

Consolidated Financial Results for the Six Months Ended September 30, 2025 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

Representative: Toshikazu Umatate, Representative Director, Chairman, CEO

Contact: Takeshi Matsumoto, Corporate Vice President, CFO and General Manager of Finance & Accounting

TEL: +81-3-6743-5181

URL: <https://www.nikon.com>

Scheduled date to file semi-annual securities report: November 6, 2025

Scheduled date to commence dividend payments: December 2, 2025

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 Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Total Comprehensive Income for the Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	312,915	(6.0)	(4,829)	—	(5,265)	—	5,356	80.7	23,515	—
Six months ended September 30, 2024	332,779	0.4	5,817	(57.3)	4,454	(70.8)	2,963	(69.8)	(10,830)	—

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Six months ended September 30, 2025	16.28	16.20
Six months ended September 30, 2024	8.55	8.51

(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
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2025	1,154,208	654,624	653,356	56.6
As of March 31, 2025	1,110,514	639,223	637,977	57.4

2. Dividends

	Dividend per Share				
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	25.00	—	25.00	50.00
Fiscal year ending March 31, 2026	—	25.00			
Fiscal year ending March 31, 2026 (Planned)			—	25.00	50.00

Note: Revision of cash dividend forecast from the latest announcement: None

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(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
Fiscal year ending March 31, 2026	680,000	(4.9)	14,000	478.1	16,000	253.0	20,000	226.6	60.78

Note: Revision of forecast from the latest announcement: None

4. Others

(1) Significant Changes in the Scope of Consolidation during the Period: None

(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 September 30, 2025 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 September 30, 2025 4,423,856 shares

As of March 31, 2025 4,757,522 shares

3. Average number of shares during the period (cumulative total):

Six months ended September 30, 2025 329,040,213 shares

Six months ended September 30, 2024 346,562,177 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an auditing firm.

* Appropriate use of business forecasts; other special items

Performance forecasts and other forward-looking statements included in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

Contents

1. Performance and Financial Position	4
(1) Qualitative Information on Consolidated Operating Results	4
(2) Qualitative Information on Consolidated Financial Position	5
(3) Qualitative Information on Consolidated Financial Forecast	6
2. Semi-annual Condensed Consolidated Financial Statements	7
(1) Semi-annual Condensed Consolidated Statement of Financial Position	7
(2) Semi-annual Condensed Consolidated Statements of Profit or Loss and Comprehensive Income	9
(3) Semi-annual Condensed Consolidated Statement of Changes in Equity	11
(4) Semi-annual Condensed Consolidated Statement of Cash Flows	13
(5) Notes to Semi-annual Condensed Consolidated Financial Statements	14
(Going Concern Assumption)	14
(Segment Information)	14
(Revenue)	17
(Gain on the Sale of Business)	18
(Restructuring Costs)	18
(Contingent Liabilities)	19

1. Performance and Financial Position

(1) Qualitative Information on Consolidated Operating Results

During the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025), 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 was 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 showed signs of recovery in the market conditions, particularly in Europe and the United States.

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 led 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 is making progress in its business and improving its management base. In the fiscal year ending March 31, 2026, we released the digital cinema camera ZR, which combines the technologies of the Company and its subsidiary RED Digital Cinema, Inc. in the Imaging Products Business. In the Precision Equipment Business, we began accepting orders for the Digital Lithography System DSP-100, our first product designed for back-end semiconductor manufacturing processes. Although our growth drivers are developing steadily, we are facing challenges in improving profitability as the financial results fell short of our projections. In parallel with enhancing our business strategies, we are taking steps to integrate and reorganize our bases in Japan and overseas and improve our balance sheet efficiency.

Under these circumstances, during the six months ended September 30, 2025, revenue decreased 19,864 million yen (6.0%) year on year to 312,915 million yen, operating loss was 4,829 million yen (compared with operating profit of 5,817 million yen in the same period of the previous fiscal year), and loss before tax was 5,265 million yen (compared with profit before tax of 4,454 million yen in the same period of the previous fiscal year). Meanwhile, profit attributable to owners of parent increased 2,393 million yen (80.7%) year on year to 5,356 million yen. This was due to the recording of deferred tax assets and income taxes-deferred on deductible temporary differences associated with the resolution to dissolve and liquidate Nikon Metrology NV, a consolidated subsidiary of the Company.

Performance by segment is as follows.

In the Imaging Products Business, sales of mirrorless cameras, centered on models such as the Z5II and Z50II, as well as interchangeable lenses remained strong, with increases in unit sales. However, the business segment recorded year-on-year decreases in both revenue and profit due partly to a decline in average selling prices caused by changes in the product mix, as well as to foreign exchange effects and the impact of tariffs. As a result, this business segment recorded revenue of 145,037 million yen (down 4.4% year on year) and operating profit of 15,143 million yen (down 47.5% year on year).

In the Precision Equipment Business, the product mix in sales was improved in the FPD lithography systems field, whereas unit sales of ArF immersion lithography systems decreased in the semiconductor lithography system field. Despite a decrease in revenue, the business segment as a whole recorded a year-on year increase in profit due to the recording of gain on the sale of the R&D business related to semiconductor wafer bonding technology and the effects of structural reforms in the semiconductor lithography systems business implemented in the previous fiscal year. As a result of these factors, this business segment recorded revenue of 69,886 million yen (down 14.3% year on year) and operating profit of 3,044 million yen (up 222.6% year on year).

In the Healthcare Business, the life science solutions field was adversely affected by sluggish market conditions in the Americas. This, combined with tariff impacts in the life science solutions and eye care solutions fields, led to the business segment as a whole recording year-on-year decreases in both revenue and profit. As a result of these factors, this business segment recorded revenue of 51,218 million yen (down 7.1% year on year) and operating profit of 340 million yen (down 73.8% year on year).

In the Components Business, the Industrial Solutions Business recorded robust sales of Video Measuring Systems for electronic components and semiconductors, large-size X-ray and CT inspection systems, and optical parts and optical components. Combined with the effects of structural reforms related to the Industrial Metrology Business implemented in the previous fiscal year, the Industrial Solutions Business recorded year-on-year increases in both revenue and profit. The Customized Products Business, which also belongs to this business segment, recorded year-on-year increases in both revenue and profit as sales of non-EUV-related components remained strong although sales of EUV-related components were adversely affected by a slowdown in the EUV-related markets. As a result of these factors, this business segment as a whole recorded revenue of 35,139 million yen (up 15.4% year on year) and operating profit of 5,281 million yen (up 255.4% year on year).

In the Digital Manufacturing Business, the Group recorded a year-on-year decrease in revenue due to a decline in unit sales of large-size equipment. In addition, operating loss increased due to higher costs such as research and development expenses and transportation-related expenses. As a result, this business segment recorded revenue of 9,826 million yen (down 16.2% year on year) and operating loss of 8,963 million yen (compared with operating loss of 6,444 million yen in the same period of the previous fiscal year).

(2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of September 30, 2025 increased by 43,694 million yen from the end of the previous fiscal year to 1,154,208 million yen. This was mainly due to increases of 31,140 million yen in inventories, 12,862 million yen in property, plant and equipment, right-of-use assets, goodwill and intangible assets, and 9,327 million yen in deferred tax assets, despite a decrease of 14,571 million yen in trade and other receivables.

The balance of total liabilities as of September 30, 2025 increased by 28,294 million yen from the end of the previous fiscal year to 499,585 million yen. This was mainly due to increases of 29,928 million yen in bonds and borrowings and 7,384 million yen in advances received, despite decreases of 4,978 million yen in trade and other payables, and 1,915 million yen in other financial liabilities.

The balance of total equity as of September 30, 2025 increased by 15,401 million yen from the end of the previous fiscal year to 654,624 million yen. This was mainly due to an increase of 15,788 million yen in other components of equity primarily as a result of an increase in exchange differences on translation of foreign operations, despite a decrease of 953 million yen in retained earnings primarily as a result of net of appropriation of dividends from retained earnings.

During the six months ended September 30, 2025, for the cash flows from operating activities, net cash of 5,416 million yen was used (38,473 million yen provided in the same period of 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 provisions, and income taxes paid, despite the recording of depreciation and amortization of 21,222 million yen and a decrease in trade and other receivables.

For the cash flows from investing activities, net cash of 17,622 million yen was used (38,768 million yen used in the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets of 27,474 million yen, despite proceeds from sale of investment securities of 7,082 million yen and proceeds from sale of businesses of 3,000 million yen.

For the cash flows from financing activities, net cash of 17,439 million yen was provided (10,718 million yen used in the same period of the previous fiscal year). This was mainly attributable to a net increase in short-term borrowings of 20,905 million yen and proceeds from long-term borrowings of 10,000 million yen, despite cash dividends paid of 8,218 million yen and repayments of lease liabilities of 3,866 million yen.

As a result of an increase of 2,642 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 September 30, 2025 decreased by 2,957 million yen from the end of the previous fiscal year to 160,633 million yen.

(3) Qualitative Information on Consolidated Financial Forecast

Regarding the business environment for the fiscal year ending March 31, 2026, in the Imaging Products Business, although the digital camera market is expected to remain solid in the medium to long term, the product mix is currently shifting downward. In addition, price increases resulting from tariff effects are having an impact, and certain growing markets are showing signs of losing momentum.

In the Precision Equipment Business, capital investments for mid-to-small size panels in the field related to FPDs remained firm, while in capital investments for large-size panels, growth in the organic LED market is expected. Meanwhile, we expect that the fields related to semiconductors will recover in the fiscal year ending March 31, 2027 or later.

In the Healthcare Business, we need to continue to closely monitor changes in market conditions and customer behavior against the backdrop of political and economic trends in each country in the life science solutions and eye care solutions fields.

In the Components Business, both the semiconductor-related markets and the factory automation market in the Industrial Solutions Business are expected to show a recovery trend. Meanwhile, the Customized Products Business will likely continue to be affected by a slowdown in EUV-related markets.

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

The consolidated financial forecasts for the year ending March 31, 2026 have been revised as stated in the “Notice Regarding the Revision of the Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026” announced on October 31, 2025.

2. Semi-annual Condensed Consolidated Financial Statements

(1) Semi-annual Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025	Changes
ASSETS			
Current assets			
Cash and cash equivalents	163,590	160,633	(2,957)
Trade and other receivables	125,441	110,870	(14,571)
Inventories	307,533	338,672	31,140
Other current financial assets	3,116	2,295	(822)
Other current assets	20,540	27,040	6,499
Total current assets	620,220	639,509	19,289
Non-current assets			
Property, plant and equipment	146,473	150,500	4,026
Right-of-use assets	18,752	19,223	472
Goodwill and intangible assets	165,462	173,826	8,364
Retirement benefit asset	13,998	14,691	693
Investments accounted for using equity method	10,068	11,997	1,929
Other non-current financial assets	76,111	75,617	(494)
Deferred tax assets	58,614	67,940	9,327
Other non-current assets	817	905	88
Total non-current assets	490,294	514,699	24,406
Total assets	1,110,514	1,154,208	43,694

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	82,200	77,222	(4,978)
Bonds and borrowings	71,413	106,593	35,180
Income taxes payable	5,474	4,076	(1,398)
Advances received	68,157	75,541	7,384
Provisions	5,756	4,298	(1,457)
Other current financial liabilities	31,814	29,581	(2,234)
Other current liabilities	40,731	40,776	45
Total current liabilities	305,545	338,087	32,542
Non-current liabilities			
Bonds and borrowings	122,157	116,905	(5,252)
Retirement benefit liability	7,897	8,462	565
Provisions	6,521	6,602	81
Deferred tax liabilities	11,347	11,053	(294)
Other non-current financial liabilities	13,480	13,799	319
Other non-current liabilities	4,345	4,677	332
Total non-current liabilities	165,746	161,498	(4,248)
Total liabilities	471,291	499,585	28,294
EQUITY			
Share capital	65,476	65,476	—
Treasury shares	(7,761)	(7,216)	544
Other components of equity	67,147	82,934	15,788
Retained earnings	513,115	512,162	(953)
Equity attributable to owners of parent	637,977	653,356	15,379
Non-controlling interests	1,246	1,268	22
Total equity	639,223	654,624	15,401
Total liabilities and equity	1,110,514	1,154,208	43,694

(2) Semi-annual Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

Semi-annual Condensed Consolidated Statement of Profit or Loss

	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)		Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		Changes
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)
Revenue	332,779	100.0	312,915	100.0	(19,864)
Cost of sales	(180,709)	(54.3)	(181,689)	(58.1)	(980)
Gross profit	152,070	45.7	131,226	41.9	(20,844)
Selling, general and administrative expenses	(146,495)		(137,499)		8,996
Other operating income	1,325		4,312		2,987
Other operating expenses	(1,084)		(2,868)		(1,784)
Operating profit (loss)	5,817	1.7	(4,829)	(1.5)	(10,646)
Finance income	2,976		3,352		376
Finance costs	(5,705)		(5,744)		(38)
Share of profit of investments accounted for using equity method	1,366		1,954		588
Profit (loss) before tax	4,454	1.3	(5,265)	(1.7)	(9,719)
Income tax expense	(1,465)		10,647		12,112
Profit for the period	2,988	0.9	5,382	1.7	2,393
Profit attributable to:					
Owners of parent	2,963	0.9	5,356	1.7	2,393
Non-controlling interests	25		26		1
Profit for the period	2,988	0.9	5,382	1.7	2,393
Earnings per share:					
Basic earnings per share (Yen)	8.55		16.28		
Diluted earnings per share (Yen)	8.51		16.20		

Semi-annual Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)	Changes
Profit for the period	2,988	5,382	2,393
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	(3,488)	6,359	9,847
Share of other comprehensive income of investments accounted for using equity method	(2)	3	5
Total of items that will not be reclassified subsequently to profit or loss	(3,489)	6,362	9,852
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(10,561)	11,669	22,229
Effective portion of cash flow hedges	283	4	(280)
Share of other comprehensive income of investments accounted for using equity method	(52)	99	151
Total of items that may be reclassified subsequently to profit or loss	(10,329)	11,772	22,101
Other comprehensive income, net of taxes	(13,819)	18,134	31,952
Total comprehensive income for the period	(10,830)	23,515	34,346
Comprehensive income attributable to:			
Owners of parent	(10,818)	23,452	34,270
Non-controlling interests	(13)	63	76
Total comprehensive income for the period	(10,830)	23,515	34,346

(3) Semi-annual Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Gain (loss) on financial assets measured at fair value through other comprehensive income	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 for the period	—	—	—	—	—
Other comprehensive income	—	—	—	(3,475)	(54)
Total comprehensive income for the period	—	—	—	(3,475)	(54)
Dividends	—	—	—	—	—
Purchase and disposal of treasury shares	—	(0)	(1)	—	—
Share-based payment transactions	—	(165)	281	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(2,789)	—
Total transactions with owners	—	(165)	280	(2,789)	—
As of September 30, 2024	65,476	732	(7,017)	12,700	(1,111)

As of April 1, 2025	65,476	—	(7,761)	11,909	(929)
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	6,336	102
Total comprehensive income for the period	—	—	—	6,336	102
Dividends	—	—	—	—	—
Purchase and disposal of treasury shares	—	(0)	(1)	—	—
Share-based payment transactions	—	(416)	546	—	—
Transfer from retained earnings to capital surplus	—	416	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(2,309)	—
Total transactions with owners	—	—	544	(2,309)	—
As of September 30, 2025	65,476	—	(7,216)	15,936	(827)

(Millions of yen)

(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 for the period	—	—	—	2,963	2,963	25	2,988
Other comprehensive income	(10,535)	283	(13,781)	—	(13,781)	(38)	(13,819)
Total comprehensive income for the period	(10,535)	283	(13,781)	2,963	(10,818)	(13)	(10,830)
Dividends	—	—	—	(8,661)	(8,661)	(42)	(8,704)
Purchase and disposal of treasury shares	—	—	—	—	(1)	—	(1)
Share-based payment transactions	—	—	—	—	116	—	116
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,789)	2,789	—	—	—
Total transactions with owners	—	—	(2,789)	(5,872)	(8,547)	(42)	(8,589)
As of September 30, 2024	47,592	125	59,305	545,934	664,430	1,242	665,672

As of April 1, 2025	55,966	201	67,147	513,115	637,977	1,246	639,223
Profit for the period	—	—	—	5,356	5,356	26	5,382
Other comprehensive income	11,654	4	18,096	—	18,096	38	18,134
Total comprehensive income for the period	11,654	4	18,096	5,356	23,452	63	23,515
Dividends	—	—	—	(8,221)	(8,221)	(22)	(8,243)
Purchase and disposal of treasury shares	—	—	—	—	(1)	—	(1)
Share-based payment transactions	—	—	—	—	130	—	130
Transfer from retained earnings to capital surplus	—	—	—	(416)	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,309)	2,328	19	(19)	—
Total transactions with owners	—	—	(2,309)	(6,309)	(8,073)	(42)	(8,115)
As of September 30, 2025	67,621	204	82,934	512,162	653,356	1,268	654,624

(4) Semi-annual Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Cash flows from operating activities:		
Profit (loss) before tax	4,454	(5,265)
Depreciation and amortization	22,599	21,222
Interest and dividend income	(2,869)	(2,785)
Share of (profit) loss of investments accounted for using equity method	(1,366)	(1,954)
Losses (gains) on sale of property, plant and equipment	(11)	(20)
Interest expenses	1,587	1,627
Decrease (increase) in trade and other receivables	23,714	16,810
Decrease (increase) in inventories	(28,275)	(26,253)
Increase (decrease) in trade and other payables	(1,095)	(3,456)
Increase (decrease) in advances received	21,676	6,224
Increase (decrease) in provisions	(3,257)	(1,670)
Others, net	3,484	(5,528)
Subtotal	40,642	(1,049)
Interest and dividend income received	3,167	2,903
Interest expenses paid	(1,801)	(1,525)
Income taxes refund (paid)	(3,534)	(5,745)
Net cash provided by (used in) operating activities	38,473	(5,416)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(26,417)	(18,662)
Proceeds from sale of property, plant and equipment	321	139
Purchase of intangible assets	(8,874)	(8,812)
Purchase of investment securities	(438)	(399)
Proceeds from sale of investment securities	5,328	7,082
Proceeds from redemption of investment securities	4,000	—
Acquisition of subsidiaries or other businesses	(12,459)	—
Proceeds from sale of businesses	—	3,000
Others, net	(228)	30
Net cash provided by (used in) investing activities	(38,768)	(17,622)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	25,743	20,905
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	(33,711)	(1,304)
Repayments of lease liabilities	(4,618)	(3,866)
Cash dividends paid	(8,657)	(8,218)
Cash dividends paid to non-controlling interests	(42)	(22)
Purchase of treasury shares	(1)	(1)
Proceeds from settlement of derivatives	10,648	—
Others, net	(80)	(55)
Net cash provided by (used in) financing activities	(10,718)	17,439
Effect of exchange rate changes on cash and cash equivalents	(3,855)	2,642
Net increase (decrease) in cash and cash equivalents	(14,868)	(2,957)
Cash and cash equivalents at beginning of the period	206,644	163,590
Cash and cash equivalents at end of the period	191,776	160,633

(5) Notes to Semi-annual Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(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 camera-interchangeable lens type, compact DSC and interchangeable lens. 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 Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	151,791	81,585	55,133	30,449	11,730	2,092	332,779	—	332,779
Intersegment	1,330	91	72	4,447	119	46,605	52,665	(52,665)	—
Total	153,121	81,676	55,206	34,896	11,848	48,697	385,444	(52,665)	332,779
Segment profit (loss)	28,848	944	1,300	1,486	(6,444)	617	26,751	(20,934)	5,817
Finance income									2,976
Finance costs									(5,705)
Shares of profit of investments accounted for using equity method									1,366
Profit before tax									4,454

- 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 semi-annual condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 1,053 million yen and corporate profit (loss) of (21,987) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (9,945) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (12,042) 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.

For the Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	145,037	69,886	51,218	35,139	9,826	1,809	312,915	—	312,915
Intersegment	647	100	85	4,366	36	42,349	47,584	(47,584)	—
Total	145,684	69,986	51,303	39,506	9,862	44,158	360,499	(47,584)	312,915
Segment profit (loss) (Note 3)	15,143	3,044	340	5,281	(8,963)	(576)	14,270	(19,099)	(4,829)
Finance income									3,352
Finance costs									(5,744)
Shares of profit of investments accounted for using equity method									1,954
Loss before tax									(5,265)

- 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 loss reported in the semi-annual condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of (1,752) million yen and corporate profit (loss) of (17,347) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (8,407) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (8,940) 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.
3. Segment profit (loss) includes restructuring costs recognized in “Other operating expenses” reported in the semi-annual condensed consolidated statement of profit or loss, consisting of (891) million yen for the Precision Equipment Business, 7 million yen for the Components Business, (329) million yen for the Others, and (809) million yen for corporate profit (loss) that cannot be attributed to any segments.

(Revenue)

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 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 Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total
Japan	17,106	7,061	4,561	14,397	105	835	44,065
United States	36,962	9,861	27,336	7,442	6,283	—	87,885
Europe (Note 2)	29,284	9,457	11,596	2,707	4,545	39	57,627
China	35,704	28,827	5,106	1,942	14	1,073	72,666
Others (Note 2)	32,733	26,379	6,534	3,961	783	146	70,536
Total	151,791	81,585	55,133	30,449	11,730	2,092	332,779

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

For the Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total
Japan	13,933	7,655	6,929	16,878	570	851	46,817
United States	34,333	9,677	23,029	6,323	4,875	—	78,237
Europe (Note 2)	27,969	9,130	10,744	3,596	3,720	50	55,210
China	37,603	33,469	3,935	3,616	1	767	79,391
Others (Note 2)	31,199	9,954	6,581	4,726	660	141	53,260
Total	145,037	69,886	51,218	35,139	9,826	1,809	312,915

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

(Gain on the Sale of Business)

During the six months ended September 30, 2025, the Company sold its R&D business related to semiconductor wafer bonding technology and recorded 2,978 million yen of gain on the sale of business in the Precision Equipment Business. The gain is included in “Other operating income” in the semi-annual condensed consolidated statement of profit or loss.

(Restructuring Costs)

During the six months ended September 30, 2025, the Company has been optimizing the service centers of the Precision Equipment Business and reorganizing its foreign subsidiaries and its bases. Accordingly, the Company recognized restructuring costs mainly as follows: 891 million yen for the Precision Equipment Business, and 809 million yen for corporate profit (loss) that cannot be attributed to any segments. The costs are included in “Other operating expenses” in the semi-annual condensed consolidated statement of profit or loss.

(Millions of yen)

Details	Amount
Additional retirement benefits	1,000
Expenses related to outside specialists	219
Others	803
Total	2,022

(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 may appeal the judgement to the Supreme Court. 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 our consolidated subsidiary Optos Plc sold refurbished products and new products without distinction, we are conducting an internal investigation with the cooperation of the external organizations, as well as our own internal review. With respect to potential violations and breaches of legal, regulatory and contractual requirements in the United States, we have set aside a provision of 1,515 million yen for any compensation, penalties or other sanction. As a result of the review up to this point, we have not found any quality, sales or marketing or other issues that have caused us to increase this provision.

Depending on the future progress of the investigation and our review, there is a possibility that our consolidated performance would be affected in case where payment to each regulatory authority and compensation to customers, etc., will occur; however, we think that it is difficult to reasonably estimate the effect at this moment.

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.