May 8, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (IFRS)

Corporate Name: NIKON CORPORATION
Securities code number: 7731 Stock exchange listings: Tokyo
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Scheduled date for the annual general shareholders' meeting: June 26, 2026
Scheduled date for the filing of the Annual Securities Report: June 25, 2026
Scheduled date of year-end dividend payout: June 29, 2026
Preparation of supplementary materials for financial results: Yes
Information meeting for financial results to be held: Yes (for institutional investors and analysts)

(Amounts are rounded to the nearest millions of yen)

1. Consolidated Results for the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit for Year		Profit Attributable to Owners of Parent		Total Comprehensive Income for Year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	677,163	(5.3)	(112,448)	–	(106,511)	–	(86,035)	–	(86,088)	–	(34,799)	–
Fiscal year ended March 31, 2025	715,285	(0.3)	2,422	(93.9)	4,533	(89.4)	6,123	(80.9)	6,123	(81.2)	1,264	(98.6)

	Basic Earnings per Share	Diluted Earnings per Share	Ratio of Profit to Equity Attributable to Owners of Parent	Ratio of Profit before Tax to Total Assets	Ratio of Operating Profit to Revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	(261.57)	(261.57)	(14.1)	(9.7)	(16.6)
Fiscal year ended March 31, 2025	17.86	17.77	0.9	0.4	0.3

(Reference) Share of profit of investments accounted for using equity method: Fiscal year ended March 31, 2026 4,251 million yen
Fiscal year ended March 31, 2025 3,146 million yen

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent to Total Assets	Equity per Share Attributable to Owners of Parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	1,075,007	588,196	586,785	54.6	1,781.32
As of March 31, 2025	1,110,514	639,223	637,977	57.4	1,940.15

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	(4,439)	(12,603)	858	158,036
Fiscal year ended March 31, 2025	48,258	(69,988)	(19,808)	163,590

2. Dividends

	Dividend per Share					Total Cash Dividend (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividend to Equity Attributable to Owners of Parent (Consolidated)
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	25.00	–	25.00	50.00	16,887	280.0	2.6
Fiscal year ended March 31, 2026	–	25.00	–	15.00	40.00	13,170	–	2.1
Fiscal year ending March 31, 2027 (Forecast)	–	10.00	–	10.00	20.00		65.9	

3. Consolidated Financial Forecasts for the Fiscal Year ending March 31, 2027 (From April 1, 2026 to March 31, 2027)

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	343,000	9.6	(7,000)	–	(5,000)	–	(3,000)	–	(9.11)
Fiscal year ending March 31, 2027	740,000	9.3	10,000	–	14,000	–	10,000	–	30.36

4. Others

(1) Significant Changes in the Scope of Consolidation during the Period: Yes

Newly included: –

Excluded: 2 companies (Nikon Metrology NV and 1 other company)

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than the above: None
3. Changes in accounting estimates: None

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued as of the period end (including treasury shares):
   As of March 31, 2026 333,585,686 shares
   As of March 31, 2025 333,585,686 shares
2. Number of treasury shares as of the period end:
   As of March 31, 2026 4,176,609 shares
   As of March 31, 2025 4,757,522 shares
3. Average number of shares during the period (cumulative total):
   Fiscal year ended March 31, 2026 329,124,654 shares
   Fiscal year ended March 31, 2025 342,807,635 shares

(Reference)

1. Non-Consolidated Results for the Fiscal Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-Consolidated Operating Results (Percentage represents year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	387,870	(14.3)	(31,358)	–	(18,035)	–	(82,941)	–
Fiscal year ended March 31, 2025	452,779	3.2	(1,922)	–	2,419	(94.2)	(4,441)	–

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Fiscal year ended March 31, 2026	(252.01)	–
Fiscal year ended March 31, 2025	(12.95)	–

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Ordinary Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	652,805	259,222	39.5	783.33
As of March 31, 2025	748,716	354,344	47.1	1,072.45

(Reference) Equity: As of March 31, 2026 258,034 million yen
As of March 31, 2025 352,652 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Appropriate use of business forecasts; other special items

Performance forecasts and other forward-looking statements contained in this report are based on information and assumptions at the time of this report’s release such as most recent market forecasts and exchange rates. Actual results may differ materially from the forecast due to a variety of risk factors, including, but not limited to the above assumptions. For more information about the Company’s business forecasts and assumptions, please refer to page 7.

Contents of Attached Materials

1. Overview of Consolidated Operating Results and Others

(1) Overview of Consolidated Operating Results

With regard to market and customer trends during the fiscal year ended March 31, 2026, in the Imaging Products Business, both unit sales and sales amount remained solid in the digital camera market.

In the Precision Equipment Business, capital investments in the field related to FPDs, including both mid-to-small size panels and large-size panels, remained firm. In the semiconductor-related field, although demand for AI-related semiconductors remained firm, demand for other devices remained sluggish.

In the Healthcare Business, the life science solutions field faced sluggish market conditions in certain regions, particularly in the Americas, against the backdrop of their political and economic environments. Meanwhile, the eye care solutions field continued to see a recovery in market conditions, particularly in the Americas, and current performance has remained steady.

In the Components Business, the Industrial Solutions Business was in a recovery trend in the semiconductors and electronic components markets. In the Customized Products Business, a slowdown in the EUV-related markets had a negative impact, resulting in weak performance.

In the Digital Manufacturing Business, the defense and space fields continued to lead the market in the metal additive manufacturing field.

Under the medium-term management plan, which covers a period from fiscal 2022 to fiscal 2025, the Group made progress in its business and improved its management base. In the fiscal year ended March 31, 2026, in the Imaging Products Business, we released the digital cinema ZR, which combines technologies of the Company and its subsidiary RED Digital Cinema, Inc. In the Precision Equipment Business, we began accepting orders for the Digital Lithography System DSP-100, our first product designated for back-end semiconductor manufacturing processes. Although our growth drivers developed steadily, the financial results fell significantly short of the initial expectations, primarily due to the recording of impairment losses on non-financial assets in the Digital Manufacturing Business. As for the recording of the impairment losses, please refer to “4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements, (Impairment Losses on Non-Financial Assets).”

Under these circumstances, during the fiscal year ended March 31, 2026, revenue decreased 38,122 million yen (5.3%) year on year to 677,163 million yen. Operating loss was 112,448 million yen (compared with operating profit of 2,422 million yen in the previous fiscal year), loss before tax was 106,511 million yen (compared with profit before tax of 4,533 million yen in the previous fiscal year), and loss attributable to owners of parent was 86,088 million yen (compared with profit attributable to owners of parent of 6,123 million yen in the previous fiscal year).

Performance by segment is as follows.

In the Imaging Products Business, sales were led by NIKON’s first digital cinema camera, the ZR. However, the business segment recorded year-on-year decreases in both revenue and profit, reflecting a decline in average selling prices due to changes in the product mix and higher promotion expenses amid an intensifying competitive environment, as well as tariff impacts and one-time costs related to the share transfer agreement for Mark Roberts Motion Control Limited, among other factors. As a result, this business segment recorded revenue of 290,053 million yen (down 1.8% year on year) and operating profit of 16,715 million yen (down 59.5% year on year).

In the Precision Equipment Business, unit sales of systems in the FPD lithography systems field and unit sales of ArF dry and immersion lithography systems in the semiconductor lithography system field decreased. As a result, this business segment as a whole recorded year-on-year decreases in both revenue and profit. Consequently, this business segment recorded revenue of 167,258 million yen (down 17.2% year on year) and operating loss of 4,565 million yen (compared with operating profit of 1,544 million yen in the previous fiscal year).

In the Healthcare Business, the eye care solutions field remained firm, mainly in Europe and the United States, resulting in an increase in revenue, and the contract cell development and manufacturing field continued to perform strongly from the previous fiscal year. However, the life science solutions field was adversely affected by sluggish market conditions in the United States and tariff impacts. In addition, profit in the eye care solutions field was also pressured by tariff impacts and increased recording of provisions for certain transactions. As a result, this business segment as a whole recorded year-on-year decreases in both revenue and profit. Consequently, this business segment recorded revenue of 111,922 million yen (down 3.9% year on year) and operating profit of 1,561 million yen (down 76.8% year on year).

In the Components Business, the Industrial Solutions Business recorded robust sales of Video Measuring Systems for electronic components and semiconductors, among other products. Partly reflecting the effects of structural reforms related to the Industrial Metrology Business and improved profitability resulting from changes in the product mix, the Industrial Solutions Business recorded year-on-year increases in both revenue and profit. The Customized Products

Business recorded year-on-year decreases in both revenue and profit as sales of EUV-related components were adversely affected by a slowdown in the EUV-related markets. As a result, this business segment recorded revenue of 76,176 million yen (up 2.8% year on year) and operating profit of 9,553 million yen (up 33.0% year on year).

In the Digital Manufacturing Business, the Group recorded a year-on-year increase in revenue due to an increase in unit sales of large-size equipment and the positive effects of foreign exchange movements. However, as described above, the Group recorded impairment losses on non-financial assets, among other factors, resulting in a wider operating loss. As a result, this business segment recorded revenue of 28,090 million yen (up 20.3% year on year) and operating loss of 106,282 million yen (compared with operating loss of 15,225 million yen in the previous fiscal year).

(2) Overview of Financial Position

The balance of total assets as of March 31, 2026 decreased by 35,507 million yen from the end of the previous fiscal year to 1,075,007 million yen. This was mainly due to decreases of 71,000 million yen in right-of-use assets, goodwill, and intangible assets, 10,689 million yen in retirement benefit asset, and 5,554 million yen in cash and cash equivalents, despite increases of 25,340 million yen in inventories, 15,304 million yen in deferred tax assets, 5,275 million yen in other current assets owing mainly to an increase in accounts receivable – other, and 4,285 million yen in property, plant and equipment.

The balance of total liabilities as of March 31, 2026 increased by 15,520 million yen from the end of the previous fiscal year to 486,811 million yen. This was mainly due to increases of 26,387 million yen in bonds and borrowings, 4,370 million yen in other current liabilities, and 2,570 million yen in provisions, despite decreases of 8,833 million yen in trade and other payables, 8,090 million yen in deferred tax liabilities, and 1,930 million yen in other financial liabilities.

The balance of total equity as of March 31, 2026 decreased by 51,027 million yen from the end of the previous fiscal year to 588,196 million yen. This was mainly due to a decrease of 93,946 million yen in retained earnings resulting from the recording of loss attributable to owners of parent and dividends declared, despite an increase of 41,806 million yen in other components of equity primarily as a result of an increase in exchange differences on translation of foreign operations.

(3) Overview of Cash Flows

During the fiscal year ended March 31, 2026, for the cash flows from operating activities, net cash of 4,439 million yen was used (48,258 million yen provided in the previous fiscal year). This was mainly attributable to the recording of loss before tax, an increase in inventories, a decrease in trade and other payables, a decrease in advances received, and income taxes paid, despite the recording of depreciation and amortization of 43,087 million yen and impairment losses of 99,141 million yen.

For the cash flows from investing activities, net cash of 12,603 million yen was used (69,988 million yen used in the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets of 55,738 million yen, despite proceeds from sale of investment securities of 35,702 million yen, proceeds from sale of property, plant and equipment of 5,329 million yen, and proceeds from sale of businesses of 3,000 million yen.

For the cash flows from financing activities, net cash of 858 million yen was provided (19,808 million yen used in the previous fiscal year). This was mainly attributable to a net increase in short-term borrowings of 35,111 million yen and proceeds from long-term borrowings of 16,000 million yen, despite cash dividends paid of 16,447 million yen, repayments of long-term borrowings of 15,618 million yen, redemption of bonds of 10,000 million yen, and repayments of lease liabilities of 8,047 million yen.

As a result of an increase of 10,629 million yen due to the effect of exchange rate changes on cash and cash equivalents, along with the cash flows outlined above, the balance of cash and cash equivalents as of March 31, 2026 decreased by 5,554 million yen from the end of the previous fiscal year to 158,036 million yen.

(4) Future Outlook

Regarding the business environment for the full fiscal year ending March 31, 2027, in the Imaging Products Business, while the digital camera market is expected to remain solid over the medium to long term, uncertainty is increasing due to changes in consumer sentiment, fluctuations in logistics expenses and component costs, and other factors.

In the Precision Equipment Business, capital investments for mid-to-small size panels in the field related to FPDs are expected to remain firm. Meanwhile, capital investments for large-size panels are expected to grow going forward, supported by expanding demand for large-size TVs as well as the expansion of the organic LED market. As for the semiconductor-related field, AI-related semiconductors are expected to remain strong.

In the Healthcare Business, market conditions in the life science solutions field have begun to show signs of recovery, and market conditions in the eye care solutions field are expected to remain firm.

In the Industry Business, both the semiconductor-related markets and the factory automation market in the Industrial Solutions Business are expected to show a recovery trend. Meanwhile, in the Customized Products Business, the Group expects underlying demand in the EUV-related markets to remain firm.

In the Digital Manufacturing Business, in the metal additive manufacturing market, demand for large-size equipment is expected to increase. Accordingly, the defense and space fields are expected to lead continued growth, mainly in the United States.

The Group has changed the name of the reportable segment “Components Business” to “Industry Business” from the fiscal year ending March 31, 2027. In conjunction with this change, the Group has transferred its consolidated subsidiary Nikon Vision Co., Ltd. from the “Industry Business” to the “Imaging Products Business.”

Under the new medium-term management plan, which covers the period from fiscal 2026 to fiscal 2030, the Group will allocate management resources intensively to the three fields of digital cinema cameras, large-size metal 3D printers, and ArF immersion lithography and digital lithography, while focusing on the balance sheet and cash flows. The Group aims to enhance corporate value by achieving both a recovery in short-term performance and investment for long-term growth.

For details of the new medium-term management plan, please refer to the Company’s website.
https://www.nikon.com/company/ir/management/midtermbusiness/

(5) Shareholder Return Policy and Dividends

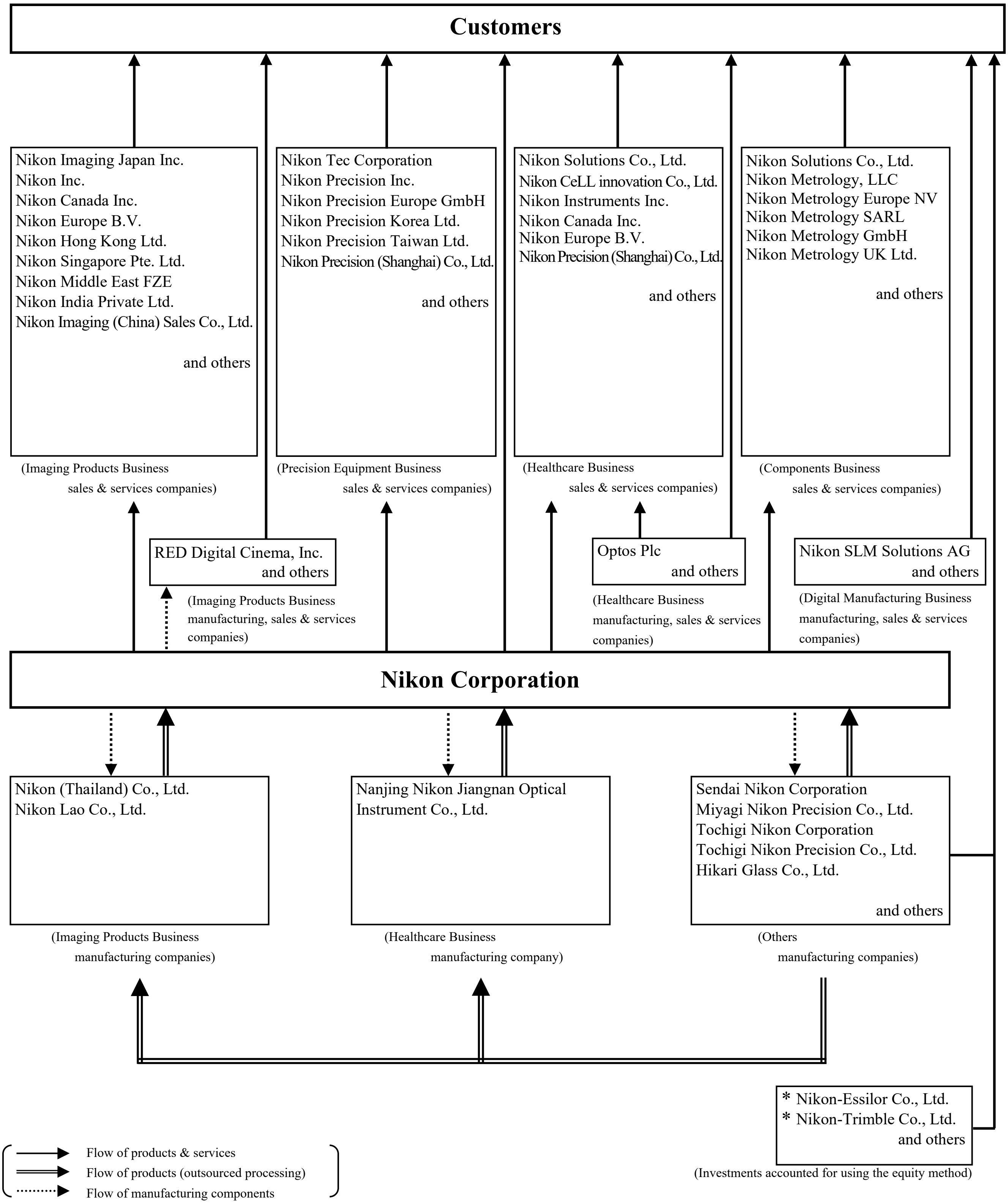
Under management that focuses on capital efficiency and financial soundness, the Company will allocate capital with consideration of the balance between business investment and shareholder returns to achieve sustainable growth. Regarding shareholder returns, the Company’s fundamental policy is to distribute stable dividends. Based on this policy, the Company will return profits to shareholders at a target total return ratio of 40% or more.

For the fiscal year ended March 31, 2026, the year-end dividend is 15 yen per share, and the full-year dividend will be 40 yen per share including the interim dividend of 25 yen per share. The full-year dividend for the fiscal year ending March 31, 2027 is forecast to be 20 yen per share, including the interim dividend of 10 yen per share, with a total return ratio of 60% or more.

2. Status of Nikon Group

The Nikon Group is comprised of NIKON CORPORATION (the "Company"), its 82 consolidated subsidiaries, and 10 investments accounted for using the equity method, running the Imaging Products Business, Precision Equipment Business, Healthcare Business, Components Business, Digital Manufacturing Business and others.

The structure of the Group is shown as below:



Note: Only principal subsidiaries, associates, and joint ventures are listed.

No symbol: Consolidated subsidiaries, *: Investments accounted for using the equity method

3. Basic Policy on the Adoption of Accounting Standards

The Group has voluntarily adopted IFRS Accounting Standards from the consolidated financial statements in the Annual Securities Report for the fiscal year ended March 31, 2017 to improve international comparability of financial information disclosed to the capital market and to strengthen the management foundation by unification of accounting standards within its group companies.

4. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026	Changes
ASSETS			
Current assets			
Cash and cash equivalents	163,590	158,036	(5,554)
Trade and other receivables	125,441	127,459	2,018
Inventories	307,533	332,872	25,340
Other current financial assets	3,116	2,316	(800)
Other current assets	20,540	25,816	5,275
Total current assets	620,220	646,499	26,279
Non-current assets			
Property, plant and equipment	146,473	150,758	4,285
Right-of-use assets	18,752	17,600	(1,152)
Goodwill and intangible assets	165,462	95,614	(69,849)
Retirement benefit asset	13,998	3,309	(10,689)
Investments accounted for using equity method	10,068	12,417	2,349
Other non-current financial assets	76,111	73,974	(2,137)
Deferred tax assets	58,614	73,918	15,304
Other non-current assets	817	918	102
Total non-current assets	490,294	428,508	(61,785)
Total assets	1,110,514	1,075,007	(35,507)

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	82,200	73,367	(8,833)
Bonds and borrowings	71,413	97,717	26,304
Income taxes payable	5,474	5,151	(322)
Advances received	68,157	67,372	(785)
Provisions	5,756	9,548	3,792
Other current financial liabilities	31,814	30,042	(1,773)
Other current liabilities	40,731	45,101	4,370
Total current liabilities	305,545	328,298	22,753
Non-current liabilities			
Bonds and borrowings	122,157	122,240	83
Retirement benefit liability	7,897	8,582	685
Provisions	6,521	5,298	(1,222)
Deferred tax liabilities	11,347	3,257	(8,090)
Other non-current financial liabilities	13,480	13,323	(157)
Other non-current liabilities	4,345	5,813	1,468
Total non-current liabilities	165,746	158,513	(7,233)
Total liabilities	471,291	486,811	15,520
EQUITY			
Share capital	65,476	65,476	–
Treasury shares	(7,761)	(6,813)	947
Other components of equity	67,147	108,953	41,806
Retained earnings	513,115	419,169	(93,946)
Equity attributable to owners of parent	637,977	586,785	(51,192)
Non-controlling interests	1,246	1,411	165
Total equity	639,223	588,196	(51,027)
Total liabilities and equity	1,110,514	1,075,007	(35,507)

(2) Consolidated Statements of Profit or Loss and Comprehensive Income

Consolidated Statement of Profit or Loss

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)		Changes
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)
Revenue	715,285	100.0	677,163	100.0	(38,122)
Cost of sales	(403,318)	(56.4)	(399,903)	(59.1)	3,415
Gross profit	311,968	43.6	277,261	40.9	(34,707)
Selling, general and administrative expenses	(295,155)		(289,248)		5,908
Other operating income	2,241		10,710		8,469
Other operating expenses	(16,631)		(111,170)		(94,539)
Operating profit (loss)	2,422	0.3	(112,448)	(16.6)	(114,870)
Finance income	5,960		9,204		3,244
Finance costs	(6,994)		(7,518)		(524)
Share of profit of investments accounted for using equity method	3,146		4,251		1,106
Profit (loss) before tax	4,533	0.6	(106,511)	(15.7)	(111,044)
Income tax expense	1,590		20,476		18,886
Profit (loss) for year	6,123	0.9	(86,035)	(12.7)	(92,158)
Profit (loss) attributable to:					
Owners of parent	6,123	0.9	(86,088)	(12.7)	(92,211)
Non-controlling interests	(0)		53		54
Profit (loss) for year	6,123	0.9	(86,035)	(12.7)	(92,158)
Earnings (loss) per share:					
Basic earnings (loss) per share (Yen)	17.86		(261.57)		
Diluted earnings (loss) per share (Yen)	17.77		(261.57)		

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)	Changes
Profit (loss) for year	6,123	(86,035)	(92,158)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain (loss) on financial assets measured at fair value through other comprehensive income	(4,147)	12,146	16,293
Remeasurement of defined benefit plans	968	1,900	932
Share of other comprehensive income of investments accounted for using equity method	7	21	14
Total of items that will not be reclassified subsequently to profit or loss	(3,172)	14,066	17,239
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(2,177)	36,830	39,008
Effective portion of cash flow hedges	359	(45)	(405)
Share of other comprehensive income of investments accounted for using equity method	131	384	253
Total of items that may be reclassified subsequently to profit or loss	(1,687)	37,169	38,856
Other comprehensive income, net of taxes	(4,859)	51,236	56,095
Total comprehensive income for year	1,264	(34,799)	(36,063)
Comprehensive income attributable to:			
Owners of parent	1,281	(35,068)	(36,349)
Non-controlling interests	(17)	269	286
Total comprehensive income for year	1,264	(34,799)	(36,063)

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Gain (loss) on financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2024	65,476	897	(7,297)	18,965	–	(1,057)
Profit (loss) for year	–	–	–	–	–	–
Other comprehensive income	–	–	–	(4,147)	968	138
Total comprehensive income for year	–	–	–	(4,147)	968	138
Dividends	–	–	–	–	–	–
Purchase and disposal of treasury shares	–	(31)	(30,003)	–	–	–
Cancellation of treasury shares	–	(29,144)	29,144	–	–	–
Share-based payment transactions	–	(132)	395	–	–	–
Incorporation of new subsidiaries	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Transfer from retained earnings to capital surplus	–	28,410	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(2,909)	(968)	(10)
Total transactions with owners	–	(897)	(464)	(2,909)	(968)	(10)
As of March 31, 2025	65,476	–	(7,761)	11,909	–	(929)

As of April 1, 2025	65,476	–	(7,761)	11,909	–	(929)
Profit (loss) for year	–	–	–	–	–	–
Other comprehensive income	–	–	–	12,048	1,900	405
Total comprehensive income for year	–	–	–	12,048	1,900	405
Dividends	–	–	–	–	–	–
Purchase and disposal of treasury shares	–	(0)	(2)	–	–	–
Cancellation of treasury shares	–	–	–	–	–	–
Share-based payment transactions	–	(728)	950	–	–	–
Incorporation of new subsidiaries	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Transfer from retained earnings to capital surplus	–	728	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(7,297)	(1,900)	(17)
Total transactions with owners	–	–	947	(7,297)	(1,900)	(17)
As of March 31, 2026	65,476	–	(6,813)	16,660	–	(541)

(Millions of yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total				
As of April 1, 2024	58,127	(159)	75,876	548,843	683,795	1,297	685,091
Profit (loss) for year	–	–	–	6,123	6,123	(0)	6,123
Other comprehensive income	(2,160)	359	(4,842)	–	(4,842)	(17)	(4,859)
Total comprehensive income for year	(2,160)	359	(4,842)	6,123	1,281	(17)	1,264
Dividends	–	–	–	(17,328)	(17,328)	(42)	(17,370)
Purchase and disposal of treasury shares	–	–	–	–	(30,034)	–	(30,034)
Cancellation of treasury shares	–	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	263	–	263
Incorporation of new subsidiaries	–	–	–	–	–	4	4
Changes in ownership interest in subsidiaries	–	–	–	–	–	4	4
Transfer from retained earnings to capital surplus	–	–	–	(28,410)	–	–	–
Transfer from other components of equity to retained earnings	–	–	(3,887)	3,887	–	–	–
Total transactions with owners	–	–	(3,887)	(41,851)	(47,098)	(33)	(47,132)
As of March 31, 2025	55,966	201	67,147	513,115	637,977	1,246	639,223

As of April 1, 2025	55,966	201	67,147	513,115	637,977	1,246	639,223
Profit (loss) for year	–	–	–	(86,088)	(86,088)	53	(86,035)
Other comprehensive income	36,713	(45)	51,020	–	51,020	215	51,236
Total comprehensive income for year	36,713	(45)	51,020	(86,088)	(35,068)	269	(34,799)
Dividends	–	–	–	(16,450)	(16,450)	(26)	(16,475)
Purchase and disposal of treasury shares	–	–	–	–	(3)	–	(3)
Cancellation of treasury shares	–	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	222	–	222
Incorporation of new subsidiaries	–	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	28	28
Transfer from retained earnings to capital surplus	–	–	–	(728)	–	–	–
Transfer from other components of equity to retained earnings	–	–	(9,214)	9,319	105	(105)	–
Total transactions with owners	–	–	(9,214)	(7,858)	(16,124)	(103)	(16,228)
As of March 31, 2026	92,679	155	108,953	419,169	586,785	1,411	588,196

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Cash flows from operating activities:		
Profit (loss) before tax	4,533	(106,511)
Depreciation and amortization	44,189	43,087
Impairment losses	10,816	99,141
Interest and dividend income	(5,471)	(5,632)
Share of (profit) loss of investments accounted for using equity method	(3,146)	(4,251)
Losses (gains) on sale of property, plant and equipment	(34)	(4,820)
Interest expenses	2,681	3,541
Decrease (increase) in trade and other receivables	15,298	4,301
Decrease (increase) in inventories	(20,042)	(12,788)
Increase (decrease) in trade and other payables	(1,652)	(10,794)
Increase (decrease) in advances received	(3,493)	(2,716)
Increase (decrease) in provisions	(2,421)	1,984
Others, net	9,430	(1,552)
Subtotal	50,689	2,990
Interest and dividends received	8,395	7,917
Interest paid	(2,631)	(3,354)
Income taxes refund (paid)	(8,195)	(11,991)
Net cash provided by (used in) operating activities	48,258	(4,439)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(52,163)	(36,537)
Proceeds from sale of property, plant and equipment	405	5,329
Purchase of intangible assets	(17,497)	(19,201)
Purchase of investment securities	(865)	(1,532)
Proceeds from sale of investment securities	7,649	35,702
Proceeds from redemption of investment securities	4,000	–
Acquisition of subsidiaries or other businesses	(12,014)	–
Proceeds from sale of businesses	–	3,000
Others, net	498	637
Net cash provided by (used in) investing activities	(69,988)	(12,603)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(9,231)	35,111
Proceeds from long-term borrowings	69,489	16,000
Repayments of long-term borrowings	(34,011)	(15,618)
Redemption of bonds	–	(10,000)
Repayments of lease liabilities	(9,147)	(8,047)
Cash dividends paid	(17,321)	(16,447)
Cash dividends paid to non-controlling interests	(42)	(26)
Purchase of treasury shares	(30,003)	(2)
Proceeds from settlement of derivatives	10,648	–
Others, net	(189)	(114)
Net cash provided by (used in) financing activities	(19,808)	858
Effect of exchange rate changes on cash and cash equivalents	(1,516)	10,629
Net increase (decrease) in cash and cash equivalents	(43,054)	(5,554)
Cash and cash equivalents at beginning of year	206,644	163,590
Cash and cash equivalents at end of year	163,590	158,036

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Basis for Preparation of Consolidated Financial Statements)

(a) Scope of Consolidation

Number of consolidated subsidiaries: 82 companies

Principal company names:

Tochigi Nikon Corporation; Tochigi Nikon Precision Co., Ltd.; Sendai Nikon Corporation; Miyagi Nikon Precision Co., Ltd.; Nikon Imaging Japan Inc.; Nikon Solutions Co., Ltd.; Nikon (Thailand) Co., Ltd.; Nikon SLM Solutions AG; Nikon Imaging (China) Sales Co., Ltd.; Nikon Inc.; Nikon Precision Inc.; Nikon Instruments Inc.; Nikon Europe B.V.; Optos Plc, and others

The increase and decrease of the number of consolidated subsidiaries is as follows.

Decrease: 3 companies (due to liquidation and other reasons)

(b) Scope of Equity Method

Number of investments accounted for using the equity method: 10 companies

Principal company names:

Nikon-Essilor Co., Ltd., Nikon-Trimble Co., Ltd., and others

(c) Accounting Policies

The disclosure of the accounting policies has been omitted as there are no significant changes from the most recent Annual Securities Report (filed on June 26, 2025).

(Segment Information)

(1) Outline of Reportable Business Segments

The business segments that the Group reports are the business units for which the Company is able to obtain respective financial information separately for the Board of Directors to conduct periodic investigations to determine the distribution of management resources and evaluate the Group's business results.

In consideration of the similarity of economic characteristics, the Group has integrated its business divisions into five reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business, the Components Business, and the Digital Manufacturing Business.

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital cameras including interchangeable-lens and fixed-lens types, digital cinema cameras, and interchangeable lenses. The Precision Equipment Business provides products and services with regard to the FPD lithography system and semiconductor lithography system. The Healthcare Business provides products and services for the life science solutions field such as biological microscopes, for the eye care solutions field such as ultra-wide field retinal imaging devices, and for the contract cell development and manufacturing field. The Components Business provides products and services related to the Industrial Metrology Business such as industrial microscopes, measuring instruments, and X-ray and CT inspections systems; related to the Digital Solutions Business such as optical components, optical parts, and encoders; related to the Customized Products Business such as EUV-related components and space-related solutions; and related to the Glass Business such as photomask substrates for FPDs. The Digital Manufacturing Business provides products and services of metal 3D printers.

(2) Information on Reportable Business Segments

Profit or loss of reportable segments is based on operating profit. The intersegment revenues are based on prevailing market prices.

Information on revenue and profit (loss) by reportable segment is as follows.

For the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	295,363	201,963	116,452	74,136	23,356	4,015	715,285	–	715,285
Intersegment	2,140	185	156	8,319	340	97,006	108,147	(108,147)	–
Total	297,503	202,148	116,608	82,456	23,696	101,021	823,432	(108,147)	715,285
Segment profit (loss) (Note 3)	41,306	1,544	6,735	7,185	(15,225)	2,922	44,468	(42,047)	2,422
Finance income									5,960
Finance costs									(6,994)
Shares of profit of investments accounted for using equity method									3,146
Profit (loss) before tax									4,533
Segment assets	166,079	165,754	133,808	77,447	133,003	43,660	719,752	390,762	1,110,514
Other items:									
Impairment losses (Note 4)	850	7,886	–	1,009	–	–	9,746	1,071	10,816
Depreciation and amortization	8,420	5,276	6,608	5,562	6,326	3,583	35,774	8,415	44,189
Increase in property, plant and equipment, right-of-use assets, goodwill and intangible assets	24,056	9,355	7,572	10,212	6,495	4,353	62,044	22,109	84,153

Notes: 1. The “Others” category consists of operations not included in the reportable segments.

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 1,911 million yen and corporate profit (loss) of (43,958) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment for growth of (20,457) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration departments of (23,500) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments.

   Regarding segment assets, reconciliation is made between segment assets and assets reported in the consolidated statement of financial position. In addition, reconciliation of segment assets includes corporate assets of 388,054 million yen that is not attributed to any segments, and elimination of intersegment transactions of 2,708 million yen. Principal components of corporate assets are surplus funds (cash and cash equivalents) held by the Company and its consolidated subsidiaries; long-term investments (shares); deferred tax assets; and certain non-current assets and right-of-use assets shared among the segments.

3. Segment profit (loss) includes restructuring costs recognized in “Other operating expenses” reported in the consolidated statement of profit or loss, consisting of (41) million yen for the Imaging Products Business, (1,265) million yen for the Precision Equipment Business, (1,823) million yen for the Components Business, and (1,794) million yen for corporate profit (loss) that cannot be attributed to any segments.

4. The main components of impairment losses are described in “(Impairment Losses on Non-Financial Assets).”

For the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	290,053	167,258	111,922	76,176	28,090	3,664	677,163	–	677,163
Intersegment	1,464	243	207	8,407	69	89,681	100,072	(100,072)	–
Total	291,517	167,501	112,129	84,583	28,160	93,345	777,235	(100,072)	677,163
Segment profit (loss) (Note 3)	16,715	(4,565)	1,561	9,553	(106,282)	1,401	(81,617)	(30,831)	(112,448)
Finance income									9,204
Finance costs									(7,518)
Shares of profit of investments accounted for using equity method									4,251
Profit (loss) before tax									(106,511)
Segment assets	174,333	170,191	144,110	73,844	62,984	61,504	686,967	388,040	1,075,007
Other items:									
Impairment losses (Note 4)	37	5,778	11	1,548	90,627	31	98,032	1,110	99,141
Depreciation and amortization	9,786	3,764	7,062	5,646	6,670	3,669	36,598	6,490	43,087
Increase in property, plant and equipment, right-of-use assets, goodwill and intangible assets	10,914	9,723	11,547	5,587	7,904	6,141	51,815	14,341	66,156

Notes: 1. The “Others” category consists of operations not included in the reportable segments.

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 284 million yen and corporate profit (loss) of (31,115) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment for growth of (17,881) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration departments of (13,235) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments.

Regarding segment assets, reconciliation is made between segment assets and assets reported in the consolidated statement of financial position. In addition, reconciliation of segment assets includes corporate assets of 400,285 million yen that are not attributed to any segments, and elimination of intersegment transactions of (12,245) million yen. Principal components of corporate assets are surplus funds (cash and cash equivalents) held by the Company and its consolidated subsidiaries; long-term investments (shares); deferred tax assets; and certain non-current assets and right-of-use assets shared among the segments.

3. Segment profit (loss) includes restructuring costs recognized in “Other operating expenses” reported in the consolidated statement of profit or loss, consisting of (3,210) million yen for the Imaging Products Business, (896) million yen for the Precision Equipment Business, (693) million yen for the Components Business, (685) million yen for the Digital Manufacturing Business, (1,150) million yen for “Others” and (751) million yen for corporate profit (loss) that cannot be attributed to any segments.

4. The main components of impairment losses are described in “(Impairment Losses on Non-Financial Assets).”

(3) Geographic Information

Revenue from external customers

(Millions of yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Japan	101,893	100,321
United States	185,314	166,330
Europe	115,513	121,335
China	169,590	170,475
Others	142,975	118,703
Total	715,285	677,163

Note: Revenue is based on the geographic locations of customers, which are categorized either by country or region.
Except for Japan, the United States and China, the countries or regions are primarily categorized as follows:
1. Europe: The United Kingdom, France and Germany
2. Others: Canada, Asia other than Japan and China, Middle East, Oceania and Latin-America

Non-current assets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Japan	140,008	147,336
North America	27,041	24,027
Europe	149,012	75,291
China	4,621	4,826
Thailand	8,138	10,705
Others	2,685	2,706
Total	331,503	264,890

Note: Non-current assets are based on the geographic locations of assets, which are categorized either by country or region.
Except for Japan, China and Thailand, the countries or regions are primarily categorized as follows:
1. North America: The United States and Canada
2. Europe: The United Kingdom, France and Germany
3. Others: Asia other than Japan, China and Thailand, Middle East, Oceania and Latin-America
Financial instruments, deferred tax assets and retirement benefit asset are not included in the above.

(4) Information about Major Customers

There was no customer group who contributed 10% or more to the consolidated revenue; therefore, the information is omitted.

(Impairment Losses on Non-Financial Assets)

The Group determines the impairment of assets by cash-generating units based on the business segments, in which the assets are grouped by the minimum unit that generate largely independent cash inflows. In regard to idle assets, the future prospects or sales expectations are considered when determining impairment by cash-generating units, in which the assets are grouped by individual asset or multiple assets. As a result of impairment testing, if the recoverable amount is determined to be lower than the carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognized as impairment losses. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. The impairment losses are included in "Other operating expenses" in the consolidated statement of profit or loss.

As a result of impairment testing, the Group recognized impairment losses of 10,816 million yen and 99,141 million yen for the fiscal years ended March 31, 2025 and March 31, 2026, respectively. Impairment losses by asset are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Property, plant and equipment	7,859	9,955
Right-of-use assets	215	783
Intangible assets	2,413	27,124
Goodwill	329	61,268
Others	–	11
Total	10,816	99,141

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

In the Imaging Products Business, the Group has recognized impairment losses of 850 million yen, primarily at Mark Roberts Motion Control Limited, a UK subsidiary engaged in manufacturing and sales. This is because Mark Roberts Motion Control Limited was found not to earn some of its initially anticipated revenue due to deteriorated market conditions, and therefore, the Group reduced the carrying amount of its non-current assets to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured based on value in use. The impairment losses include goodwill and identifiable intangible assets related to Mark Roberts Motion Control Limited of 329 million yen and 477 million yen, respectively.

In the Precision Equipment Business, the Group has recognized impairment losses of 7,886 million yen. This is because the Company was found not to earn some of its initially anticipated revenue due to revisions to investment plans by major customers and a delayed recovery in semiconductor market conditions, and therefore, the Group reduced the carrying amount of its non-current assets to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured based on fair value less costs of disposal.

In the Components Business, the Group has recognized impairment losses of 1,009 million yen, primarily in connection with the restructuring of primarily European subsidiaries engaged in manufacturing and sales. This is because the Group reduced the carrying amount of non-current assets with no prospect of specific use to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured based on value in use.

In addition to the above, in corporate profit (loss) that cannot be attributed to any segments, the Group has recognized impairment losses of 1,071 million yen in connection with the restructuring the Company's bases. This is because the Group reduced the carrying amount of non-current assets with no prospect of specific use to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured based on value in use.

Of the total impairment losses of 10,816 million yen, impairment losses for the Components Business of 1,003 million yen and for corporate profit (loss) that cannot be attributed to any segments of 1,071 million yen are recognized as restructuring costs. For more details, please see "(Restructuring Costs)."

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

In the Precision Equipment Business, the Group has recognized impairment losses of 5,778 million yen. This is because the business was found not to earn some of its initially anticipated revenue due to the downturn in the semiconductor lithography system business, and therefore, the Group reduced the carrying amount of its non-current assets to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured primarily based on fair value less costs of disposal.

In the Components Business, the Group has recognized impairment losses of 1,467 million yen, primarily at Avonix Imaging, Inc., a development and manufacturing site in the United States. This is because Avonix Imaging, Inc. was found not to earn some of its initially anticipated revenue due to changes in the assumptions for the earnings structure expected at the time of acquisition, and therefore, the Group reduced the carrying amount of its non-current assets to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured primarily based on value in use. The impairment losses include goodwill and identifiable intangible assets related to Avonix Imaging, Inc. of 701 million yen and 270 million yen, respectively.

In the Digital Manufacturing Business, the Group has recognized impairment losses of 90,627 million yen. This is because the Group was found not to earn some of its initially anticipated revenue due to a decline in the future growth rate of the metal 3D printer market, intensifying competitive environment, and other factors, and therefore, the Group reduced the carrying amount of its non-current assets to their recoverable amount and recognized the reduction as impairment losses. The recoverable amount was measured primarily based on value in use. The impairment losses include goodwill and identifiable intangible assets related to Nikon SLM Solutions AG of 60,568 million yen and 26,244 million yen, respectively.

In the Other Businesses, in connection with a review of the business, the Group reduced the carrying amount of non-current assets with no prospect of specific use to their recoverable amount and recognized the reduction as impairment losses of 608 million yen. The recoverable amount was measured based on fair value less costs of disposal.

In addition to the above, for each business division, the Group reduced the carrying amount of non-current assets with no prospect of specific use to their recoverable amount and recognized the reduction as impairment losses of 662 million yen. The recoverable amount was measured primarily based on fair value less costs of disposal.

Of the total impairment losses of 99,141 million yen, impairment losses of 608 million yen in the Other Businesses are recorded as restructuring costs. For details, please refer to “(Restructuring Costs).”

(Revenue)

In consideration of the similarity of economic characteristics, the Group integrated its business divisions into five reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business, the Components Business, and the Digital Manufacturing Business. The business segments are periodically reviewed by the Board of Directors to determine the distribution of management resources and evaluate business results, and revenue of these business units is presented as revenue. The relationship between the disclosure of disaggregated revenue into geographical regions based on customer's location and revenue information that is disclosed for each reportable segment is as follows.

For the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total
Japan	31,435	15,236	15,702	37,142	606	1,773	101,893
United States	74,508	25,851	55,251	16,308	13,396	0	185,314
Europe (Note 2)	57,824	21,176	21,376	7,403	7,654	79	115,513
China	66,033	87,875	9,739	4,035	26	1,881	169,590
Others (Note 2)	65,562	51,825	14,384	9,249	1,674	282	142,975
Total	295,363	201,963	116,452	74,136	23,356	4,015	715,285
Revenue from contracts with customers	295,027	201,963	105,960	74,136	23,356	4,015	704,458
Revenue from other sources (Note 3)	336	–	10,492	–	–	–	10,828

Notes: 1. The "Others" category consists of operations not included in any reportable segments.
2. Except for Japan, the United States, and China, the countries or regions are primarily categorized as follows:
1) Europe: The United Kingdom, France, and Germany
2) Others: Canada, Asia other than Japan and China, Middle East, Oceania, and Latin America
3. Revenue from other sources includes lease income, etc. based on IFRS 16.

For the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total
Japan	28,005	17,968	16,089	35,705	820	1,734	100,321
United States	65,233	19,570	49,031	15,502	16,994	–	166,330
Europe (Note 2)	57,833	24,220	23,291	7,269	8,620	101	121,335
China	71,349	81,594	9,156	6,800	1	1,574	170,475
Others (Note 2)	67,633	23,905	14,355	10,900	1,655	255	118,703
Total	290,053	167,258	111,922	76,176	28,090	3,664	677,163
Revenue from contracts with customers	289,556	167,258	101,021	76,176	28,090	3,664	665,765
Revenue from other sources (Note 3)	498	–	10,901	–	–	–	11,398

Notes: 1. The "Others" category consists of operations not included in the reportable segments.
2. Except for Japan, the United States, and China, the countries or regions are primarily categorized as follows:
1) Europe: The United Kingdom, France, and Germany
2) Others: Canada, Asia other than Japan and China, Middle East, Oceania, and Latin America
3. Revenue from other sources includes lease income, etc. based on IFRS 16.

(Selling, General and Administrative Expenses)

Major items of selling, general and administrative expenses and their amounts are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Depreciation and amortization	23,787	21,963
Research and development expenses	74,554	70,843
Employee benefit expenses	86,149	88,188
Advertising and sales promotion expenses	25,631	22,435
Others	85,034	85,819
Total	295,155	289,248

(Gain on Sale of Non-current Assets)

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

For corporate profit (loss) that cannot be attributed to any segments, the Company has recognized a gain on sale of land of 4,951 million yen in connection with the sale of idle land. The gain on sale of land is included in "Other operating income" in the consolidated statement of profit or loss.

(Gain on Sale of Businesses)

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

In the Precision Equipment Business, the Company sold its R&D business related to semiconductor wafer bonding technology and recorded 2,978 million yen of gain on sale of businesses. The gain on sale of businesses is included in "Other operating income" in the consolidated statement of profit or loss.

(Restructuring Costs)

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

The Group recorded restructuring costs of 4,923 million yen. Restructuring costs are included in “Other operating expenses” in the consolidated statement of profit or loss. The major components are as follows:

For the Precision Equipment Business, the Group recorded additional retirement benefits of 1,265 million yen in connection with workforce optimization at a sales subsidiary in the United States.

In the Components Business, the Group recorded impairment losses and additional retirement benefits of 1,823 million yen, mainly in connection with the restructuring of manufacturing and sales subsidiaries in Europe and other regions, in order to transform the business into a sustainable earnings structure.

For corporate profit (loss) that cannot be attributed to any segments, the Group recorded impairment losses and other expenses of 1,794 million yen, mainly in connection with the restructuring primarily of the Company’s bases.

(Millions of yen)

Details	Amount
Impairment losses	2,074
Additional retirement benefits	1,720
Expenses related to outside specialists	288
Others	841
Total	4,923

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

The Group recorded restructuring costs of 7,385 million yen. Restructuring costs are included in “Other operating expenses” in the consolidated statement of profit or loss. The major components are as follows:

For the Imaging Products Business, as a result of reconsidering the business portfolio and transferring all of its shares in Mark Roberts Motion Control Limited, the Group recorded losses associated with loss of control and expenses related to outside specialists of 3,210 million yen.

For the Precision Equipment Business, the Group recorded additional retirement benefits of 896 million yen in connection with the optimization of service locations.

For the Components Business, the Group recorded expenses related to outside specialists and other expenses of 693 million yen, mainly in connection with the restructuring of manufacturing and sales subsidiaries in Europe and other regions, in order to transform the business into a sustainable earnings structure.

For the Digital Manufacturing Business, the Group recorded additional retirement benefits of 685 million yen, mainly in connection with workforce optimization at manufacturing and sales subsidiaries in Europe and other regions.

In addition to the above, in connection with the restructuring of the Group’s bases, impairment losses, additional retirement benefits and other expenses of 1,150 million yen and 751million yen were recorded in Other Businesses and corporate profit (loss) that cannot be attributed to any segments, respectively.

(Millions of yen)

Details	Amount
Loss on sale of shares of subsidiaries and associates	2,946
Additional retirement benefits	1,712
Expenses related to outside specialists	722
Impairment losses	608
Others	1,398
Total	7,385

(Earnings Per Share)

The basis for the calculation of basic earnings (loss) per share and diluted earnings (loss) per share attributable to owners of parent is as follows:

(Millions of yen, unless otherwise indicated)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Basis for the calculation of basic earnings (loss) per share		
Profit (loss) for year attributable to owners of parent	6,123	(86,088)
Profit (loss) not attributable to ordinary equity holders of parent	–	–
Profit (loss) for year used in the calculation of basic earnings (loss) per share	6,123	(86,088)
Weighted average number of ordinary shares outstanding during the period (thousands of shares)	342,808	329,125
Basic earnings (loss) per share (yen)	17.86	(261.57)
Basis for the calculation of diluted earnings per share		
Profit (loss) for year used in the calculation of basic earnings (loss) per share	6,123	(86,088)
Adjustments to profit for year		
Adjustment for potential shares issued by subsidiaries	–	–
Profit (loss) for year used in the calculation of diluted earnings (loss) per share	6,123	(86,088)
Weighted average number of ordinary shares outstanding during the period (thousands of shares)	342,808	329,125
Increase in number of ordinary shares in respect of stock options (thousands of shares)	1,771	–
Weighted average number of dilutive ordinary shares outstanding during the period (thousands of shares)	344,578	329,125
Diluted earnings (loss) per share (yen)	17.77	(261.57)

Note: For the fiscal year ended March 31, 2026, as the stock options that the Company issued have no dilutive effect, they are not included in the calculation of diluted loss per share.

(Contingent Liabilities)

(Litigation)
The Group is exposed throughout its business activities to the possibility of being involved in a contentious case, becoming a defendant in a lawsuit, and being the object of inquiries by government agencies, in Japan and overseas. The Group examines the possibility of recognizing a provision for the obligation arising from a contentious case or a lawsuit, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Company's subsidiary in India (hereinafter referred as the "Subsidiary in India") was inquired by the Indian Tax Authority regarding the import of the Company's digital cameras, and in October 2016, the imposition was confirmed in relation to the customs duty, interest, and penalty concerning those products. In January 2017, the Subsidiary in India appealed to the Customs, Excise and Service Tax Appellate Tribunal (hereinafter referred to as the "CESTAT"); however, the appeal was dismissed in December 2017. To object to this decision, in January 2018, the Subsidiary in India filed an appeal to the Supreme Court of India (hereinafter referred to as the "Supreme Court"). In March 2021, the Supreme Court delivered a judgment revoking the decision of the CESTAT and consequently the demand notice by the Indian Tax Authority. Subsequently in April 2021, the Indian Tax Authority filed a request for retrial. The Supreme Court approved the request for retrial in November 2024, and remanded the case to the CESTAT. In April 2025, at the remanded trial, the CESTAT rendered a judgement that the products were exempt from taxation. However, the Indian Tax Authority appealed the judgement to the Supreme Court in February 2026. As it is currently unable to predict the final decision of the lawsuit, the Company has not recognized any provision based on the aforementioned policy.

(Contracts and Legal Compliance)
In response to a question raised that the Company's consolidated subsidiary, Optos Plc, sold refurbished products and new products without distinction, the Company conducted an internal investigation with the cooperation of the external organizations, as well as its own internal review. With respect to potential violations and breaches of legal, regulatory and contractual requirements in the United States, the Company has recorded a provision of 2,624 million yen for possible compensation, penalties or other sanction. As a result of the review conducted to date, the Company has not found any quality, sales or marketing or other issues that have caused the Company to increase the provision.

Depending on the future progress of the investigation and the Company's review, there is a possibility that its consolidated performance would be affected in case where payments to regulatory authorities and compensation to customers, etc., exceeding the above provision will occur. However, the Company is unable to reasonably estimate the potential financial impact at this stage.

In regard to any other cases, no significant impact on the Company's consolidated performance and financial position is expected at this point in time.

(Significant Subsequent Events)

Not applicable