



# Progress Report on Medium-Term Management Plan (FY 2022-2025)

---

Making a better world with trust and creativity

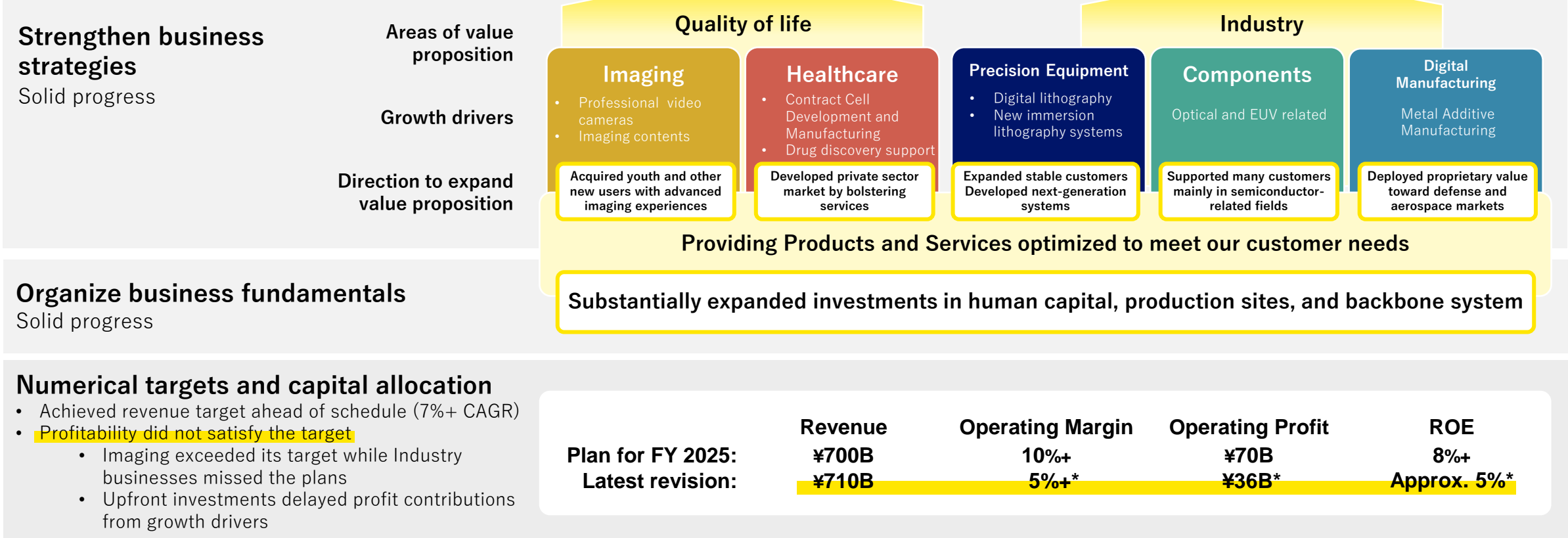
May 8, 2025

**NIKON CORPORATION**

# Final Year of the Medium-Term Management Plan toward Vision 2030

## Summary of Progress

**Vision 2030: A key technology solutions company in a global society where humans and machines co-create seamlessly**

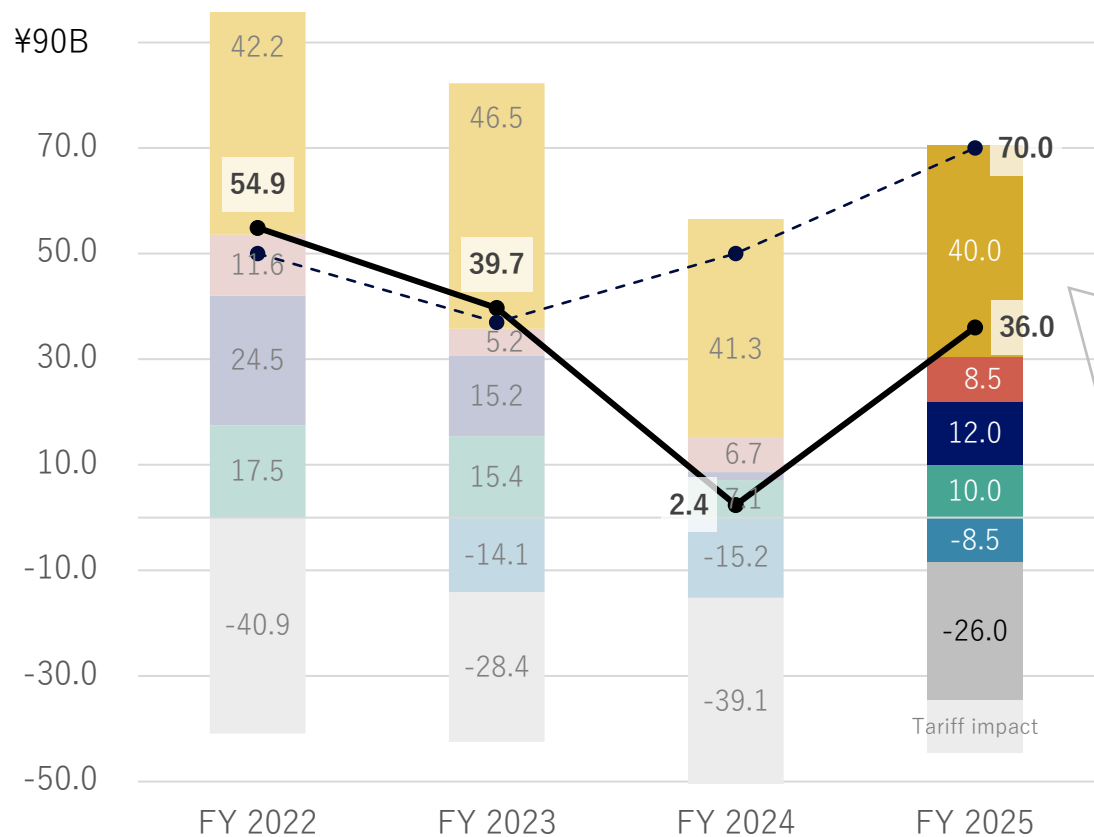


**Solid progress in business strategies and fundamentals, however, profitability improvements fell short. Advancing selective investment and rationalization of operations to achieve both short-term business performance and long-term growth**

\*The latest revision does not include the impact from US reciprocal tariffs.

# Actual and Outlook by Business (FY 2022- 2025)

## Operating Profit



## FY 2025 Revenue

(Billions of yen)

	Target	Latest outlook	
Imaging	200.0	<b>295.0</b>	▶ Market growth in mid/high-end, an area of focus for Nikon
Healthcare	90.0	<b>115.0</b>	▶ Progress made developing private sector market
Precision Equipment	260.0	<b>185.0</b>	▶ Delayed recovery in semiconductor market + reduced capital spending at existing customers
Components	139.0	<b>79.0</b>	▶ Delays to business expansion other than optical components
Digital Manufacturing	11.0	<b>33.0</b>	▶ Nikon SLM Solutions made substantial contributions (not included in original plan)
Other	0.0	<b>3.0</b>	
	<b>700.0</b>	<b>710.0</b>	

## FY 2025 Operating Profit

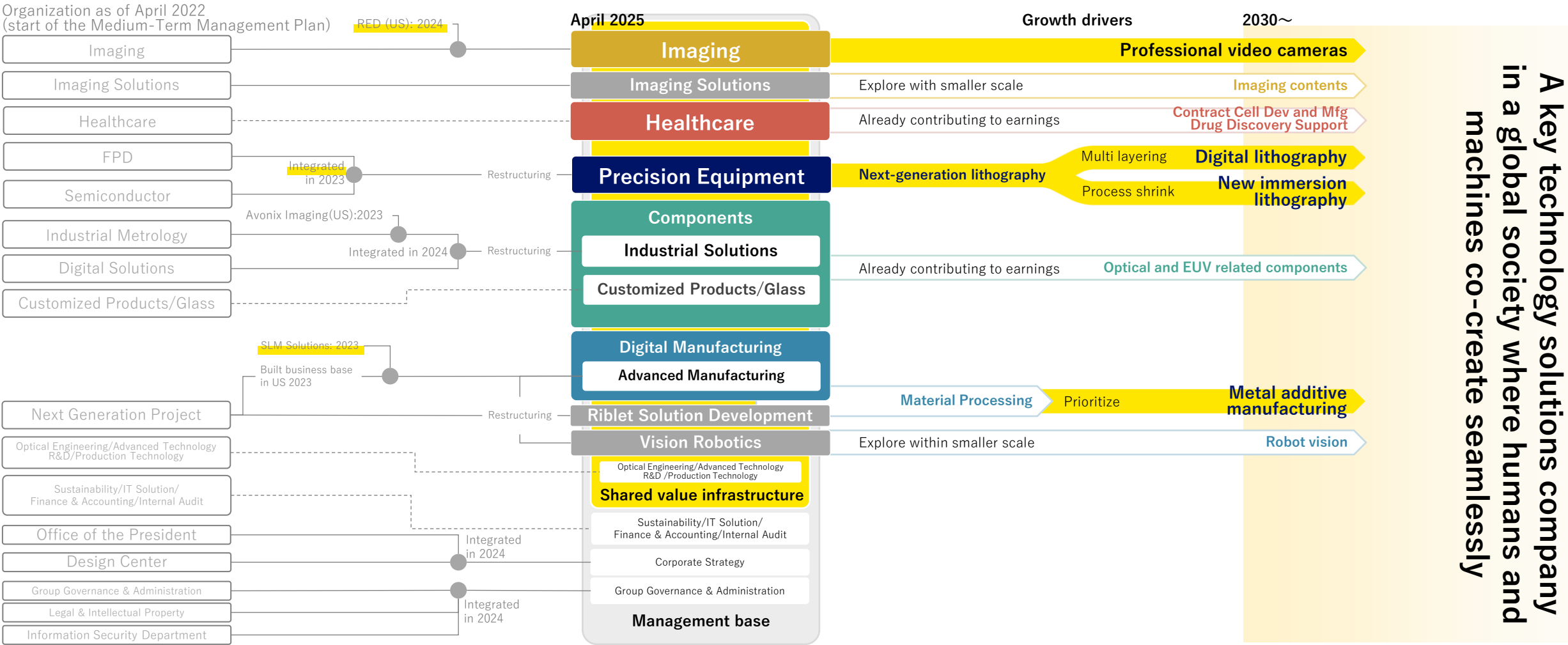
(Billions of yen)

	Target	Latest outlook	
Imaging	22.0	<b>40.0</b>	▶ Strength in professional and enthusiast mirrorless cameras and lenses
Healthcare	10.0	<b>8.5</b>	▶ Solid if eliminate ¥2.0B of one-off costs in Eye Care
Precision Equipment	36.0	<b>12.0</b>	▶ Structural reforms lowered the breakeven point. Strengthened next-generation development
Components	30.0	<b>10.0</b>	▶ Stagnant demand in semiconductor continues. Growth in industrial equipment delayed
Digital Manufacturing	4.0	<b>-8.5</b>	▶ Increased D&A burden and development investments following Nikon SLM Solutions acquisition
Corporate costs	<b>-32.0</b>	<b>-26.0</b>	▶ Restrained in investments in growth. Includes in capital gains from the sale of idle assets.
Company total operating prc	70.0	<b>36.0</b>	▶ US reciprocal tariffs could have ¥10B negative impact
Operating Margin	10.0%	<b>5.1%</b>	

**FY 2025 Outlook: Although Imaging trending upside, B2B businesses are down substantially per weak semiconductor market conditions. Undertaking business restructuring and sale of under-utilized assets to improve balance sheet**

\* Industrial Metrology Business is included within Components. Annual amortization of intangible assets resulting from Nikon SLM Solutions acquisition is ¥3.6B.

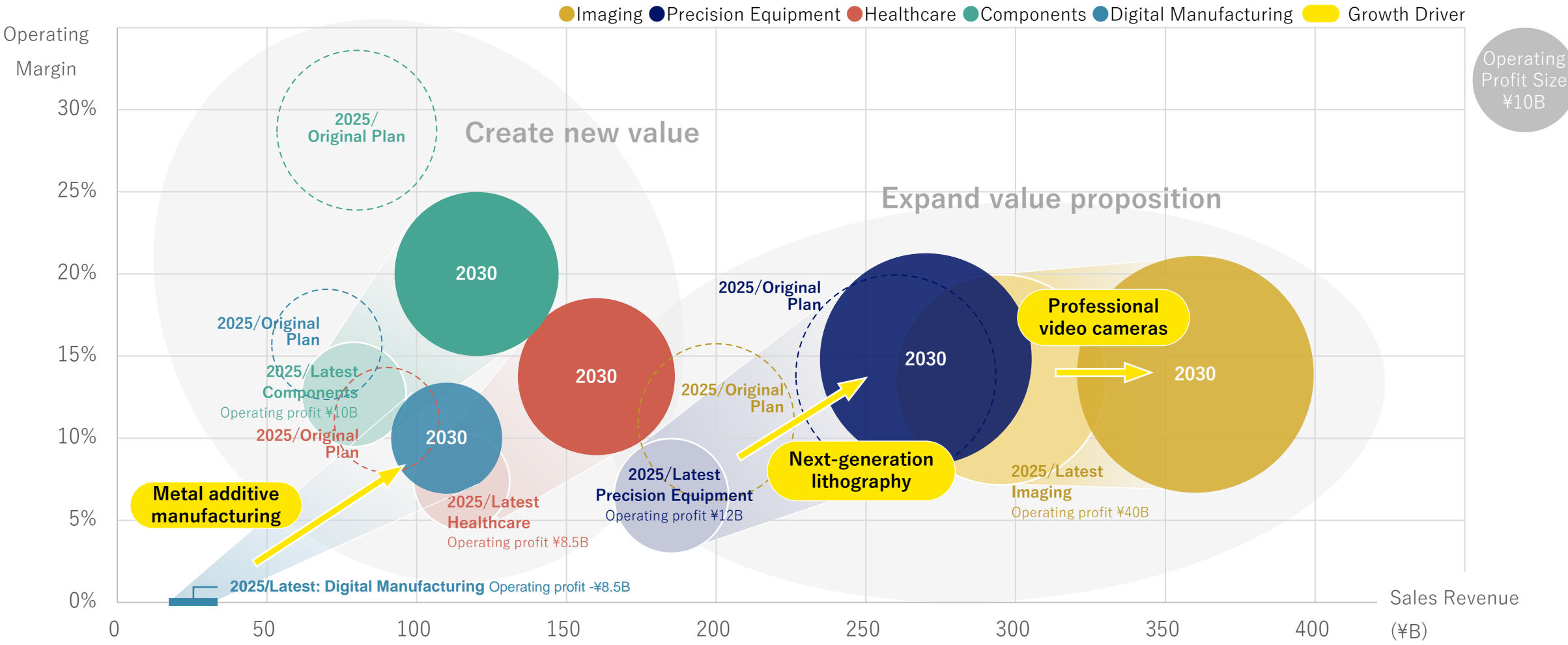
# Concentrating Management Resources on Focus Areas Looking out to 2030



A key technology solutions company in a global society where humans and machines co-create seamlessly

Strengthened focus on 'Professional video cameras', 'Next-generation lithography', and 'Metal Additive Manufacturing'

# Mid/Long-term Revenue Portfolio



**Aiming for 1 trillion yen in revenue and 10%+ operating margin in 2030 through enhanced value proposition**

\* FY25/Original Plan data is expressed using former segmentation. Figures expressed here do not include corporate costs (FY 25 -¥26B). Targets for 2030 to be officially decided in March 2026.

# Initiatives Aimed at Earnings Expansion: Quality of Life

## Increased customer acquisition

## Expanded value proposition

### Imaging

- Expanding youth and other new users leveraging the support from core fans in the strong market for mid/high-end models (from 3.0 to 4.5+ million units per year)
- Capture professional video customers through acquisition of RED (US)

- Deploy Z9's advanced functionality and expand body lineup
- Introduce 50+ lenses enabling new forms of image expression
- Strengthen applications and service leveraging cloud service
- RED (US) and Nikon complement each other's strengths to create synergy

### Healthcare

- Reach 50%+ private sector sales in biological microscopes (Private sector makes up 70% of the market)
- Collaborate broadly with customers from big pharma to regenerative medicine ventures in Contract Cell Development and Manufacturing

- Provide system microscopes that contribute greatly toward clinical and R&D
- Establish R&D centers in Japan and US to strengthen R&D structure. Expand applications and promote pathology diagnosis DX.

Increase customer acquisition through new customer development, collaboration and M&A.  
Refine value proposition and expand earnings

# Initiatives Aimed at Earnings Expansion: Industry

## Increased customer acquisition

## Expanded value proposition

### Precision Equipment

- FPD: Gen 6 and Gen 8 systems acquired top share with its high definition and productivity supported by our major customers
- Semi: Expanded stable customer base in Japan and Asia

- Launching digital lithography for semiconductor back-end processes in FY2026
- In Semi, with streamlining production and support infrastructure, a joint development rolled out with major semiconductor manufacturer for the development of new immersion platform to pursue compatibility and productivity

### Components

- Acquired 30+ customers predominantly in optical component for semiconductor industry
- Leverage Avonix Imaging(US) acquisition to expand X-ray and CT inspections customers in aerospace market under accelerated growth

- Built integrated supply regime across end products, service and components through business integration
- Undertaking structural reforms in the Industrial Solutions Business, re-organizing business infrastructure and frameworks aimed at improving profitability

### Digital Manufacturing

- Obtained 150+ customers with SLM acquisition
- Leveraged US footprint to make full entry into defense and aerospace markets, and centered on the large format systems, receiving growth outpacing the market

- Achieved printing of large-scale parts with high-speed, high-precision metal 3D printers
- Leveraged application development subsidiary to expand metal additive manufacturing business in line with customer needs

**Increased customer acquisition through new customer development, collaboration and M&A.  
In parallel, undertaking structural reforms to refine value proposition**

# Strengthen Business Fundamentals

## Continued Reinforcement

### Human capital management

Acquire, develop and leverage next-generation talent to collaborate with customers

#### Progress

- Acquired **600+ people 3 years in a row**
- Enhanced management talent development plan

#### Path forward

- Strengthened support for early settlement and utilization of new grads and mid-career hires
- Develop solution architects

### Sustainability strategy

Contribute to society through Creativity

#### Progress

##### Overall

- Maintain high marks from third-parties and launch products that solve challenges to society

##### Environmental strategy

(Figures are FY24 projections)

- Use of renewable energy: 70% of total**
- Greenhouse gas reduction: 69% (vs. FY13)

##### External evaluations



**Dow Jones Best-in-Class World Index**

\* THE USE BY NIKON CORPORATION OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF NIKON CORPORATION BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

## Needs to be focused on

### DX with a focus on customers and employees

Connect digitally with customers and data and convert to new value

#### Progress

- Began renewal of backbone system (**Invest ¥30B out to 2030**)
- Launched integrated B2B website in Japan

#### Path forward

- Continue to renew backbone system
- Work efficiencies leveraging generative AI

### Manufacturing

Organize production footprint to support all businesses

#### Progress

Rolled out measures in line with plans to reorganize our production footprint and added production capacity in components

#### Path forward

Address aging production facilities and move solidly toward a production structure that flexes with fluctuation in demand (**Invest ¥100B out to 2030**)

### Executive management

Bolster of Governance of group companies  
Organize global compliance regime

#### Progress

Consolidated governance, risk management, and compliance functions

#### Path forward

Bolster global governance by re-organizing second- and third-line functions at Regional Headquarters



# Overview of the Medium-term Management Plan

**Vision 2030: A key technology solutions company  
in a global society where humans and machines co-create seamlessly**



Enrich peoples' lives  
**Quality of Life**

Expand possibilities for people  
**Industry**

**Sustainability strategy**

**Infrastructure strategy**

**Capital strategy**

**Business**  
Contributions to society through business activities

**Governance**  
Strengthen executive management

**Society and Labor**  
Respect human rights and DEI

**Environment**  
Promotion of environmental measures

**Bolster value proposition**

**Deploy differentiated ultra-high-precision applied optics technologies into promising markets**

**Human capital management, manufacturing and DX**

**Three pillars of Nikon's value proposition (technologies, brand, stakeholders)**

SLM and RED acquisitions aimed at sustainable growth

Reorganize our footprint and structures, select and concentrate R&D to optimize customer collaboration

Strengthen development of next-generation talent  
Expand investments into manufacturing and DX

Strong focus on stable shareholder returns

## A key technology solutions company in a global society where humans and machines co-create seamlessly

Nikon will provide innovative technology solutions that anticipate and meet our global customer needs and contribute to a better sustainable world where humans and machines co-create seamlessly to solve societal challenges





# Imaging: Status of Business Operations

Quality of life

## Vision

Expand the possibilities of visual expression and acquire overwhelming support from all generations of fans around the world

Earnings plan	Achieve revenues of ¥200B and operating profit margin of 10% on a stable basis				
		FY 22	FY 23	FY 24	FY 25 Outlook
	Revenue	¥227.1B	¥279.7B	¥295.3B	¥295.0B
	Operating Profit	¥42.2B	¥46.5B	¥41.3B	¥40.0B

### Progress in FY 24

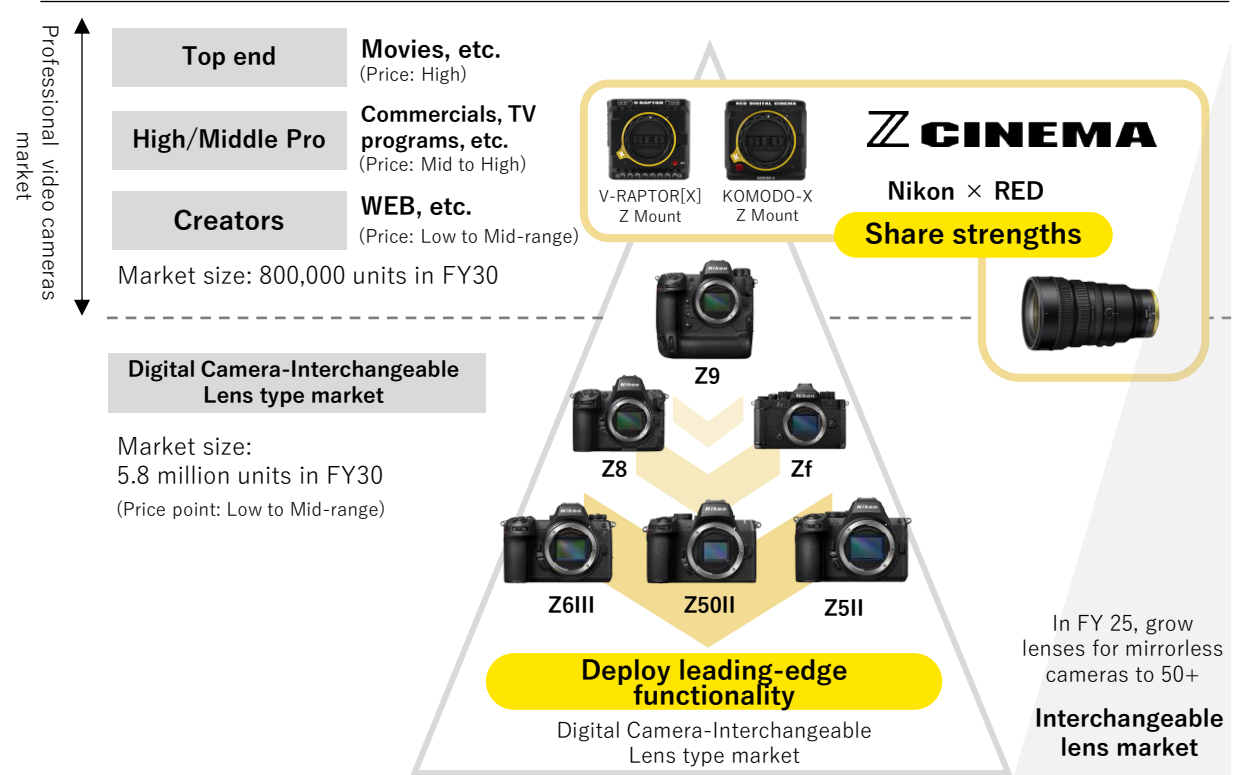
#### ■ Increased customer acquisition

- Expand youth and other new users leveraging support from core fans in the strong market for mid/high-end models (from 3.0 to 4.5+ million units per year)
- Share strengths with RED and acquire professional video customers
- Studios are expanding order-taking across a wide range of contents leveraging the latest imaging technologies

#### ■ Expanded value proposition

- Further deploy leading-edge functionality from the Z9 to enhance customer experience across a broad range of fans, from professionals to beginners, and expand the mirrorless camera lens lineup to about 45 lenses
- Leverage RED to begin selling Nikon Z-mount products aimed at accessing film-making, high-end video production and creators' markets
- Strengthen applications and services leveraging the cloud service

### Business strategy



Aiming to expand market share and secure stable earnings in mid/high-end market by deploying leading-edge functionality and strengthening video strategy

\*Market size information comprises Nikon estimates based on data available in FY 24. RED(US) was set to become a wholly owned subsidiary in April 2024.



## Vision

Support improving quality of life for people through innovation

Earnings plan	Grow operating profit to ¥10B in 2025			
		FY 22	FY 23	FY 24
Revenue	¥99.3B	¥107.8B	¥116.4B	¥115.0B
Operating Profit	¥11.5B	¥5.3B	¥6.7B	¥8.5B

### Progress in FY 24

#### ■ Increased customer acquisition

- Expand sales of biological microscopes to 50%+ of total revenue by developing the private sector, which comprises 70% of the market
- In Contract Cell Development and Manufacturing, support a broad range of customer projects from big pharma to regenerative medicine ventures

#### ■ Expanded value proposition

- Currently, biological microscopes account for almost 60% of sales. Grow high-priced system microscopes to 70%+ of biological microscopes to reach stable revenues of ¥100B
- Eye Care contributes to early discovery, treatment and prevention of ailments through our proprietary ultra-wide-angle retinal camera
- In drug discovery support service, establish R&D centers in Japan and US, strengthen our R&D structure, expand applications and promote pathology diagnosis DX.

## Business strategy

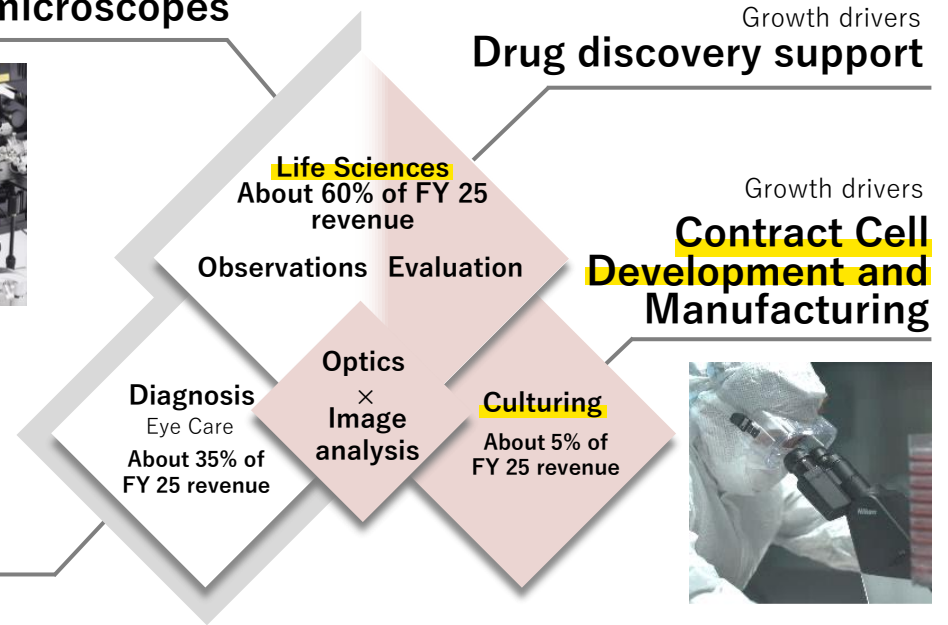
Support customer innovation through value propositions that extend from our core technologies

### Biological microscopes



**Retinal diagnostic imaging systems**

Nikon × Optos



Aiming to reach stable achievement of ¥100B revenue and ¥10B operating profit

# Precision Equipment: Status of Business Operations

## Vision

Continue delivery of innovative solutions to customers and support a digital society

Earnings plan	Secure stable operating profit of ¥30B+ (Operate across both FPD and Semiconductor)				
		FY 22	FY 23	FY 24	FY 25 Outlook
	Revenue	¥203.2B	¥219.3B	¥201.9B	¥185.0B
	Operating Profit	¥24.5B	¥15.1B	¥1.5B	¥12.0B

### Progress in FY 24

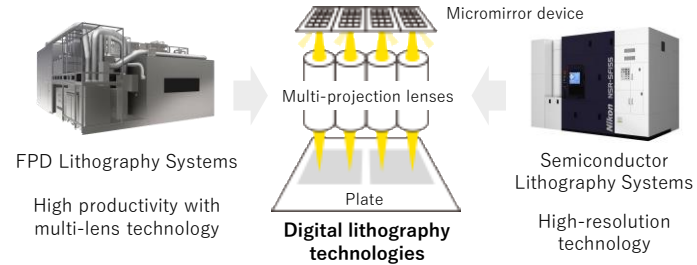
#### ■ Increased customer acquisition

- FPD: For G6 and G8, won deals with many customers and projects
- Semiconductor: Expanding stable customer base in Asia including Japan

#### ■ Expanded value proposition

- FPD: Improve profitability with expanded sales of new model for high definition and productivity
- Digital lithography: In FY2026, launch a direct-writing system optimal for data center applications where substrates are getting larger and wiring finer, leveraging digital lithography's ability to achieve high resolution over large surface areas
- Semiconductor: Advance joint development with a major semiconductor manufacturer for new ArF immersion lithography system platform targeted to improve compatibility and productivity
- Services: Expand earnings with value-added work from relocations to performance upgrades

### Business strategy



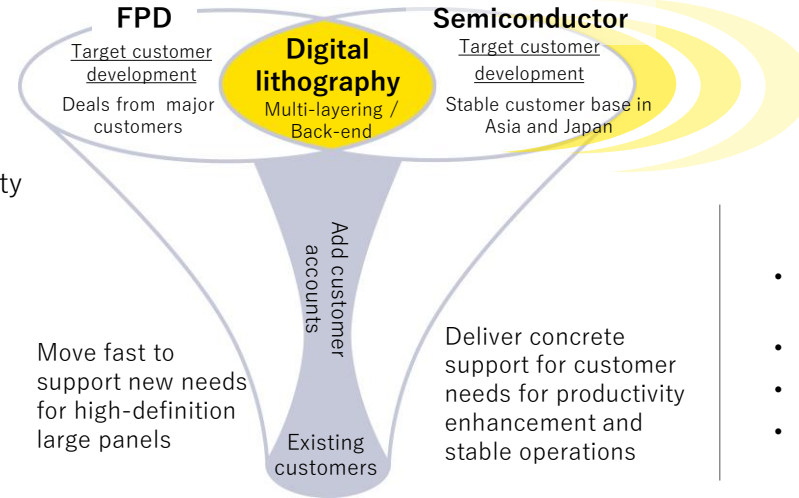
### Develop new immersion lithography system

**ArF immersion lithography system series**

Process Shrink / Front-end



- Joint development with a major semiconductor manufacturer
- New platform
- System compatibility
- Improved productivity



Strengthening competitiveness through collaboration with a major customer aiming to achieve further expansion of customer base

# Components: Status of Business Operations

## Vision

Grow together with customers as we support their innovation

Earnings plan	Get to ¥20B+ in operating profit by doubling revenues				
		FY 22	FY 23	FY 24	FY 25 Outlook
	Revenue	¥53.0B	¥85.9B	¥74.1B	¥79.0B
	Operating Profit	¥22.0B	¥15.1B	¥7.1B	¥10.0B

### Progress in FY 24

#### ■ Increased customer acquisition

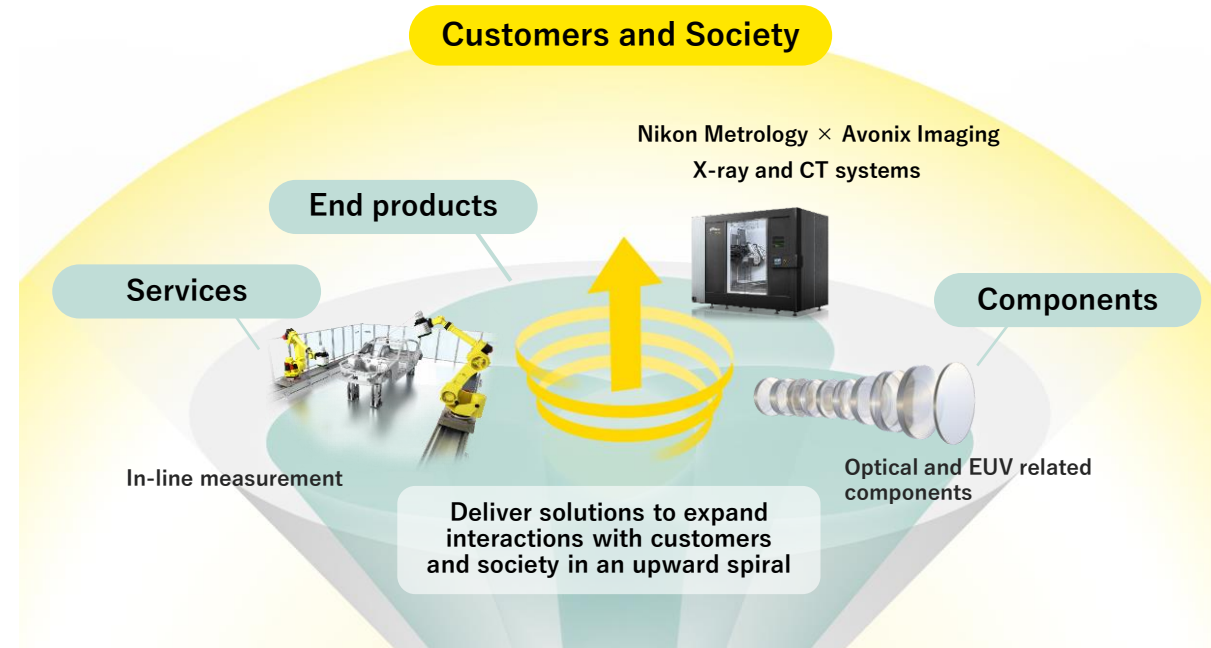
- In optical components, making progress mainly in Japan to win customers in fields related to semiconductors. Also, strengthening overseas with business integration
- In X-ray & CT systems, expand sales in the US mainly in the aerospace market

#### ■ Expanded value proposition

- Making progress winning adoption of future products such as optical components, EUV related components and encoders that support the expanding needs for advanced applications
- In industrial metrology system, strengthened the product lineup of large-format X-ray & CT systems and contract inspection services leveraging the strengths of Avonix Imaging, which was acquired in 2023.

## Business strategy

Deliver optimal solutions through a broader range of delivery methods



Advance the delivery of solutions integrated across end products, services and components

\* FY22 data is expressed using former segmentation

Vision

Enable innovation in manufacturing with applied optics application technologies

Earnings plan	Leverage alliances to get to 10%+ annual revenue growth				
		FY 22	FY 23	FY 24	FY 25 Outlook
Revenue		¥42.0B	¥21.0B	¥23.3B	¥33.0B
Operating Profit		-¥10.1B	-¥14.0B	-¥15.2B	-¥8.5B

Progress in FY 24





■ Increased customer acquisition

- In metal additive manufacturing, leverage our US base of operations in the world's largest market to deliver industry-leading solutions and services focused on the defense and aerospace markets
- In Robot Vision, developed systems that provide robot arms with brains as well as sight of moving items, delivery started to major automotive companies for process automation

■ Expanded value proposition

- With our footprint in Japan and US, leverage our manufacturing and engineering services capabilities to accelerate customer adoption of metal additive manufacturing anchored to Nikon solutions in growing defense and space applications in U.S. and Asia
- In our JAXA Space Strategy Fund Business, aim to establish precision parts designed for metal additive technology in large-format for rockets by combining technologies from Nikon and Nikon SLM Solutions

Business strategy

	 Additive processing	 Subtractive processing	 Riblet processing	 Robot vision
<b>Defense</b>	●			
<b>Aerospace</b>	●		●	
<b>Energy</b>	●		●	
<b>Automotive</b>	●			●
<b>Precision Equipment and Semiconductor</b>		●		

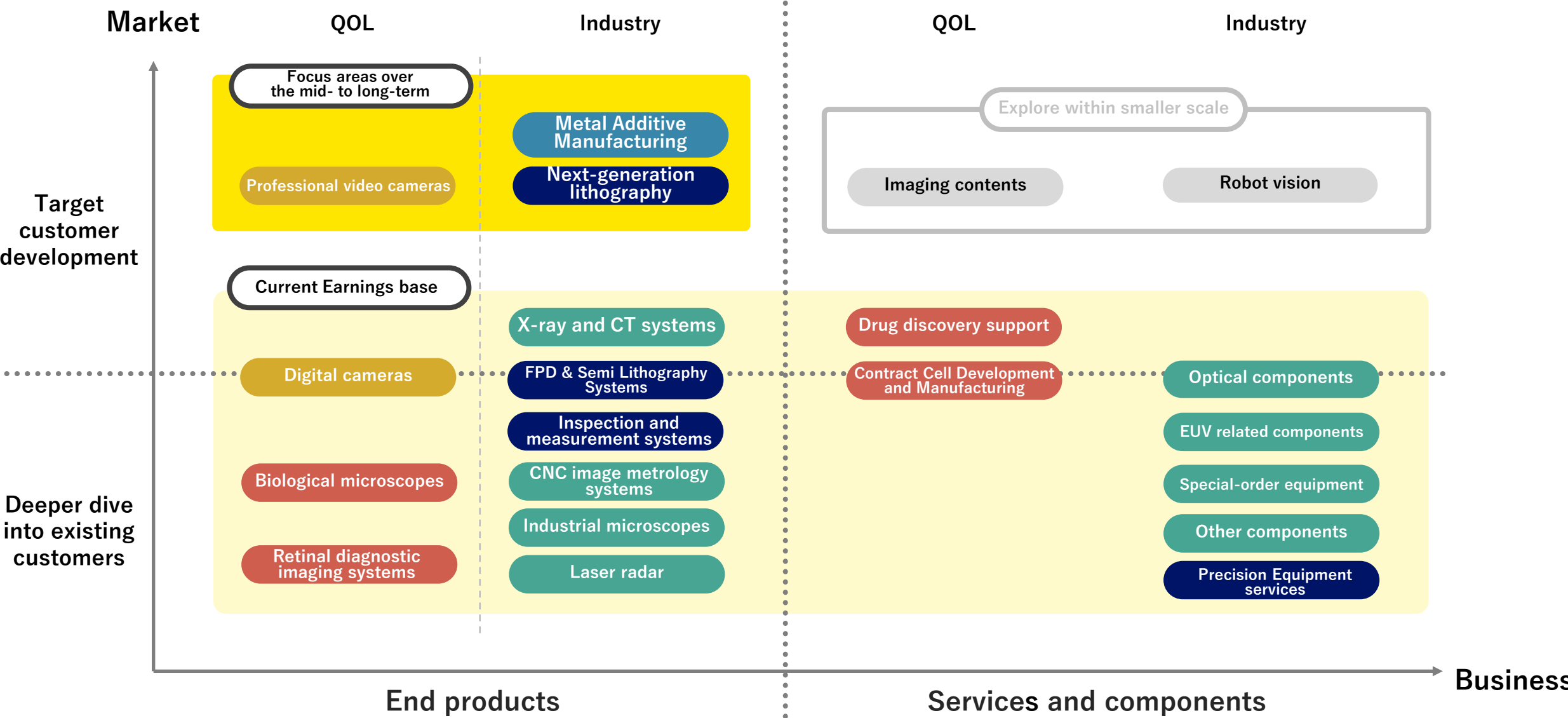
Explore with narrowed scope

Nikon SLM Solutions to be profitable on standalone basis in FY25 and clarifying the order of priorities around long-term growth investments

\* JAXA = Japan Aerospace Exploration Agency. FY22 data is expressed using former segmentation. Subtractive processing, Riblet processing and Robot vision are recorded in the companywide expenses.



# Identify Promising Markets and Grow through “Target Customer Development”



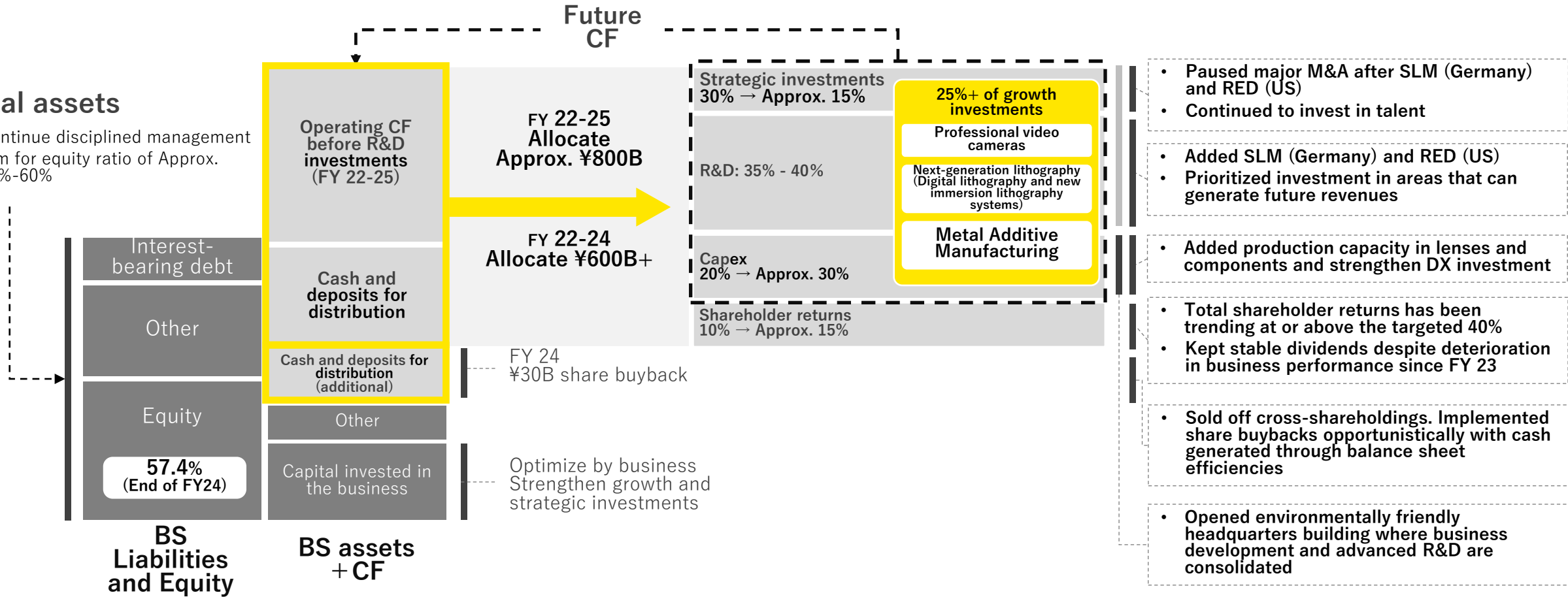
\* Subsegment colors correspond to business listed to the right ● Imaging ● Healthcare ● Precision Equipment ● Components ● Digital Manufacturing ● Management base

# Capital Allocation

Promote both investment in sustained growth and strengthening of shareholder returns

## Total assets

- Continue disciplined management
- Aim for equity ratio of Approx. 55%-60%



Enhance both growth investment and shareholder returns based on a medium- to long-term direction



# Disclaimer Regarding Forecast and Projections

Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account.

The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.

