

# **Q&A of Financial Results for the 3rd 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 February 5, 2026.

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: Please provide direction and numerical targets for your next Medium-Term Management Plan.**

A: The new Medium-Term Management Plan is currently under study. We are assuming a five-year term (April 2026 through March 2031). Concrete figures and other details will be announced in May, but we are expecting the plan's first year ending March 31, 2027 to be a slow start, as areas of focus such as professional video cameras and next-generation lithography systems are projected to begin ramping up earnings contributions in fiscal years 2027, 2028 and beyond.

**Q: Please tell us about the one-time costs from this fiscal year.**

A: In Q3, we recognized 92.5 billion yen in one-time costs on a company-wide consolidated basis mainly due to impairment losses in Digital Manufacturing Business. In Q4, we expect to incur about 0.6 billion yen in restructuring costs in Digital Manufacturing Business and about 4.0 billion yen in inventory write-downs in Precision Equipment Business.

**Q: After excluding one-time costs, is this fiscal year seeing operating loss in real terms? Also, please provide direction for your main businesses next fiscal year and beyond.**

A: We expect this fiscal year to result in an operating loss, regardless of the one-time costs.

Imaging Products Business is expected to trail the November forecast by 11.0 billion yen in operating profit mainly for three reasons: higher COGS due to the stronger Thai Baht, dampened growth in the Chinese market, and downward-trending sales

in the US market. Of these factors, the FX effects and deceleration in the Chinese market will continue to require close monitoring into next fiscal year.

In Precision Equipment Business, FPD Lithography Business continues to show strength as we maintain share above 50%. Although this fiscal year there will be zero ArF immersion lithography system sales, we expect a recovery in Semiconductor Lithography Business next fiscal year.

In Digital Manufacturing Business, the recent impairment losses will reduce the annual amortization, leading to an expected profitability improvement of about 3.5 billion yen annually compared to the past.

**Q: Please provide a breakdown of the company total balance of goodwill and other intangible assets.**

A: After the Q3 booking of impairment losses, the company total goodwill balance will be about 30.0 billion yen. Identifiable intangible assets amortized each period over their useful lives will amount to about 15.0 billion yen. Goodwill breaks down to about 27.8 billion yen related to Optos Plc in Healthcare Business, about 1.2 billion yen related to Avonix Imaging, Inc. in Components Business, and about 0.7 billion yen related to RED Digital Cinema, Inc. in Imaging Products Business. Identifiable intangible assets break down to about 6.0 billion yen related to RED Digital Cinema, Inc., about 5.1 billion yen related to Optos Plc, and about 3.2 billion yen related to Nikon SLM Solutions AG.

**Q: Please provide a breakdown for the 2.5 billion yen downward revision to operating profit in Others (incl. Corporate expenses, etc.).**

A: Of the 2.5 billion yen downward revision, 1.5 billion yen in expense for administration department represents costs associated with the sale of the Yokohama Plant. Although the process of the sale itself is progressing smoothly, the downward revision reflects certain expenses that exceeded initial expectations. The remaining portion of the downward revision reflects results through Q3 in other businesses and elimination of intersegment transactions.

**Imaging Products Business**

**Q: What is the impact on the business from the high memory prices?**

A: The impact of rising prices is particularly large in the Imaging Products Business and may represent a headwind next fiscal year. Internally, we are currently conducting a thorough review and cannot provide concrete impact figures right now. Nevertheless, we aim to minimize the impact on customers while we formulate sales plans that secure profits.

**Q: Please share the impact of US tariffs.**

A: We expect about 7.0 billion yen in tariff impacts on a company total basis for the full year, of which roughly 60% relates to the Imaging Products Business. In the US, the industry raised prices for the year-end holiday season, and we also undertook price increases in line with the market. In response, demand weakened temporarily, and we too were forced to increase promotional spend. As a result, the increased costs from tariffs that should have been passed on through price increases were, in effect, absorbed by promotional spend

**Digital Manufacturing Business**

**Q: Please share the background to the impairment losses and the direction for the business looking forward.**

A: Metal 3D printing is a manufacturing method that replaces traditional casting and forging methods, offering advantages such as reduced environmental impact and greater flexibility in design changes. We expect the market to continue growing going forward.

That said, since we acquired Nikon SLM Solutions, the market environment has changed in two significant ways. First, penetration in general industries has lagged expectations, resulting in lower growth rates for the overall metal 3D printing industry. Second, Chinese makers have emerged rapidly and now account for roughly 30% of the market.

Although the space and defense markets are expanding as expected, major competition have stepped up their efforts, and the competitive environment has intensified.

In light of these circumstances, we conducted a comprehensive review of our future plans and decided to recognize impairment losses.

Going forward, we aim to lower the breakeven point by implementing structural reforms, including streamlining the organization and reducing expenses, while pursuing mid-to-long-term growth mainly in the defense and space markets in regions such as the US and Europe.