approval for Reorganization is given during the Service Offering Period, even if it is during the Restriction Period, the Company shall lift the Transfer Restrictions on the Allotted Shares in the number determined based on the period between the start date of the Service Offering Period and the date of approval and shall acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted.

(v) Administration of Allotted Shares

To prevent the transfer, creation of a security interest on, or otherwise the disposal of the Allotted Shares during the Restriction Period, Eligible Directors, etc. shall open a dedicated account at Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and Allotted Shares shall be administrated in the account during the period until the lifting of the Transfer Restrictions.

4. Basis for calculation of disposal price and specifics thereof

To eliminate the arbitrariness in the disposal price, the disposal price shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on June 28, 2022 (the business day prior to the date of resolution by the Board of Directors) of 1,643 yen. Since this is the market price immediately prior to the date of resolution by the Board of Directors, we believe it is reasonable and does not represent a particularly advantageous price.

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