

This is a translation of the original Japanese “Other Matters Subject to the Electronic Provision Measures (Matters for which Document Delivery is Omitted) for the 161st Annual General Shareholders’ Meeting” prepared for the convenience of non-Japanese speakers. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

(Translation)

Date of commencement of electronic provision measures: May 30, 2025

**Other Matters Subject to the Electronic Provision Measures
(Matters for which Document Delivery is Omitted)
for the 161st Annual General Shareholders’ Meeting**

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NIKON CORPORATION

Financial Highlights for Three Previous Fiscal Years

Financial highlights related to the Group are as follows.

Item	158th term (Year ended March 31, 2022)	159th term (Year ended March 31, 2023)	160th term (Year ended March 31, 2024)	161st term (Year ended March 31, 2025)
Revenue (million yen)	539,612	628,105	717,245	715,285
Operating profit (million yen)	49,934	54,908	39,776	2,422
Profit attributable to owners of parent (million yen)	42,679	44,944	32,570	6,123
Basic earnings per share (yen)	116.23	125.46	94.03	17.86
Total assets (million yen)	1,039,566	1,050,267	1,147,110	1,110,514
Total equity (million yen)	599,967	618,351	685,091	639,223

Note: The figures for the above table are stated based on IFRS.

Major Offices and Plants (as of March 31, 2025)

The major offices and plants of the Company are as follows.

Name of offices and plants	Location
Head office	Tokyo, Japan
Yokohama Plant	Kanagawa, Japan
Sagamihara Plant	Kanagawa, Japan
Kumagaya Plant	Saitama, Japan
Mito Plant	Ibaraki, Japan
Yokosuka Plant	Kanagawa, Japan

Employees (as of March 31, 2025)

(i) Employees of the Group

Number of employees	Change from the end of the previous fiscal year
20,069	up 625

Note: The number of employees does not include part-time employees, contract workers, etc.

(ii) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average service years
4,634	up 246	42.1	13.9

Note: The number of employees does not include employees of the Company seconded to other companies, part-time employees, contract workers, etc.

Major Lenders (as of March 31, 2025)

Lender	Amount borrowed (million yen)
MUFG Bank, Ltd.	34,306
Meiji Yasuda Life Insurance Company	18,000

Matters Relating to Shares of the Company (as of March 31, 2025)

- (i) Total number of shares authorized to be issued: 1,000,000,000 shares
- (ii) Total number of shares issued: 333,585,686 shares
- (iii) Number of shareholders: 43,898
- (iv) Major shareholders:

Name of shareholder	Number of shares held (thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	62,961	19.15
SG/INV	30,900	9.40
Custody Bank of Japan, Ltd. (Trust Account)	17,979	5.47
Meiji Yasuda Life Insurance Company	17,584	5.35
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	12,499	3.80
STATE STREET BANK AND TRUST COMPANY 505301	10,488	3.19
MUFG Bank, Ltd.	7,009	2.13
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	6,643	2.02
The Joyo Bank, Ltd.	6,121	1.86
STATE STREET BANK AND TRUST COMPANY 505001	5,786	1.76

Note: The percentage of shares held is calculated after deducting treasury stocks (4,758 thousand shares).

- (v) Shares granted to the Company's Directors as compensation for duties performed during the current fiscal year

In accordance with the performance-based stock remuneration system approved at the 158th Annual General Shareholders' Meeting held on June 29, 2022, the Company

delivered 6,907 Company shares to two Directors other than those who are Audit and Supervisory Committee Members of the Company (excluding External Directors) in June 2024, as performance-based stock remuneration for the 160th term (the previous fiscal year).

In addition, in accordance with the restricted stock remuneration system approved at the said Annual General Shareholders' Meeting, the Company delivered 44,625 Company shares to three Directors other than those who are Audit and Supervisory Committee Members of the Company (excluding External Directors) in June 2024, as restricted stock remuneration for the 161st term (the current fiscal year). (Including one person who was newly appointed as a Director other than the Audit and Supervisory Committee Member (excluding External Directors) after the grant and the number of shares delivered as compensation for the execution of his duties).

Furthermore, in accordance with the performance-based stock remuneration system approved at the said Annual General Shareholders' Meeting, the Company plans to deliver 11,715 Company shares to three Directors other than those who are Audit and Supervisory Committee Members of the Company (excluding External Directors) in June 2025, as performance-based stock remuneration for the 161st fiscal year (the current fiscal year).

Please refer to the Notice of the 161st Annual General Shareholders' Meeting "Business Report, Current state of the Company, 1. Matters relating to Directors, (4) Compensation etc. for Directors and Executive Officers, etc. (iii) Matters relating to performance-based compensation, etc." and the said Notice "Business Report, Current state of the Company, 1. Matters relating to Directors, (4) Compensation etc. for Directors and Officers, etc. (iv) Matters related to non-monetary compensation, etc." for information regarding the restricted stock remuneration system and performance-based stock remuneration system approved at the 158th Annual General Shareholders' Meeting held on June 29, 2022.

(vi) Purchase and cancellation of treasury stocks

The Company has decided to repurchase its own shares pursuant to Article 156 of the Companies Act as applicable through Article 165, Paragraph 3 thereof, and to cancel treasury stock pursuant to Article 178 of the Companies Act at its Board of Directors' meeting held on October 31, 2024, and has executed the repurchase and cancellation.

(1) Results of purchase of treasury stocks

- Class and total number of shares purchased: Common stock 17,891,000 shares
- Total purchase cost of shares: 29,999,994,000 yen
- Purchase period: November 8, 2024 to March 14, 2025

(2) Details of cancellation of treasury stocks

- Class and total number of shares cancelled: Common stock 17,891,000 shares
- Date of cancellation: March 31, 2025

Subscription Rights to Shares

- (i) Subscription rights to shares held by the Company's Directors that were granted as remuneration for duties performed (as of March 31, 2025)

Issue number (date of issue)	Number of subscription rights to shares	Type and number of shares to be issued	Issue price per right (yen)	Exercise price per right (yen)	Exercise period	Status of holding [number of subscription rights to shares (number of holders)]	
						Directors (excluding Audit and Supervisory Committee Members)	Directors (Audit and Supervisory Committee Members)
5th issue (August 27, 2007)	7	700 shares of the Company's common stock	325,900	100	From August 28, 2007 to August 27, 2037	7 (1)	—
6th issue (November 25, 2008)	31	3,100 shares of the Company's common stock	73,400	100	From November 26, 2008 to November 25, 2038	31 (1)	—
7th issue (August 10, 2009)	17	1,700 shares of the Company's common stock	140,800	100	From August 11, 2009 to August 10, 2039	17 (1)	—
8th issue (July 14, 2010)	16	1,600 shares of the Company's common stock	152,700	100	From July 15, 2010 to July 14, 2040	16 (1)	—
9th issue (March 19, 2012)	22	2,200 shares of the Company's common stock	203,700	100	From March 20, 2012 to March 19, 2042	22 (1)	—
10th issue (August 23, 2012)	50	5,000 shares of the Company's common stock	172,600	100	From August 24, 2012 to August 23, 2042	50 (1)	—
11th issue (August 1, 2013)	53	5,300 shares of the Company's common stock	163,200	100	From August 2, 2013 to August 1, 2043	53 (1)	—
12th issue (August 1, 2014)	73	7,300 shares of the Company's common stock	118,300	100	From August 2, 2014 to August 1, 2044	73 (1)	—
13th issue (July 28, 2015)	155	15,500 shares of the Company's common stock	104,000	100	From July 29, 2015 to July 28, 2045	98 (1)	57 (1)
14th issue (July 29, 2016)	146	14,600 shares of the Company's common stock	121,300	100	From July 30, 2016 to July 29, 2046	97 (1)	49 (1)
15th issue (July 27, 2017)	100	10,000 shares of the Company's common stock	168,100	100	From July 28, 2017 to July 27, 2047	50 (1)	50 (1)
16th issue (April 23, 2018)	134	13,400 shares of the Company's common stock	164,400	100	From April 24, 2018 to April 23, 2048	67 (1)	67 (1)
17th issue (April 22, 2019)	522	52,200 shares of the Company's common stock	95,300	100	From April 23, 2019 to April 22, 2049	406 (2)	116 (1)
18th issue (April 17, 2020)	1,719	171,900 shares of the Company's common stock	37,400	100	From April 18, 2020 to April 17, 2050	1,422 (3)	297 (1)
19th issue (August 20, 2021)	707	70,700 shares of the Company's common stock	80,700	100	From August 21, 2021 to August 20, 2051	707 (3)	—

Notes: 1. No subscription rights to shares have been granted to External Directors.

2. Subscription rights to shares held by Directors who are Audit and Supervisory Committee Members were granted when these individuals were Directors other than those who are Audit and Supervisory Committee Members or Officers.

- (ii) Subscription rights to shares granted to employees, etc. as remuneration for duties performed during the current fiscal year

None

- (iii) Other subscription rights to shares actually issued

None

Matters Relating to Accounting Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of compensation, etc.

	Amount
Total amount of compensation, etc. of Accounting Auditor during the current fiscal year	143 million yen
Total amount of money and other properties which the Company and its subsidiaries should pay in remuneration of Accounting Auditor for their services to the Company and its subsidiaries during the current fiscal year	199 million yen

Notes: 1. The Audit and Supervisory Committee determined, after carrying out necessary verifications of whether the content of the Accounting Auditor's audit plans, execution of duties of audits up until the previous fiscal year, and the calculation basis for the compensation estimate for the current fiscal year are appropriate, that the compensation for the Accounting Auditor is reasonable, and has given its consent pursuant to Article 399, Paragraph 1 of the Companies Act.

2. Major overseas subsidiaries of the Company are audited (only auditing subject to the provisions of overseas laws and regulations similar to Japanese Companies Act or Japanese Financial Instruments and Exchange Act) by parties other than Deloitte Touche Tohmatsu LLC (overseas certified public accountants or individuals with qualifications equivalent to those of an auditing company).

3. In the audit contract with the Accounting Auditor, auditing compensation amounts for auditing based on the Companies Act and auditing based on the Financial Instruments and Exchange Act are not separated. Because they essentially cannot be separated, the amount stated in the upper line of the above table is found from adding them together.

4. The Company has commissioned Deloitte Touche Tohmatsu LLC to provide third-party guarantees on non-financial information disclosure as part of services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services) and has paid for such service. The amount stated in the lower line of the above table includes the amount of the payment.

(iii) Policy for decisions to terminate or not extend contracts with an Accounting Auditor

The Audit and Supervisory Committee can terminate the Accounting Auditor with the unanimous consent of the Audit and Supervisory Committee Members in cases where it has been determined that actions by the Accounting Auditor apply to any item of Article 340, Paragraph 1 of the Companies Act.

In addition, even if the actions of the Accounting Auditor do not apply to any item of Article 340, Paragraph 1 of the Companies Act, in the event that it has been determined that the Accounting Auditor is unable to perform proper audits due to a lack of eligibility and independence, the Board of Directors can submit a proposal to terminate the Accounting Auditor or not renew the contract at the General Shareholders' Meeting, in accordance with the decision of the Audit and Supervisory Committee.

Framework to Ensure Fair Business Activity

[Details of the Resolution]

We believe that the reinforcement of our company's corporate governance plays a pivotal role in achieving "a fair and transparent management deserving of stakeholders' confidence," and we intend to increase its effectiveness by improving the quality of our internal controls. We acknowledge that the achievement of effective and efficient business processes, the credibility of financial reports, the compliance with relevant laws and regulations, and the preservation of company's assets at our company and its subsidiaries are the management's responsibility. Accordingly, we will prepare and refine a framework, including our internal regulations as well as our organization, to ensure fair business activity in compliance with the Japanese Companies Act and implementing regulations of the said Act.

- (i) A framework to ensure that performance of duties of directors, etc. and employees of the Group is in compliance with relevant laws and regulations as well as the articles of incorporation
 - In order to permeate and establish awareness of corporate ethics, we have established the Nikon Code of Conduct, which shows the Group's basic stance on corporate social responsibility and the standards of behavior to ensure sensible conduct by directors, officers and employees of the Group, based on a high level of morality, pursuant to relevant laws and regulations as well as internal regulations.
 - The Risk Management and Compliance Committee regularly performs its function in order to ensure legitimate, fair, and sound corporate behavior. In addition, the Sustainability Committee conducts activities for improving, fostering and educating on issues surrounding sustainability, including social responsibility.
 - Regarding elimination of anti-social forces and groups, we have defined our basic approach in the Nikon Code of Conduct. Additionally, we are establishing a system to liaison with attorneys and police forces, to take steadfast action as an organization.
 - The Basic Policy on internal control over financial reporting has been established to ensure credibility of financial reporting by the Group. Frameworks to enable the foregoing are being prepared and improved.
 - Internal audit division, as an independent organization from business execution departments, examines whether operations within the Group are conducted in compliance with relevant laws and regulations as well as internal regulations, and when necessary, make recommendations as to how such operations can be improved.
 - A whistleblowing hotline is established and administered in order to fully implement compliance by the Group and prevent or correct behaviors that violate social regulations or corporate ethics.
- (ii) A framework to ensure an efficient performance of duties by directors of the Group, etc.
 - At our company and domestic subsidiaries, the executive officer system provides a clear definition of the authority and responsibility in performance of an officer's duty, resulting in quick decision-making as well as an efficient performance of the officer's duty.
 - Rules of authority clearly define the scope of authority and responsibility for each post as well as each organization within the Group and are administered, to ensure organized and efficient performance of duties.

- Meeting structures such as the Executive Committee, as well as other committees and meeting bodies are established and are administered to enable efficient decision-making and performance of duties for the Group by directors of our company. Among such organizations, the Executive Committee primarily consists of executive directors, deliberates about and resolves major issues regarding management, general internal controls, and guidelines about general operations of the company's business, in accordance with the basic direction of management as determined by the Board of Directors. Major issues are reported to the Executive Committee by each department.
 - In accordance with our corporate philosophy of "Trustworthiness & Creativity," management targets of the Group are defined within annual plans as well as within the medium-term management plans, and implemented as specific measures. In order to achieve annual targets, management of operations is carried out through divisional organization. A meeting is regularly held to examine business issues and responses to them. The achievement level of annual targets is evaluated and validated based on the Achievement Evaluation System.
- (iii) A framework aimed at preservation and control of information relating to the performance of duties by directors of our company
- Information regarding resolutions, decisions, and reports pertaining to performance duties by directors of our company is preserved until such time as provided in the Regulations of the Board of Directors, the Regulations of the Executive Committee, and the Nikon Group Information Management Rules. The information control system is designed to allow access, when needed, from directors, as well as the accounting auditor.
 - As for security of information, an information security division controls centralized management for information management within the Group and manages coordination and reinforcement of an information management framework within the Group. Further, the common rules in the Group are being established and these rules intend to make definitions of the access level per category and relevance, password control, measures for preventing leaks, manipulations and destructions of proprietary information and other matters generally and thoroughly known by directors, officers and employees within the Group.
- (iv) A framework including rules concerning management of the Group loss risk
- In accordance with our recognition of identification, assessment, and control of risk factors potentially affecting operations and business continuity as critical issues, we strive to develop a system to appropriately manage risks surrounding the Group by, for example, having the Risk Management and Compliance Committee identify Group-related risks and determine countermeasures to such risks. Furthermore, the Sustainability Committee also examines risks related to sustainability based on expert knowledge. A liaison group has been established between the Sustainability Committee and the Risk Management and Compliance Committee so that both committees can work together to address risks by sharing information on a regular basis.
 - Internal audit division audits the status of risk control by the above committees and others and evaluates its effectiveness on a regular basis, and reports to the Audit and Supervisory Committee and the Board of Directors. The Board of Directors develops a framework whereby it can implement corrective measures when necessary.
- (v) A framework regarding reporting to our company of matters related to performance of duties by directors of subsidiaries

- A framework is being placed for important matters at subsidiaries to be reported and decided upon by our company in compliance with the Decision and Reporting Rules for Subsidiaries.
- (vi) Matters concerning employees assisting the Audit and Supervisory Committee of our company
- In order to ensure an efficient procedure of the Audit and Supervisory Committee as well as to ensure the increased effectiveness of the audit, the Audit and Supervisory Committee's Section is established and we appoint employees who are exclusively assigned to the section. The employees assigned to the Audit and Supervisory Committee's Section, assist the Audit and Supervisory Committee in their duties in obedience to orders of the Audit and Supervisory Committee.
 - Orders given by the Audit and Supervisory Committee to the employees assigned to the Audit and Supervisory Committee's Section, their transfer and evaluation of their performance are ensured to be independent from officers who assume executive responsibilities.
- (vii) A reporting framework to the Audit and Supervisory Committee of our company
- An Audit and Supervisory Committee member of our company has the authority to attend major meetings. This ensures that the Audit and Supervisory Committee members have opportunities to constantly understand the status of operations and the decision-making process of the Group.
 - A framework is being developed to ensure appropriate and effective reporting to the Audit and Supervisory Committee of our company regarding facts that can potentially cause damage to our company, information obtained through the whistleblowing hotline, or items to be reported at the Audit and Supervisory Committee as previously agreed with directors.
 - Internal audit division regularly reports the status of internal audit as well as the results of the audit to the Audit and Supervisory Committee of our company. The Audit and Supervisory Committee of our company maintains close coordination with internal audit division by measures including requesting, if necessary, further investigations by internal audit division.
 - We ensure that parties who make reports to the Audit and Supervisory Committee of our company do not receive any negative treatment, by stipulating rules to forbid retaliation against parties that make reports to the whistleblowing hotline.
- (viii) Matters regarding policies related to processing expenses or liabilities arising from performance of duties by Audit and Supervisory Committee members of our company
- Expenses related to the duties of Audit and Supervisory Committee members of our company are budgeted annually to a certain amount by request of Audit and Supervisory Committee, and our company pays for necessary expenses even in excess of the budget, pursuant to laws and regulations. Additionally, our company also makes payments, as required, for expenses required to appoint outside specialists.
- (ix) A framework to ensure effective audit by the Audit and Supervisory Committee of our company
- While ensuring independence of the Audit and Supervisory Committee of our company from management functions, this framework enables the Audit and Supervisory Committee of our company to hold regular meetings with the representative director in order to

exchange opinions regarding issues to be dealt with by the company, or important tasks pertaining to audits, and to make necessary requests, consequently deepening the mutual understanding between them.

- The Audit and Supervisory Committee of our company holds regular meetings with the accounting auditor, to actively exchange opinions and information.

[Outline of Operational Status]

(i) Status of compliance

- The Group strove to engage in awareness building activities to disseminate the Nikon Code of Conduct, which shows the Group's basic stance on corporate social responsibility and the standards of behavior expected of all directors, officers, executive fellows and employees in the Group.
- The Group conducted awareness-raising activities for the Anti-bribery Guidelines (Japanese version; revised in the fiscal year 2024/3), while ensuring that the compliance division is consulted in advance regarding entertainment and gifts to public officials and other parties.
- The Group provided education on competition laws both in Japan and overseas in efforts to strengthen compliance.
- Compliance promotion activities, including various types of compliance education, were reported to the Compliance Committee, where such activities were discussed and reviewed by management.
- The Group strove to spread the Code of Conduct Hotline, while appropriately handling matters reported to the Hotline.
- Compliance Department was established in October 2024 to integrate compliance management functions that had been divided among several organizations, creating a structure to manage group governance risk and compliance in an integrated manner.

(ii) Status of risk management

- The Risk Management Committee met twice within the Group.
- In order to grasp the risks faced by the Group, a Risk Identification Survey was conducted. This survey is conducted on general managers and above of the company and presidents of domestic and overseas Group companies, to identify, analyze, and evaluate group-wide major risks and monitor the status of countermeasures. Based on the results of the survey, we analyzed the risks and created a risk correlation matrix that also considered risk awareness outside the company.
- Based on the risk correlation matrix and other information, we will identify key risks and issues that need to be addressed further and incorporate necessary measures into action plans.

(iii) Status of group management

- Regarding management of the Group as a whole, we have established a framework in which the company has subsidiaries report significant matters and authorizes them, in accordance with the Regulations of the Executive Committee, the Decision and Reporting Rules for Subsidiaries, etc. The Group has been conducting operations along with the framework.

- Each Group company develops and operates with decision-making standards in accordance with the Decision and Reporting Rules for Subsidiaries and the laws and regulations of each country.
- Regarding preservation and control of information, the Group carries them out in accordance with the Nikon Group Information Management Rules and other rules.

(iv) Execution of duties of the Audit and Supervisory Committee

- Full-time Audit and Supervisory Committee Members attend important meetings such as those of the Executive Committee, understand the status of management, check the process and content of decision making, and report at the Audit and Supervisory Committee.
- Audit and Supervisory Committee Members audit each division, subsidiary, etc., and check the development and operational status of the internal control system.
- Audit and Supervisory Committee Members regularly exchange opinions with the representative director, share auditing issues, and request corrections as needed.
- Audit and Supervisory Committee Members have the periodical opportunity to exchange opinions and hold a tripartite audit meeting with the Internal Audit Department in charge of internal audits and the Accounting Auditor to strengthen cooperation. Audit and Supervisory Committee Members also strive to conduct effective audits by sharing information with each division as needed.

Matters Relating to External Directors

(i) Relationships between organizations where important concurrent positions are held and the Company

There is no special relationship between the organizations where External Directors hold important concurrent positions and the Company.

(ii) Major activities during the current fiscal year

Name	Attendance at meetings of Board of Directors and Committees in charge	Major activities
Shiro Hiruta	Board of Directors: 17/17 Audit and Supervisory Committee: 5/5 Nominating Committee: 7/7 Compensation Committee: 1/1 Independent External Director's Meeting: 5/5	Shiro Hiruta proactively made remarks for the Company's business strategy, among other issues, based on his long years of management experience at a manufacturer, concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. He also oversees the management as Chairman of the Board of Directors. In addition, as a chairperson of the Nominating Committee, where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, and as a member of the Compensation Committee, where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, he attended all meetings of both Committees. He strives to supervise the management from an independent and objective position.
Makoto Sumita	Board of Directors: 17/17 Nominating Committee: 2/2 Compensation Committee: 2/2 Independent External Director's Meeting: 5/5	Makoto Sumita proactively made remarks for the Company's business strategy, among other issues, based on long years of management experience at a manufacturer, concerning matters under deliberation and the contents of reports by the Board of Directors. In addition, as a member of the Nominating Committee, where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, and as a chairperson of the Compensation Committee, where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, he attended all meetings of both Committees. He strives to supervise the management from an independent and objective position.
Tsuneyoshi Tatsuoka	Board of Directors: 16/17 Nominating Committee: 2/2 Compensation Committee: 2/2 Independent External Director's Meeting: 5/5	Tsuneyoshi Tatsuoka proactively made remarks for the Company's business strategy, among other issues, based on his exceptional knowledge regarding industrial and economic policies gained through important positions held at the Ministry of Economy, Trade and Industry, concerning matters under deliberation and the contents of reports by the Board of Directors. In addition, as a member of the Nominating Committee, where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, and as a member of the Compensation Committee, where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, he attended all meetings of both Committees. He strives to supervise the management

		from an independent and objective position.
Shigeru Murayama	Board of Directors: 17/17 Audit and Supervisory Committee: 7/7 Nominating Committee: 9/9 Compensation Committee: 1/1 Independent External Director's Meeting: 5/5	Shigeru Murayama proactively made remarks for the Company's business strategy, among other issues, based on his long years of management experience at a manufacturer, concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. He also chairs the Audit and Supervisory Committee. In addition, as a member of the Nominating Committee, where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, and as a member of the Compensation Committee, where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, he attended all meetings of both Committees. He strives to supervise the management from an independent and objective position.
Asako Yamagami	Board of Directors: 16/17 Audit and Supervisory Committee: 12/12 Nominating Committee: 8/9 Independent External Director's Meeting: 5/5	Asako Yamagami proactively made remarks based on her knowledge and experience as a lawyer, concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. In addition, as a member of the Nominating Committee where the formulation of election and removal criteria of the Company's President and Directors and the nomination of candidates are mainly deliberated, she attended the meetings of the Nominating Committee held. She strives to supervise the management from an independent and objective position.
Michiko Chiba	Board of Directors: 17/17 Audit and Supervisory Committee: 12/12 Compensation Committee: 2/2 Independent External Director's Meeting: 5/5	Michiko Chiba proactively made remarks based on her knowledge and experience as a certified public accountant, concerning matters under deliberation and the contents of reports by the Board of Directors and the Audit and Supervisory Committee. In addition, as a member of the Compensation Committee, where the compensation system for the Company's Directors other than those who are Audit and Supervisory Committee Members and Officers and the appropriateness of the amount of compensation are mainly deliberated, she attended all meetings of the Compensation Committee. She strives to supervise the management from an independent and objective position.

- Shiro Hiruta retired as Director who is an Audit and Supervisory Committee Member and was appointed as Director other than those who are Audit and Supervisory Committee Members at the 160th Annual General Shareholders' Meeting held on June 24, 2024. In the middle of the current fiscal year, he retired as a member of the Compensation Committee and was appointed as a member of the Nomination Committee. Accordingly, his attendance at meetings of the Committees represents the numbers of the meetings held and meetings he attended while in office.
- Shigeru Murayama retired as Director who is other than an Audit and Supervisory Committee Member and was appointed as Director who is an Audit and Supervisory Committee Member at the 160th Annual General Shareholders' Meeting held on June 24, 2024. In the middle of the current fiscal year, he retired as a member of the Compensation Committee. Accordingly, his attendance at meetings of the Committees represents the numbers of the meetings held and meetings he attended while in office.
- Makoto Sumita and Tsuneyoshi Tatsuoka retired as a member of the Nomination Committee and were appointed as a member of the Compensation Committee in the middle of the current fiscal year. Accordingly, their attendance at meetings of the Committees represents the numbers of the meetings held and meetings they attended while in office.
- Michiko Chiba was appointed as a member of the Compensation Committee in the middle of the current fiscal year. Accordingly, her attendance at meetings of the Committee represents the numbers of the meetings held and meetings she attended after her appointment.
- The Chairman of the Board of Directors and the chairpersons of the Audit and Supervisory Committee, Nomination Committee, and Compensation Committee were replaced after the 160th Annual General Shareholders' Meeting. For this reason, the "Major activities" section covers the chairman and chairpersons after the said Meeting.

Consolidated Statement of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Million 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	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 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)

	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 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

Notes to Consolidated Financial Statements

(Significant Basis for Presenting Consolidated Financial Statements)

1. Standards for Preparing Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as the “Group”) are prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the “IFRS”), pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting. In the accompanying consolidated financial statements, certain disclosure items required by IFRS are omitted pursuant to the latter part of the said paragraph.

2. Scope of Consolidation

Number of consolidated subsidiaries : 85 companies

Principal subsidiaries : 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.

Increase: 7 companies (due to outstanding membership interests acquisition and other reasons)

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

3. Scope of Equity Method

Number of associates and joint ventures accounted for using the equity method : 10 companies

Principal associates and joint ventures : Nikon-Essilor Co., Ltd., Nikon-Trimble Co., Ltd., and others

The increase and decrease of the number of associates and joint ventures accounted for using the equity method is as follows.

Decrease: 1 company (due to liquidation)

4. Matters regarding the Accounting Policies

(1) Valuation basis and method for financial instruments

1) Non-derivative financial assets

(i) Initial recognition and measurement

Financial assets other than derivative financial instruments are classified as those measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification is determined at the initial recognition.

a) Financial assets measured at amortized cost

The Group classifies its financial assets as those measured at amortized cost only if both of the following conditions are met:

- the financial asset is held within a business model with an objective of collecting contractual cash flows, and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially measured at fair value, including transaction costs that are directly attributable to the acquisition. The carrying amount of financial assets measured at amortized cost is calculated by the effective interest method in subsequent measurement.

b) Financial assets measured at fair value through other comprehensive income

For certain equity instruments held primarily for the purpose of maintaining or strengthening the business relationship with investees, the Group designates these instruments mainly as fair value through other comprehensive income at initial recognition.

Financial assets measured at fair value through other comprehensive income are initially measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred to retained earnings.

c) Financial assets measured at fair value through profit or loss

Financial instruments that are not designated as those measured at fair value through other comprehensive income and debt instruments that do not meet the criteria for those measured at amortized cost are classified as those measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially measured at fair value and subsequent changes in fair value are recognized in profit or loss.

(ii) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another party.

(iii) Impairment of financial assets measured at amortized cost

Allowance for doubtful accounts in respect of financial assets measured at amortized cost is recognized for expected credit losses.

At the end of each reporting period, the Group evaluates whether there has been a significant increase in credit risk of a financial asset since initial recognition. Specifically, if the credit risk of a financial asset has not significantly increased since initial recognition, an allowance for doubtful account is measured at an amount equal to the 12-month expected credit losses. However, if the credit risk has significantly increased since initial recognition, it is measured at an amount equal to the expected credit losses over the remaining term of the financial asset. An allowance for doubtful account for trade receivables without any significant financing components is measured at an amount equal to the lifetime expected credit losses since initial recognition.

Whether the credit risk has significantly increased or not depends on changes in default risk. The following factors are considered to determine if there has been a change in default risk:

- Financial condition of debtors
- Actual credit losses occurred in prior years
- Overdue information in prior years

Provision or reversal of allowance for doubtful accounts is recognized in profit or loss.

2) Non-derivative financial liabilities

(i) Initial recognition and measurement

Financial liabilities other than derivative financial instruments are classified as either those measured at amortized cost or at fair value through profit or loss. The classification is determined at initial recognition.

a) Financial liabilities measured at amortized cost

The Group classifies its financial liabilities other than those measured at fair value through profit or loss as those measured at amortized cost.

Financial liabilities measured at amortized cost are initially measured at fair value less any directly attributable transaction costs. Subsequent to the initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method whereby interest expenses are recognized as “Finance costs” in the consolidated statement of profit or loss.

b) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are initially measured at fair value and subsequent changes in fair value are recognized in profit or loss.

(ii) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation is discharged, canceled, or has expired.

3) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, including foreign exchange forward contracts, interest rate swaps, cross currency swaps, and currency options, to manage its exposure to foreign exchange rate and interest rate risks.

The Group does not enter into or trade derivative financial instruments for speculative purposes.

At the inception of a hedge transaction, the Group documents the relationships between hedging instruments and hedged items, along with its risk management objectives and strategies for undertaking various hedge transactions. Furthermore, the Group evaluates whether a hedging instrument is highly effective in offsetting changes in fair values or cash flows of the relevant hedged item on an ongoing basis during the period specified.

Derivatives are initially recognized at the fair value on the date when the derivative contracts are entered into, and are subsequently remeasured to their fair values at the end of each reporting period. Changes in fair value of derivatives subsequent to initial recognition are accounted for as follows:

(i) Fair value hedges

Changes in fair value of derivatives as a hedging instrument are recognized in profit or loss. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualifying as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the significantly ineffective portion is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or when the hedged forecast transaction for a non-financial asset or a nonfinancial liability becomes a firm commitment for which fair value hedge accounting is applied, the gain or loss previously recognized in other comprehensive income and accumulated in equity is directly transferred from equity and included in the initial costs or other carrying amount of the asset or liability. For other cash flow hedges, amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the

same period or periods when the hedged forecast cash flows affect profit or loss. However, if the amount is a loss that is not expected to be recoverable partially or entirely in the future, the amount that is expected to be unrecoverable is reclassified immediately to profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship; when the hedging instrument expires or is sold, terminated, or exercised; or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified to profit or loss when the transaction of the hedged item is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is reclassified immediately to profit or loss.

(2) Valuation basis and method for inventories

Inventories are measured at the lower of cost and net realizable value. Costs of inventories are mainly calculated by the average method and comprise all costs of purchasing and processing as well as other costs incurred in bringing the inventories to their present location and condition. Fixed and variable overhead costs are allocated appropriately and included in the processing costs.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(3) Valuation basis, method and depreciation method for property, plant and equipment, intangible assets (excluding goodwill) and leases

1) Property, plant and equipment

The Group applies the cost model for measurement of property, plant and equipment. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment, except for land and construction in progress, are depreciated using the straight-line method over the depreciable amount, which is determined as the costs less their residual values, over the estimated useful lives from the date when they are available for their intended use.

The estimated useful lives of property, plant and equipment are mainly as follows:

Buildings	30 to 40 years
Machinery and equipment	5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each fiscal year.

2) Intangible assets

The Group applies the cost model for subsequent measurement of intangible assets. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

(i) Intangible assets acquired separately

Intangible assets acquired separately are measured at cost at initial recognition.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are measured at their fair value at the acquisition date.

(iii) Internally-generated intangible assets

Expenditures on research activities are recognized as expenses in the period in which they are incurred. Expenditures on development (or in the development phase of an internal project) are recognized as assets only if all of the following have been demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The other expenditures are recognized as expenses as incurred.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above.

Intangible assets with finite useful lives are amortized by the straight-line method over their estimated useful lives from the date when they are available for their intended use. Amortization methods, useful lives, and residual values are reviewed at the end of each fiscal year.

The estimated useful lives of intangible assets are as follows:

Technology-related assets	10 to 13 years
Software	5 years

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortized, and are tested for impairment at least annually, and whenever there is an indication that the intangible asset may be impaired.

3) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified underlying asset for a period of time in exchange for consideration.

(i) Leases (the Group as lessee)

The Group recognizes a right-of-use asset and a lease liability at the commencement date of a lease.

A right-of-use asset is initially measured at cost at the commencement date. After the commencement date, the right-of-use asset is subsequently measured applying a cost model and presented at cost less any accumulated depreciation and any accumulated impairment losses. A right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

A lease liability is initially measured at the present value of the lease payments that are not made at the commencement date. After the commencement date, the lease liability is subsequently measured to reflect interest on the lease liability and the lease payments made. In cases of a contract modification, the lease liability is remeasured, and a corresponding adjustment is made to the right-of-use asset. A lease liability is included in “Other current financial liabilities” and “Other non-current financial liabilities” in the statement of financial position.

Lease payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

(ii) Leases (the Group as lessor)

The Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

a) Finance leases

Assets held under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease.

b) Operating leases

Operating lease payments received are recognized as income on a straight-line basis over the lease terms.

4) Impairment of non-financial assets and investments accounted for using equity method

At the end of each reporting period, the Group assesses whether there is any indication that non-financial assets may be impaired.

If any impairment indication exists, the recoverable amount of the asset is estimated. However, goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for

use are tested for impairment at least annually regardless of whether there is any indication of impairment.

In addition, the carrying amount of the entire investments accounted for using equity method is tested for impairment as a single asset when there is objective evidence of impairment.

The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs of disposal or value in use. When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit or the group of cash-generating units to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Since corporate assets do not generate separate cash inflows, the recoverable amount of an individual corporate asset cannot be determined. If there is an indication that a corporate asset may be impaired, the recoverable amount is determined for the cash-generating unit or the group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of this cash-generating unit or group of cash-generating units, unless the asset has been determined to be disposed of.

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or the cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized.

When there are indications that an impairment loss recognized in prior periods may no longer exist or may have decreased since the last recognition of the impairment loss, the impairment loss recognized in prior years for an asset or a cash-generating unit other than goodwill is reversed. The reversal of an impairment loss is recognized to the extent where the carrying amount of the asset or the cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or the cash-generating unit in prior years.

5) Non-current assets held for sale

A non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An asset is classified as held for sale only when the asset (or the disposal group) is available for immediate sale, and when management is committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell, and are no longer depreciated or amortized.

(4) Accounting criteria for significant provisions

Provisions are recognized when the Group has a present legal or constructive obligation arising as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligations at the end of each reporting period.

When the impact of the time value of money is material, provisions are stated at the present value of the estimated future cash flows which is discounted using a pre-tax rate reflecting the time value of money and the specific risks of the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as "Finance costs."

1) Provision for product warranties

The Group recognizes and measures the provision for future product warranties based on actual sales recorded and warranty costs incurred in prior years, whereby repair expenses can be covered for products sold in the period that the Group guarantees to provide free repair services in the contracts. The Group estimates that the outflows of the expected economic benefits will occur within a one-year period from the end of each fiscal year.

2) Asset retirement obligations

The Group recognizes and measures the provisions for asset retirement obligations based on past experiences, whereby the Group incurred an obligation for the restoration of leased premises, such as office buildings, and for the removal of harmful substances related to property, plant and equipment. The Group expects that the majority of the payments of these obligations will be made after one year from the end of each fiscal year.

(5) Revenue recognition

The Group's revenue is recognized based on the following five-step model:

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

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 related 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.

For sales of products and rendering of services, the performance obligations are identified based on contracts with customers.

Regarding the sales of products that require installation by the Group, revenue is recognized at the point when the installation is completed. For products that do not require installation by the Group, revenue is recognized at the point when the product is delivered to the customer, as the customer obtains control over the products upon completion of installation or delivery and the performance obligation is deemed to be satisfied. Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, and other items.

For services, if the performance obligation is satisfied at a point in time, revenue is recognized at the point when the services are completed. If the performance obligation is satisfied over time, revenue is recognized on a straight-line basis or on progress over the period during which services are rendered.

(6) Method for accounting of post-employment benefits

1) Post-employment benefits

The Group has defined benefit pension plans and defined contribution pension plans as post-employment benefit plans.

The primary defined benefit plans adopted by group entities in Japan are contract-type defined benefit corporate pension plans and a retirement lump sum payment plan. Certain group entities in Japan have joined the Smaller Enterprise Retirement Allowance Mutual Aid Scheme. Certain overseas group entities have adopted defined benefit plans and defined contribution plans.

(i) Defined benefit plans

The present value of defined benefit obligations, relevant current service cost as well as past service costs of each plan, are determined using the projected unit credit method. The present value is measured at the discounted expected future payments. The discount rate is determined

by reference to market yields at the end of the fiscal year on high quality corporate bonds for the corresponding period in which the retirement benefits are to be paid.

The net retirement benefit liability or asset is recognized as a liability or an asset in the consolidated financial statements, and is measured at the present value of defined benefit obligation net of the fair value of plan assets (including the effect of the asset ceiling of defined benefit plans and adjustment for minimum funding requirements, if necessary).

Current service cost and net interest expense or income on the net retirement benefit liability (or asset) are recognized in profit or loss. Remeasurements of the defined retirement benefit plans are recognized in other comprehensive income in the period when they occur and transferred immediately to retained earnings. Past service cost is recognized in profit or loss as incurred.

(ii) Defined contribution plans

Contributions to defined contribution retirement plans are recognized as expenses in the period in which the associated services are rendered by employees.

2) Other long-term employee benefits

Liabilities recognized in respect of other long-term employee benefits, such as long-term paid absences, are measured at the present value of the estimated future benefits that are expected to be paid by the Group in exchange for the services rendered by employees up to the reporting date.

3) Short-term employee benefits

Short-term employee benefits are recognized as expenses when the associated services are rendered by employees at undiscounted amounts.

A liability is recognized for the expected benefit payments when the Group has a present legal or constructive obligation to pay for employee benefits as a result of the services rendered by employees, and when a reliable estimate can be made for the obligation.

(7) Foreign currencies

1) Functional currency and presentation currency

The separate financial statements of each group entity are presented in its functional currency, the currency of the primary economic environment in which the entity operates. The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company.

2) Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the spot exchange rate at the date of the transaction or at the foreign exchange rate that approximates the spot exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate as of the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to the functional currency at the exchange rate at the date of the transaction. Non-monetary items measured at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate at the date when the fair value is measured. Exchange differences arising from the translation or settlement are recognized in “Finance income” and “Finance costs” in the consolidated statement of profit or loss, except for those recognized in other comprehensive income.

3) Foreign operations

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations including goodwill and fair value adjustments arising from the acquisition of foreign operations are translated into Japanese yen using the exchange rate at the end of each reporting period. Income and expenses are translated into Japanese yen at the average exchange rate for the period unless exchange rates fluctuate significantly during that period. Exchange differences on translation of foreign operations are initially recognized in other comprehensive income and accumulated in “Other components of equity.” If a foreign operation is disposed of, the exchange differences of the foreign operation accumulated in “Other components of equity” are transferred from equity to profit or loss when the gain or loss on the disposal is recognized.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are accounted for as assets and liabilities of the foreign operation and translated at the exchange rate at the end of each reporting period.

(8) Goodwill

Goodwill is recognized as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group’s previously held equity interest in the acquiree; over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortized and has been allocated to cash-generating units or groups of cash-generating units.

Goodwill is tested for impairment at least annually or whenever any indication of impairment is

identified. If the recoverable amount of a cash-generating unit or a group of cash-generating units is estimated to be less than its carrying amount, an impairment loss of goodwill is recognized in profit or loss and is never subsequently reversed.

(9) Income taxes

Income taxes for the year comprise current and deferred income tax expenses. Income tax expenses are recognized in profit or loss except to the extent that they arise from items recognized in other comprehensive income or directly in equity, or from a business combination.

Current tax expense is measured at the expected tax payable or tax receivable on taxable income for the year due to or due from the tax authorities, applying the tax rates and tax laws and regulations that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense is determined based on the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax bases at the end of the reporting period. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses, and unused tax credits can be utilized. Deferred tax liabilities are recognized for taxable temporary differences, in principle.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws and regulations that have been enacted or substantively enacted by the end of the reporting period.

The Group applies the exception to recognition and disclosure with respect to deferred tax assets and liabilities for income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

(10) Other significant matters for preparing consolidated financial statements

The Company and certain domestic consolidated subsidiaries apply the group tax sharing system. Meanwhile, certain overseas consolidated subsidiaries apply the consolidated declaration system.

(Notes on Accounting Estimates)

In the preparation of consolidated financial statements, the reported amounts of assets, liabilities, income and expenses are affected by the management's selecting the application of accounting policies and estimates. The assumptions on which the estimates are calculated are based on historical experience, available information and other factors that are reasonably assessed at the end of the reporting period according to management's best judgments. Accounting estimates are based on assumptions that take into consideration factors such as the economy, market, and consumption trends, in addition to the changes in demand and supply in the industries each business of the Group belongs to. However, future results may differ from these estimates and associated assumptions.

The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period of the revision and future periods.

The following are the key estimates and associated assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the subsequent fiscal year. For details, please refer to the matters regarding each accounting policy and the consolidated statement of financial position.

- Significant assumptions used in the calculation of the expected discounted cash flows for the impairment test of non-financial assets
 - See 4. Matters regarding the Accounting Policies, (3) Valuation basis, method and depreciation method for property, plant and equipment, intangible assets (excluding goodwill) and leases in Significant Basis for Presenting Consolidated Financial Statements.
 - See 4. Matters regarding the Accounting Policies, (8) Goodwill in Significant Basis for Presenting Consolidated Financial Statements.
- Recoverability of deferred tax assets
 - See 4. Matters regarding the Accounting Policies, (9) Income taxes in Significant Basis for Presenting Consolidated Financial Statements.

(Notes to Consolidated Statement of Financial Position)

1. Accumulated Depreciation on Assets (including Accumulated Impairment Loss)

Accumulated depreciation of property, plant and equipment	388,716 million yen
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2. Contingent Liabilities

(1) 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 "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 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.

(2) 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 1,521 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.

3. Allowance for Doubtful Accounts Directly Deducted from Assets

Trade and other receivables	1,183 million yen
Other financial assets	6 million yen

(Notes to Consolidated Statement of Profit or Loss)

1. Selling, General and Administrative Expenses

Selling, general and administrative expenses mainly consist of the following items:

	Amount (Million yen)
Depreciation and amortization	23,787
Research and development expenses	74,554
Employee benefit expenses	86,149
Advertising and sales promotion expenses	25,631
Others	85,034
Total	295,155

2. Restructuring Costs

For the current fiscal year, we have recognized restructuring costs of 4,923 million yen. Costs associated with restructuring are recognized in “Other operating expenses” in the consolidated statement of profit or loss, and the main components of restructuring costs are as follows.

For the Precision Equipment Business, we have recognized restructuring costs of 1,265 million yen, which includes costs such as additional retirement benefits, as a result of optimizing headcount in a US sales subsidiary.

For the Components Business, we have recognized restructuring costs of 1,823 million yen, which includes impairment losses and additional retirement benefits for the reorganization of primarily European subsidiaries engaged in manufacturing and sales, in order to shift to a sustainable business structure.

For corporate profit (loss) that cannot be attributed to any segments, we have recognized restructuring costs, which includes impairment losses, of 1,794 million yen, as a result of restructuring primarily the Company's bases.

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

(Notes to Consolidated Statement of Changes in Equity)

1. Type and Total Number of Shares Issued and Treasury Shares

(Shares)

	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Shares issued				
Ordinary shares (Note 1)	351,476,686	—	17,891,000	333,585,686
Total	351,476,686	—	17,891,000	333,585,686
Treasury shares				
Ordinary shares (Note 2)	5,019,477	17,892,767	18,154,722	4,757,522
Total	5,019,477	17,892,767	18,154,722	4,757,522

- Notes: 1. The decrease in the number of ordinary treasury shares during the current fiscal year of 17,891,000 shares was due to the cancellation of treasury shares resolved at the Board of Directors meeting held on October 31, 2024.
2. The increase in the number of ordinary treasury shares during the current fiscal year of 17,892,767 shares was due to an increase of 17,891,000 shares arising from the purchase of treasury shares, which was adopted at the Board of Directors meeting held on October 31, 2024, and an increase of 1,767 shares due to the purchase of less than one unit.
- The decrease in the number of ordinary treasury shares during the current fiscal year of 18,154,722 shares is due to a decrease of 17,891,000 shares arising from the cancellation of treasury shares resolved at the Board of Directors meeting held on October 31, 2024, a decrease of 129,679 shares arising from the delivery of restricted stock compensation to beneficiaries, a decrease of 114,600 shares arising from the exercise of stock options, and a decrease of 19,443 shares due to the delivery of performance-based stock compensation to beneficiaries.

2. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends paid (Million yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting on June 24, 2024	Ordinary shares	8,661	25.00	March 31, 2024	June 25, 2024
Meeting of the Board of Directors on November 7, 2024	Ordinary shares	8,666	25.00	September 30, 2024	December 2, 2024

(2) Dividends of which the record date is attributable to the current fiscal year but to be effective in the following fiscal year

The Company plans to resolve the following dividend at the Annual General Shareholders' Meeting to be held on June 27, 2025.

Resolution	Type of shares	Total dividends paid (Million yen)	Resource of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting to be held on June 27, 2025	Ordinary shares	8,221	Retained earnings	25.00	March 31, 2025	June 30, 2025

3. Share Acquisition Rights and Others

The following are the type and number of shares to be issued upon the exercise of the share acquisition rights as of the end of the current fiscal year, excluding share acquisition rights for which the first day of the exercise period has not yet arrived.

Ordinary shares

1,701,100 shares

(Financial Instruments)

1. Matters Related to Financial Instruments

(1) Capital management

Under the premise that a certain level of financial stability is maintained, the Group decides its capital management policies to realize the maximization of corporate value by emphasizing operational efficiency of invested capital, aiming for an equity ratio of approximately 55% to 60%, and by utilizing funds for investments (in strategic investments, R&D, and capital expenditures) that provide expected revenue exceeding its capital cost to enable sustainable growth. At the same time, the policies seek to meet the demands of shareholders by providing stable returns to shareholders. In order to maintain or adjust the capital structure, necessary funds will be raised essentially through cash flows from operating activities generated from maintaining and enhancing the Group's earnings power, in addition to borrowings from banks and the issuance of corporate bonds and so on, which will be carried out if needed.

(2) Financial risk management objectives

Financial instruments held by the Group are exposed to various risks comprising market risks (i.e., foreign currency risk, interest rate risk, and stock price risk), credit risk, and liquidity risk. To mitigate such various risks, the Group has implemented measures according to the nature and size of the transaction and geographical characteristics.

(3) Market risk management

The Group is exposed to market risk of changes in foreign currency exchange rates and in the price of equity instruments.

The Group uses derivative financial instruments such as forward exchange contracts to hedge these risks. The Group holds or issues derivatives based on its management rules for the exposure to foreign currency translation risk, interest rate risk, price risk, derivatives or other financial instruments. Internal auditors continuously monitor appropriate operation based on the Group's management rules.

1) Foreign currency risk

Trade receivables denominated in foreign currencies arising from the expansion of the Group's business worldwide are exposed to foreign currency fluctuation risk. Some trade payables, such as notes and accounts payable mainly arising from imports of materials, are denominated in foreign currencies and are also exposed to foreign currency fluctuation risk. However, the amounts of such payables are within the range of outstanding accounts receivable denominated in the same foreign currencies. Thus, the Group principally enters into

forward exchange contracts mainly to hedge the position after offsetting foreign currency-denominated trade payables. Hedging transactions that qualify for hedge accounting are accounted for by applying hedge accounting. Depending on the foreign currency market condition, forward exchange contracts within nine-month maximum contract terms are made against the expected amount of foreign currency denominated trade receivables that are deemed certain to arise based on forecast transactions of imports and exports.

2) Interest rate risk

The Group is exposed to interest rate risk arising from the borrowings with both fixed and floating interest rates.

Most of the interest-bearing liabilities consist of bonds and borrowings at fixed interest rates. For floating-rate borrowings, the Group has entered into interest rate swap contracts to hedge exposures to achieve an effect of fixed-rate borrowings.

3) Other price risks

Investments in securities are exposed to share price risk. The Group regularly obtains information on current market prices or the financial condition of the issuer (counterparty) and reviews the status of the securities held by the Group on an ongoing basis taking into consideration the relationship with the counterparty.

(4) Credit risk management

The Group is exposed to credit risk (i.e., a risk that counterparty will default on its contractual obligations of a financial asset held by the Group resulting in a financial loss to the Group) arising from trade and other receivables, including notes receivables, accounts receivables, lease receivables, and other receivables.

Trade receivables, including notes, accounts, and lease receivables, are exposed to customers' credit risk. With respect to this risk, the Group manages due dates and account balance by each customer in accordance with the settlement conditions, and it also obtains the information about doubtful accounts that are mainly caused by deterioration in the financial conditions of customers at an early stage. In addition, the Group also mitigates credit risk by utilizing advances and transaction credit insurance according to the nature of transaction contents, trade size, and the creditworthiness of customers.

Other receivables are also exposed to the credit risk of counterparties, but they are generally settled in a short period of time.

Derivatives are exposed to credit risk arising from default by counterparties. With respect to the execution and management of derivatives transactions, the Group operates the transactions

according to internal rules for trade authorization, and enters into derivatives transactions only with highly rated financial institutions to mitigate credit risk.

(5) Liquidity risk management

Trade and other payables, borrowings, and other financial liabilities are exposed to liquidity risk that they cannot be paid for on due dates.

The Group manages its liquidity risk by monitoring the liquidity on hand and by maintaining and ensuring appropriate cash reserves according to conditions using a medium- and long-term cash management system, which is updated on a regular basis.

In addition, the Group has established a global cash management system to work on reducing liquidity risk by managing its group wide cash, including cash reserves held by the domestic and overseas subsidiaries, in a centralized and efficient manner.

2. Fair Values of Financial Instruments and Breakdown of Items by Level

The fair values of financial instruments are measured based on quoted prices in an active market at the end of each reporting period. When a market for financial instruments is not regarded as active, or when it does not exist, the Group uses appropriate valuation techniques for fair value measurement. The financial instruments that are measured at fair value are categorized into the three levels of the fair value hierarchy determined with reference to the observability of inputs used in the valuation techniques.

The definition of each level of the fair value hierarchy is as follows:

Level 1 – Fair value measured using a quoted price in an active market for an identical asset or liability;

Level 2 – Fair value measured using inputs that are composed of observable prices, either directly or indirectly; and

Level 3 – Fair value measured using inputs that are unobservable for the assets or liabilities.

(1) Financial instruments measured at fair value

Fair value hierarchies of financial instruments measured at fair value are as follows.

(Million yen)

As of March 31, 2025	Level 1	Level 2	Level 3	Total
Derivatives	—	511	—	511
Shares	45,043	—	6,911	51,954
Others	—	1,596	19,807	21,402
Total assets	45,043	2,107	26,717	73,868
Derivatives	—	209	—	209
Total liabilities	—	209	—	209

The fair value measurement in respect of major financial instruments measured at fair value is as follows:

1) Derivatives

Certain derivative assets and liabilities with respect to foreign exchange forward contracts, interest rate swaps, currency swaps, and currency options measured at fair value using appropriate valuation techniques with reference to market prices quoted by financial institutions that enter into these contracts and to other available information are categorized as Level 2.

2) Shares

Shares with active markets are measured at fair value using quoted market prices in the stock exchange and are categorized as Level 1. Regarding the shares that do not have active markets, the items are categorized as Level 2 if the fair value is estimated using observable inputs, and if the fair values are measured using the market approach or the income approach that is determined by discounted future cash flows using other unobservable inputs, such items are categorized as Level 3.

3) Others

Other instruments without active markets are categorized as Level 2 if the fair value is estimated using observable inputs. Assets are categorized as Level 3 if the fair value is estimated using the market approach or the income approach that is determined by discounted future cash flows using unobservable inputs.

(2) Financial instruments measured at amortized cost

The carrying amount and the fair value of those financial instruments are as follows.

(Million yen)

	As of March 31, 2025	
	Carrying amount	Fair value
Financial liabilities		
Bonds	19,961	19,310
Long-term borrowings	127,786	122,512
Total	147,747	141,822

Note: Current portion of bonds and borrowings is included.

The fair value measurement in respect of major financial instruments measured at amortized cost is as follows:

Fair value of bonds is calculated based on quoted market prices, and the fair value hierarchy is categorized as Level 1. Fair value of long-term borrowings is calculated by discounting future cash flows at an interest rate equal to an appropriate index such as the yield of government bonds plus credit spread, and the fair value hierarchy of long-term borrowings is categorized as Level 3.

Other than bonds and long-term borrowings, the carrying amounts of financial assets and liabilities are measured at amortized cost, which approximate fair value.

(Notes to Revenue Recognition)

1. Information on Disaggregation of 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 sales 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 are as follows.

(Million 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 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.

2. Information Useful in Understanding Revenue

Please refer to "(Significant Basis for Presenting Consolidated Financial Statements), 4. Matters regarding the Accounting Policies, (5) Revenue recognition."

3. Information Useful in Understanding Revenue for the Current and Following Fiscal Years

(1) Contract balances

The balances of receivables arising from an entity's contracts with customers, contract assets and advances received are as follows:

(Million yen)

	As of April 1, 2024	As of March 31, 2025
Receivables from contracts with customers	109,889	92,753
Contract assets	3,059	3,390
Advances received	71,875	68,157

For significant changes in advances received during the current fiscal year, the amount increased 209,132 million yen by receipt of cash based on contracts, and decreased 212,672 million yen by revenue recognition. The amount of revenue recognized from advances received which existed at the beginning of the period was 64,551 million yen.

The amount of revenue recognized in the reporting period from performance obligations satisfied in previous periods is not material.

(2) Transaction price allocated to remaining performance obligations

The transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) was 102,146 million yen for the current fiscal year. These performance obligations will be recognized as revenue from the Precision Equipment Business mainly within two years. As a practical expedient, the amount does not include transactions for which the original expected term of the contract is one year or less. There are also no significant amounts that are not included in transaction prices in the consideration from contracts with customers.

(Notes to Per-Share Information)

- | | |
|------------------------------------------------------|--------------|
| 1. Equity per Share attributable to Owners of Parent | 1,940.15 yen |
| 2. Basic Earnings per Share | 17.86 yen |

(Notes on Income Taxes in Connection with Global Minimum Tax)

The amount of income taxes in connection with global minimum tax included in the Income tax expense is 468 million yen.

(Notes to Significant Subsequent Events)

Not applicable.

(Other Notes)

1. Impairment Losses of 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 assessment, 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 recognized in “Other operating expenses” in the consolidated statement of profit or loss.

As a result of an impairment assessment, the Group recognized impairment losses of 10,816 million yen. Impairment losses by asset are as follows.

	Amount (Million yen)
Property, plant and equipment	7,859
Right-of-use assets	215
Intangible assets	2,413
Goodwill	329
Total	10,816

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

For the Precision Equipment Business, the Group has recognized impairment losses of 7,886 million yen. Since the Group was expected not to earn initially anticipated revenue due primarily to revisions to investment plans by major customers and the delayed recovery of the semiconductor market conditions, we conducted an impairment test, reducing the carrying amount of the segment's non-current assets to their recoverable amount. The recoverable amount is based on the fair value less costs of disposal. The fair value was measured using the Market Approach and Cost Approach.

For the Components Business, the Group has recognized impairment losses of 1,009 million yen. This is attributable mainly to the restructuring of primarily European subsidiaries engaged in manufacturing

and sales. We reduced the carrying amount of the segment's non-current assets with no prospect of specific use to their recoverable amount. The recoverable amount was primarily measured at value in use, and the value was recognized as the residual value, etc.

For corporate profit (loss) that cannot be attributed to any segments, the Group has recognized impairment losses of 1,071 million yen. In the process of restructuring the Company's bases, we reduced the carrying amount of non-current assets with no prospect of specific use to their recoverable amount. The recoverable amount was measured at value in use, and the value was recognized as the residual value.

Of 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 “(Notes to Consolidated Statement of Profit or Loss) 2. Restructuring Costs.”

2. Business Combinations

The details of a business combination occurred in the current fiscal year are as follows:

The Company acquired 100% of the outstanding membership interests of RED.com, LLC (RED) on April 8, 2024, making it a wholly-owned subsidiary.

(1) Summary of Business Combination

1) Name of Acquired Company and its Business Outline

Name of acquired company: RED.com, LLC (currently, RED Digital Cinema, Inc.)

Business outline: Design, development, manufacture, sales, and provision of services of professional digital cinema cameras

2) Primary Reasons for the Business Combination

Since its establishment in 2005, RED has been at the forefront of digital cinema cameras, introducing industry-defining products such as the original RED ONE 4K to the cutting-edge V-RAPTOR [X] with its proprietary RAW compression technology. RED's contributions to the film industry have not only earned it an Academy Award but have also made it the camera of choice for numerous Hollywood productions, celebrated by directors and cinematographers worldwide for its commitment to innovation and image quality optimized for the highest levels of filmmaking and video production.

This agreement will merge the strengths of both companies. The Company's expertise in product development, exceptional reliability, and know-how in image processing, as well as optical technology and user interface along with RED's knowledge in cinema cameras, including unique image compression technology and color science, will enable the development of distinctive products in the professional digital cinema camera market.

The Company and RED will merge the strengths of both companies to expand the fast-growing professional digital cinema camera market while leveraging the business foundations and networks of both companies.

3) Legal Form of Business Combination

Acquisition of equity interests for cash consideration

4) Date of Business Combination

April 8, 2024

5) Percentage of Voting Equity Interests Acquired

100%

(2) Acquisition Cost of the Acquired Company and Breakdown by Type of Consideration

(Million yen)

Item	Amount
Cash	12,722
Total acquisition cost (Note)	12,722

Note: Price adjustments after acquisition have been finalized, and the acquisition cost was determined.

(3) Details of Major Acquisition-related Costs

Acquisition-related costs for the business combination was 760 million yen; the Group recorded 185 million yen and 575 million yen as selling, general and administrative expenses in the consolidated statements of profit or loss for the previous fiscal year and the current fiscal year, respectively.

(4) Fair Value of Assets and Liabilities and Goodwill as of the Acquisition Date

(Million yen)

Item	Amount
Current assets	6,483
Non-current assets (Note 1)	9,270
Total assets	15,754
Current liabilities	3,418
Non-current liabilities	365
Total liabilities	3,784
Net assets	11,970
Goodwill arising from acquisition (Note 2)	752

The allocation of the consideration for the acquisition between the assets acquired, the liabilities assumed and goodwill has been completed during the current fiscal year, and the amount of goodwill is finalized.

Notes: 1. Identifiable intangible assets of 7,167 million yen are included, of which technology-related assets are 7,167 million yen.

2. Goodwill is an excess earning power for the future, which is expected from future business developments. There is no goodwill recognized that is expected to be deductible for tax purposes.

(5) Expenditure to Gain Control of the Subsidiary

The reconciliation of the consideration for acquisition of equity interests of RED with the net expenditure for acquisition is as follows:

(Million yen)	
Item	Amount
Consideration for acquisition of equity interests of RED	12,722
Less: Cash and cash equivalents of RED	(708)
Net expenditures for acquisition of RED	12,014

Note: Price adjustments after acquisition have been finalized, and the acquisition cost was determined.

(6) Impact on Operating Results of the Group

Revenue and loss attributable to the owners of the parent of the acquired company recorded in the consolidated statement of profit or loss for the current fiscal year after the acquisition date are 5,960 million yen and 7,064 million yen, respectively.

(7) Consolidated Revenue and Profit (Loss) for the Period based on the Assumption that the Business Combination had been Completed at the Beginning of the Period

The information on consolidated revenue and profit (loss) for the period based on the assumption that the business combination had been completed at the beginning of the period is omitted as their impact on the consolidated statement of profit or loss for the current fiscal year is insignificant.

All amounts have been rounded to the nearest million yen.

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity										
	Share capital	Capital surplus		Retained earnings							
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings						
					Reserve for research and development	Reserve for tax purpose reduction entry of replacement assets	Reserve for tax purpose reduction entry	Reserve for promoting open innovation	General reserve	Retained earnings brought forward	
As of April 1, 2024	65,476	80,712	—	5,565	2,056	4,508	2,815	321	111,211	110,443	
Changes of items during period	—	—	—	—	—	—	—	—	—	—	
Reversal of reserve for tax purpose reduction entry of replacement assets	—	—	—	—	—	(585)	—	—	—	585	
Reversal of reserve for tax purpose reduction entry	—	—	—	—	—	—	(202)	—	—	202	
Dividends from surplus	—	—	—	—	—	—	—	—	—	(8,661)	
Dividends from surplus (Interim dividends)	—	—	—	—	—	—	—	—	—	(8,666)	
(Loss) for year	—	—	—	—	—	—	—	—	—	(4,441)	
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	
Disposal of treasury shares	—	—	31	—	—	—	—	—	—	—	
Cancellation of treasury shares	—	—	(29,144)	—	—	—	—	—	—	—	
Transfers between components of surplus	—	—	29,113	—	—	—	—	—	—	(29,113)	
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	
Total changes of items during period	—	—	—	—	—	(585)	(202)	—	—	(50,094)	
As of March 31, 2025	65,476	80,712	—	5,565	2,056	3,923	2,612	321	111,211	60,349	

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
As of April 1, 2024	(7,297)	375,809	35,033	(169)	34,864	1,866	412,539
Changes of items during period	—	—	—	—	—	—	—
Reversal of reserve for tax purpose reduction entry of replacement assets	—	—	—	—	—	—	—
Reversal of reserve for tax purpose reduction entry	—	—	—	—	—	—	—
Dividends from surplus	—	(8,661)	—	—	—	—	(8,661)
Dividends from surplus (Interim dividends)	—	(8,666)	—	—	—	—	(8,666)
(Loss) for year	—	(4,441)	—	—	—	—	(4,441)
Purchase of treasury shares	(30,003)	(30,003)	—	—	—	—	(30,003)
Disposal of treasury shares	395	426	—	—	—	—	426
Cancellation of treasury shares	29,144	—	—	—	—	—	—
Transfers between components of surplus	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	(6,855)	180	(6,675)	(174)	(6,849)
Total changes of items during period	(464)	(51,345)	(6,855)	180	(6,675)	(174)	(58,195)
As of March 31, 2025	(7,761)	324,464	28,178	10	28,189	1,692	354,344

Notes to Non-Consolidated Financial Statements

1. Matters related to Significant Accounting Policies

(1) Valuation basis and method for securities

- | | |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| - Held-to-maturity debt securities | Stated at amortized cost. |
| - Investments in subsidiaries and associated companies | Stated at cost determined by the moving-average method. |
| - Available-for-sale securities (with market price) | Stated at fair value based on quoted market prices at the balance sheet date. Unrealized gains and losses, net of applicable taxes, are reported in a separate component of equity, and the cost of the securities sold is calculated by the moving-average method. |
| - Available-for-sale securities (without market price) | Stated at cost determined by the moving-average method. |

The Company records investments in limited liability investment partnerships and in other similar partnerships (deemed “securities” under the provisions set forth in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) using the amount of interest in such partnerships calculated based on ownership percentage and the most recent financial statements on the report date stipulated in the partnership agreement.

(2) Valuation basis and method for derivatives

Stated at fair value.

(3) Valuation basis and method for inventories

Generally, work in process is stated at cost determined by the specific identification method, and other inventories are stated at cost determined by the average method. Inventories with lower profitability are written down.

(4) Depreciation method for non-current assets	
- Property, plant and equipment (excluding leased assets)	The straight-line method is applied.
- Intangible assets (excluding leased assets)	The straight-line method is applied.
- Leased assets	Leases that do not transfer ownership of the leased property to the lessee are depreciated using the straight-line method over the lease terms without residual value.
(5) Accounting for deferred assets	Bond issuance expenses are expensed as paid.
(6) Accounting criteria for allowances and provisions	
- Allowance for doubtful accounts	To cover probable losses on uncollectible receivables, the allowance for doubtful receivables is computed based on historical bad debt experience for general accounts and based on the analysis of individual collectability for specific accounts.
- Provision for product warranties	The Company mainly provides for the cost of product warranties at the time revenue is recognized in order to cover repair costs for the product with an obligation that the Company shall provide free repairs for a certain period. The provision is measured at estimated cost based on the past experience ratio or measured separately when the product warranty expense can be separately estimated.
- Provision for retirement benefits	The Company accounts for the provision for employees' retirement benefit based on the projected retirement benefit obligations and pension assets at the end of the current fiscal year. Prior service cost is amortized on a straight-line basis over 10 years (a certain period within the average remaining service period of employees) from the period in which the prior service cost accrues, and

actuarial gains and losses are amortized on a straight-line basis over 10 years (a certain period within the average remaining service period of employees) from the period immediately following the period in which the actuarial gains and losses arise.

When calculating retirement benefit obligations, the benefit formula basis is used to allocate estimated retirement benefits in the period up to the end of the current fiscal year. When the amount of projected pension assets falls below the amount of projected retirement benefit obligations after adjusting for any unrecognized actuarial difference and unrecognized prior service cost, the difference is posted as provision for retirement benefits.

When it is in excess, the excess amount is posted as prepaid pension cost.

- Provision for loss on business of subsidiaries and associates

To cover probable losses on business of subsidiaries and associates, the Company provides for an estimated excess amount of loss over investments in capital of, and loans receivable from, subsidiaries and associates to be incurred by the Company.

(7) Revenue recognition

The Company's revenue is recognized based on the following five-step model:

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

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 related 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 and cell culture observation systems. 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.

For sales of products and rendering of services, the performance obligations are identified based on contracts with customers. Regarding the sales of products that require installation by the Company, revenue is recognized at the point when the installation is completed. For products that do not require installation by the Company, revenue is recognized at the point when the product is delivered to a customer, as the customer

	<p>obtains control over the products upon completion of installation or delivery and the performance obligation is deemed to be satisfied. Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, and other items.</p> <p>For services, if the performance obligation is satisfied at a point in time, revenue is recognized at the point when the services are completed. If the performance obligation is satisfied over time, revenue is recognized on a straight-line basis over the period during which services are rendered.</p>
(8) Translation basis of assets and liabilities denominated in foreign currencies into Japanese yen	<p>Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing at the balance sheet date, and the translation adjustment is recognized in the non-consolidated statement of income.</p>
(9) Hedge accounting	
a. Method for hedge accounting	Deferral hedge accounting is applied.
b. Hedging instruments and hedged items	<p>Hedging instruments are foreign exchange forward contracts, currency options, cross currency swaps, and interest rate swaps.</p> <p>Hedged items are receivables and payables denominated in foreign currencies, forecasted foreign currency transactions, bonds payable, and loans payable.</p>
c. Hedging policy	<p>Foreign exchange risk and interest rate risk of hedged items are hedged within a certain scope in accordance with internal rules that regulate the authorization, transaction limit, and others related to derivative transactions.</p>

d. Method for assessment of hedge effectiveness	The Company compares the cumulative changes in cash flows from, or the changes in fair value of, hedged items with the corresponding changes in the hedging instruments and evaluates hedging effectiveness based on the changes and others.
(10)Application of group tax sharing system	The Company applies the group tax sharing system.

2. Notes on Accounting Estimates

In the preparation of non-consolidated financial statements, the reported amounts of assets, liabilities, income and expenses are affected by the management's selecting the application of accounting policies and estimates. The assumptions on which the estimates are calculated are based on historical experience, available information and other factors that are reasonably assessed at the end of the reporting period according to management's best judgments. Accounting estimates are based on assumptions that take into consideration factors such as the economy, market, and consumption trends, in addition to the changes in demand and supply in the industries each business of the Group belongs to. However, future results may differ from these estimates and associated assumptions.

The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period of the revision and future periods.

The following are the key estimates that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the subsequent fiscal year.

- Valuation of shares of subsidiaries and associates (shares of subsidiaries and associates of 192,625 million yen including shares of Nikon SLM Solutions AG of 92,447 million yen)

The Company determines whether or not to recognize impairment losses on shares of subsidiaries and associates that do not have market prices by comparing the acquisition cost of shares with their substantive value. If the substantive value has declined by 50% or more compared to the acquisition cost, it is to be written down the shares to the substantive value unless the recoverability of the shares is supported by sufficient evidence based on the business plan of the relevant entity. The substantive value of shares acquired reflecting excess earning power is estimated based on the business plan and other information of the relevant entity, as is the case with goodwill recorded in the consolidated statement of financial position. However, if it becomes necessary to revise the business plan and other information due to future changes in uncertain economic conditions and other factors, the amount of shares of subsidiaries and associates may be materially affected in the non-consolidated financial statements for the subsequent fiscal year.

- Recoverability of deferred tax assets

For details of the estimates and underlying assumptions, please refer to Notes on Accounting Estimates as part of the consolidated financial statements. For the amount of deferred tax assets recorded as of the end of the current fiscal year, please refer to the non-consolidated balance sheet.

- Impairment of non-current assets

For details of the estimates and underlying assumptions, please refer to Notes on Accounting Estimates as part of the consolidated financial statements. For the amount of impairment loss on non-current assets recorded for the current fiscal year, please refer to the non-consolidated balance sheet and statement of income.

3. Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment 182,480 million yen

(2) Guarantee obligations

(Million yen)

Guarantee	Guaranteed amount	Content of guarantee of indebtedness
64 employees	15	Mortgage and others
Subsidiaries	3,997	Loans payable and others
Total	4,012	

(3) Monetary receivables and payables to affiliated companies

Short-term monetary receivables	66,276 million yen
Long-term monetary receivables	4,652 million yen
Short-term monetary payables	74,398 million yen

4. Notes to Non-Consolidated Statement of Income

(1) Transactions with affiliated companies

Operational transactions	
Sales to affiliated companies	287,472 million yen
Purchase from affiliated companies	208,585 million yen
Other transactions	24,336 million yen

(2) Gain on sale of investment securities

The Company recorded gain on sale of investment securities of 4,743 million yen in extraordinary income as a result of selling shares for cross-shareholdings.

(3) Impairment losses

1) Assets for which impairment losses were recognized

The Company recorded an impairment loss of 8,893 million yen for business assets and idle assets, as extraordinary losses. In the Precision Equipment Business, the Company reduced the book value of business assets for which recovery of investment cannot be expected to the recoverable amount and recorded an impairment loss of 7,822 million yen as extraordinary losses, as a result of an impairment test based on future cash flow forecasts considering the impact on business activities amid revisions to investment plans by major customers and a delayed recovery of the semiconductor market conditions. The recoverable amount is based on net selling value, which is calculated primarily based on market value or on reasonable assumptions if that is unavailable.

Due to the reorganization of its bases, the Company examined the status of usage and future prospects of its non-current assets. As a result, for idle assets specific use of which cannot be expected in the future, their book value was reduced to the recoverable amount, and an impairment loss of 1,071 million yen was recorded. The impairment losses were recognized as extraordinary losses under restructuring costs.

The types of non-current assets impaired mainly include machinery and equipment (2,435 million yen), construction in progress (2,300 million yen), tools, furniture and fixtures (1,975 million yen), software (97,500 million yen), buildings (962 million yen), and other (247 million yen).

Use	Type	Place	Amount
Business assets	Machinery and equipment, etc.	Kumagaya, Saitama	7,822 million yen
Idle assets	Buildings, etc.	Yokohama, Kanagawa	1,071 million yen

2) Asset grouping method

Generally, assets are grouped by the minimum unit that generates an independent cash flow.

Idle assets are grouped on an individual basis.

(4) Business restructuring expenses

As a result of structural reforms through the reorganization of its bases, the Company recorded an extraordinary loss of 2,032 million yen for business restructuring expenses. The breakdown of the business restructuring expenses is as follows.

Details	Amount
Loss on reorganization of domestic bases	1,679 million yen
Expenses associated with reorganization of Group companies	354 million yen

(5) Losses on business of subsidiaries and associates

In prior years, the Company recorded a provision for loss on business of subsidiaries and associates of 541 million yen to cover future cash flows of its consolidated subsidiary, Mark Roberts Motion Control Limited, in excess of its invested amount. However, as the substantive value of its invested amount in Mark Roberts Motion Control Limited declined further amid the worsening business environment, the Company recognized a provision for loss on business of subsidiaries and associates of 5,277 million yen under extraordinary losses for the current fiscal year.

5. Notes to Non-Consolidated Statement of Changes in Net Assets

Type and number of treasury shares at the end of the current fiscal year

Ordinary shares	4,757,522 shares
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6. Notes to Tax Effect Accounting

(1) Deferred tax assets and deferred tax liabilities by cause

Deferred tax assets:

Inventories	17,723 million yen
Accrued bonuses	1,216 million yen
Depreciation	26,848 million yen
Provision for product warranties	502 million yen
Impairment loss	4,151 million yen
Percentage of completion method	1,666 million yen
Loss on valuation of securities	8,201 million yen
Other	11,397 million yen
Subtotal of deferred tax assets	71,704 million yen
Valuation allowance	(20,147) million yen
Total deferred tax assets	51,557 million yen

Deferred tax Liabilities:

Reserve for advanced depreciation of non-current assets	(3,000) million yen
Valuation difference on available-for-sale securities	(12,565) million yen
Other	(11) million yen
Total deferred tax liabilities	(15,577) million yen
Net deferred tax assets	35,980 million yen

(2) Adjustments to deferred tax assets and deferred tax liabilities due to changes in income tax rates

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13, 2025) was enacted by the Diet on March 31, 2025, and the "corporate surtax for defense spending" will be imposed in fiscal years beginning on or after April 1, 2026. As such, the effective statutory tax rate was changed from 30.6% to 31.5% for the calculation of deferred tax assets and deferred tax liabilities related to the temporary differences, which are to be eliminated in the fiscal years beginning on or after April 1, 2026. As a result of this change, the amount of deferred tax assets (after deducting the amount of deferred tax liabilities) increased by 245 million yen, while income taxes-deferred and evaluation difference on available-for-sale securities decreased by 604 million yen and 359 million yen, respectively, for the current fiscal year.

7. Notes to Transactions with Related Parties

(Million yen)

Category	Company name	Percentage of voting rights (%)	Relationship	Transaction	Transaction amount (Note 4)	Account	Balance at end of period (Note 4) (Note 5)
Subsidiaries	Nikon Inc.	100.0	Sale and after-sales service of the Company's products	Sale of Imaging Products Business products in the Americas (Note 1)	61,704	Accounts receivable - trade	3,497
	Nikon Imaging (China) Sales Co., Ltd.	100.0	Sale and after-sales service of the Company's products	Sale of Imaging Products Business products in China (Note 1)	58,221	Accounts receivable - trade	6,865
	Nikon Europe B.V.	100.0	Sale and after-sales service of the Company's products	Supervision in Europe, sale of imaging business products in Europe (Note 1)	47,184	Accounts receivable - trade	2,485
	Nikon (Thailand) Co., Ltd.	100.0	Manufacture of the Company's products	Manufacture of Imaging Products Business products (Note 2)	126,880	Accounts payable - trade	8,820
	Nikon Europe B.V.	100.0	Sale and after-sales service of the Company's products	Loans of funds (Note 3)	—	Short-term loans receivable	12,230
	Nikon Tec Corporation	100.0	Maintenance services for FPD and semiconductor-related equipment	Receipt of deposits for consumption (Note 3)	—	Deposits received	17,112
	Nikon Vision Co., LTD	100.0	Sales of telescopes and related items	Receipt of deposits for consumption (Note 3)	—	Deposits received	8,106

Condition of transaction, policy to determine such condition and others

(Note 1) The condition of transaction of product sales is determined in consideration of market prices.

(Note 2) The condition of transaction of product manufacturing is determined after negotiation in each case in consideration of prices calculated based on market quotations and estimates from customers.

(Note 3) The Group has adopted a cash management system (hereinafter referred to as "CMS"), but it is difficult in practice to tally the amounts of cash transactions using the CMS by detail of such transactions. Accordingly, only the balances at the end of the period are presented. Interest rates for loans to subsidiaries and borrowings from subsidiaries are reasonably determined in consideration of market interest rates.

(Note 4) The transaction amount and balance of overseas subsidiaries at the end of the period do not include consumption taxes and others.

(Note 5) The balances of monetary receivables and payables denominated in foreign currencies at the end of the period are presented in the amounts translated into Japanese yen at the spot exchange rate prevailing at the balance sheet date.

8. Notes to Revenue Recognition

Please refer to "1. Matters related to Significant Accounting Policies, (7) Revenue recognition."

9. Notes to Retirement Benefits

(1) Outline of retirement benefit plans

The Company has a defined benefit corporate pension plan (cash balance plan) under the Defined-Benefit Corporate Pension Act. The Company also has a defined contribution pension plan for a portion of future retirement benefit.

(2) Retirement benefit obligation

Retirement benefit obligation	(63,692)	million yen
Fair value of pension assets	102,341	million yen
Unfunded retirement benefit obligation	38,649	million yen
Unrecognized actuarial gain	(25,842)	million yen
Unrecognized prior service cost	20	million yen
Prepaid pension cost	12,827	million yen

Fair value of pension assets includes the retirement benefit trust of 12,868 million yen.

(3) Retirement benefit expenses

Service cost	1,334	million yen
Interest cost	922	million yen
Expected return on pension assets	(1,359)	million yen
Recognized actuarial loss	(3,018)	million yen
Recognized prior service cost	5	million yen
Subtotal	(2,116)	million yen
Other	(11)	million yen
Retirement benefit expenses	(2,127)	million yen

In addition to the above retirement benefit expenses, contributions to the defined contribution pension plan of 1,062 million yen were recorded.

Contributions to the defined contribution pension plan were recorded in cost of sales and in retirement benefit expenses under selling, general and administrative expenses.

(4) Others

Discount rate	2.0%
Long-term expected rate of return on pension assets	1.3%

10. Notes to Per-Share Information

Net assets per share	1,072.45 yen
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Net Loss per share	12.95 yen
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11. Notes on Income Taxes in Connection with Global Minimum Tax

The amount of income taxes in connection with global minimum tax included in the Income taxes - current is 468 million yen.

12. Notes to Significant Subsequent Events

Not applicable.

All amounts have been rounded to the nearest million yen.