

Q&A of Financial Results for the 2nd Quarter of the Year Ending March 31, 2026

Disclaimer

This document (Q&A of financial results) is not a verbatim transcript of the questions and answers that took place at the presentation as of November 6, 2025.

Rather, the Company has exercised its discretion in providing a summary for those who did not participate.

Also, forward-looking statements, such as performance forecasts and the like, provided in these materials are based on certain assumptions and may differ significantly from actual business results as a result of a variety of factors.

The company-wide

Q: What is your outlook for your next Medium-Term Management Plan?

A: Our next Medium-Term Management Plan will begin next fiscal year and will represent the latter half of our path toward our Vision 2030. Work has already begun, focusing on three main themes.

One is a balance between recovering short-term business performance and investing for long-term growth. To recover short-term business performance, we have already undertaken asset and business sales and implemented measures to reduce expenses. Asset sales underway include the Yokohama Plant and cross-shareholdings. An example of a business sale is the transfer of our wafer bonding technology R&D business, announced on October 31. In addition to the sale of IP (intellectual property), etc., we will contract the development and manufacturing of key modules to quickly deliver Nikon's technologies through collaboration with another company. Expense reductions will be realized through measures such as the consolidation and reorganization of our footprint overseas as well as the lowering of the breakeven point in Precision Equipment Business and Digital Manufacturing Business.

Even as we scale back in some areas, it is important that we invest in our future growth and enhancement of corporate value. As Imaging Products Business and Healthcare Business generate cash steadily, we will invest in R&D in areas with promising growth potential, such as Precision Equipment Business and Digital Manufacturing Business. Although these two businesses are underperforming today, we must prepare for rapid growth in business applications looking forward by maintaining a balance between recovering short-term business performance and investing for long-term growth.

The second theme is our business portfolio strategy. We aim to rebuild our business

portfolio at the sub-segment level, carefully discerning whether Nikon is the best owner of that business, incorporating perspectives including the customer, value proposition, and value chain.

Third is corporate culture and mindset reform. For more than 10 years, Nikon enjoyed a cash-rich position but today is in a net debt position. We aim to reform the mindset of our organization and employees to reflect the importance of increased sensitivity toward returns on capital and cash flows.

Our next Medium-Term Management Plan will reflect these themes and be announced together with our year-end financial results in May 2026.

Imaging Products Business

Q: On a year-on-year basis, Q2 (July-September) results appear to have lagged in terms of both profit amount and margin. What are the reasons for the decline?

A: Product mix changes weighed heavily on results. In the first half of last year, high-end models led sales. Beginning in the second half of last year, however, sales of mid-range models such as the Z50II increased, driving our mix toward the volume-zone models this fiscal year. As a result, sales volumes grew while ASP declined, reducing operating profit by about ¥5.0B year-on-year. Additionally, FX effects and US tariffs became headwinds of ¥0.5B and ¥1.0B, respectively.

Q: What are your insights on market conditions and your outlook?

A: Market trends show increased popularity of APS-C products over full-sized products, driven by performance improvements in APS-C models across the industry. The Chinese market, in particular, has seen an industry-wide somewhat slowdown in full-sized models that until recently had enjoyed strength. We at Nikon aim to expand market share in mid- to high-end models by delivering attractive cameras and lenses such as the “ZR,” a digital cinema camera that has garnered high marks.

Precision Equipment Business

Q: Did the 3 units of ArF immersion lithography systems you planned to sell this fiscal year get postponed into next fiscal year? What is your outlook for immersion lithography systems next fiscal year?

A: The ArF immersion lithography systems we planned for this fiscal year have been postponed into next fiscal year. Our outlook for next fiscal year includes the postponed units as well as others under negotiation.

Q: Tell us about this fiscal year's sales plan for FPD lithography systems and your projections for next fiscal year.

A: Our sales plan projects 33 units over the full year, down 2 units compared to our original plan for this fiscal year. Next fiscal year we project about 30 units.

Q: What is the situation for negotiations around FPD lithography systems for G10 panels?

A: G10 FPD lithography systems are expected to have a promising future, as the market for 65- and 75-inch panel sizes is projected to grow. Today, there are no concrete negotiations or inquiries, but we have received multiple requests for after-sales service such as performance improvements and version upgrades for systems we have already delivered.

Components Business

Q: How is the market for EUV related components?

A: We have been impacted by delays to investment plans at semiconductor device makers. As we have delivered EUV related components to an EUV inspection system maker in advance, we expect it will take some time before we see a contribution toward our business performance. Meanwhile, we are moving forward with the development of new EUV related components to align with market trends and customer needs as demand becomes increasingly diversified in the future.

Digital Manufacturing Business

Q: What are your insights on the metal 3D printer market and your outlook?

A: The market overall is projected to remain flat year-on-year, but the mid- to long-term outlook remains promising, as demand for large-format metal 3D printers remains strong in the defense, space, and energy segments. Today, we are seeing an increase in inquiries and negotiations, but there are some cases where first-time customers of large-format metal 3D printers need time to decide on implementation, so sales are falling short of plan.

Q: What is your order backlog for metal 3D printers?

A: It fluctuates quarter to quarter, but our Q2 (July to September) order intakes and order backlog are down year-on-year. Although some orders have been postponed, we are working to revenue recognize them this fiscal year.

Q: What were the reasons for the downward revision?

A: There are mainly two reasons. One, large-format metal 3D printers are experiencing a lull. Two, the competition has announced the development of rival large-format systems. The competitive landscape in large-format systems, where we had enjoyed a monopoly, is changing. We are advancing management efficiencies given the current business performance, while pursuing the development of new models to drive further growth mainly in the defense and space segments.

Q: What are your views on the risk of impairments related to Nikon SLM Solutions? One could take the view that an impairment would boost ROE. What is your thinking?

A: When we made the acquisition, the market was projected to grow at an annual rate of over 20%. More recently, however, the growth rate has slowed. We are reviewing future cash flows under the new Medium-Term Management Plan that is currently being drafted and will address the matter according to accounting standards.