

Consolidated Financial Results for the Three Months Ended June 30, 2026 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

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Scheduled date to commence dividend payments: –

Preparation of supplementary materials for financial results: Yes

Information meeting for financial results to be held: Yes (for institutional investors and analysts)

(Amounts are rounded to the nearest millions of yen)

1. Consolidated Results for the Three Months Ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Total Comprehensive Income for the Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	164,182	3.8	(997)	—	1,502	88.8	1,289	(86.4)	11,479	(1.9)
Three months ended June 30, 2025	158,121	(3.5)	(1,191)	—	795	(82.9)	9,469	243.6	11,701	(60.2)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Three months ended June 30, 2026	3.91	3.90
Three months ended June 30, 2025	28.79	28.64

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent to Total Assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2026	1,097,132	594,760	593,360	54.1
As of March 31, 2026	1,075,007	588,196	586,785	54.6

2. Dividends

	Dividend per Share				
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	25.00	—	15.00	40.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Planned)		10.00	—	10.00	20.00

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

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2027 (From April 1, 2026 to March 31, 2027)

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	336,000	7.4	(5,500)	—	(4,000)	—	(2,500)	—	(7.59)
Fiscal year ending March 31, 2027	732,000	8.1	11,000	—	14,500	—	10,000	—	30.36

Note: Revision of forecast from the latest announcement: Yes

4. Others

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

Newly included: —

Excluded: —

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1. Changes in accounting policies required by IFRS: None

2. Changes in accounting policies other than the above: None

3. Changes in accounting estimates: None

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued as of the period end (including treasury shares):

As of June 30, 2026 333,585,686 shares

As of March 31, 2026 333,585,686 shares

2. Number of treasury shares as of the period end:

As of June 30, 2026 4,152,929 shares

As of March 31, 2026 4,176,609 shares

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

Three months ended June 30, 2026 329,416,760 shares

Three months ended June 30, 2025 328,936,421 shares

* Review by certified public accountants or an auditing firm on the attached quarterly consolidated financial statements:
None

* Appropriate use of business forecasts; other special items

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

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1. Performance and Financial Position

An overview of the consolidated operating results for the three months ended June 30, 2026 and the consolidated financial forecast for the year ending March 31, 2027 is provided in the presentation material, “Financial Results for the 1st Quarter of the Year Ending March 31, 2027,” released today on the Company’s website.

https://www.nikon.com/company/ir/ir_library/result/

(i) Financial Position

The balance of total assets as of June 30, 2026 increased by 22,125 million yen from the end of the previous fiscal year to 1,097,132 million yen. This was mainly due to increases of 9,578 million yen in other financial assets, owing mainly to an increase in the market value of shares held, 8,605 million yen in property, plant and equipment, goodwill and intangible assets, 5,424 million yen in inventories, and 4,055 million yen in other current assets, despite a decrease of 5,533 million yen in trade and other receivables.

The balance of total liabilities as of June 30, 2026 increased by 15,561 million yen from the end of the previous fiscal year to 502,372 million yen. This was mainly due to increases of 10,290 million yen in trade and other payables, 10,244 million yen in advances received, and 1,563 million yen in other non-current liabilities, despite decreases of 4,382 million yen in other current liabilities, owing mainly to a decrease in accrued expenses, and 1,786 million yen in provisions.

The balance of total equity as of June 30, 2026 increased by 6,564 million yen from the end of the previous fiscal year to 594,760 million yen. This was mainly due to an increase of 10,359 million yen in other components of equity, primarily as a result of changes in the fair value of financial assets held and an increase in exchange differences on translation of foreign operations, despite a decrease of 3,852 million yen in retained earnings owing mainly to dividends declared.

(ii) Cash Flows

During the three months ended June 30, 2026, for the cash flows from operating activities, net cash of 20,526 million yen was provided (4,401 million yen provided in the same period of the previous fiscal year). This was mainly attributable to the recording of profit before tax of 1,502 million yen and depreciation and amortization of 10,520 million yen, and increases in advances received and trade and other payables, despite an increase in inventories and income taxes paid.

For the cash flows from investing activities, net cash of 15,973 million yen was used (13,798 million yen used in the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets.

For the cash flows from financing activities, net cash of 7,555 million yen was used (10,833 million yen provided in the same period of the previous fiscal year). This was mainly attributable to cash dividends paid of 4,872 million yen and repayments of lease liabilities of 2,049 million yen.

As a result of an increase of 2,026 million yen due to the effect of exchange rate changes on cash and cash equivalents, along with the cash flows outlined above, the balance of cash and cash equivalents as of June 30, 2026 decreased by 976 million yen from the end of the previous fiscal year to 157,060 million yen.

2. Quarterly Condensed Consolidated Financial Statements

(1) Quarterly Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026	Changes
ASSETS			
Current assets			
Cash and cash equivalents	158,036	157,060	(976)
Trade and other receivables	127,459	121,926	(5,533)
Inventories	332,872	338,296	5,424
Other current financial assets	2,316	4,577	2,261
Other current assets	25,816	29,870	4,055
Total current assets	646,499	651,729	5,230
Non-current assets			
Property, plant and equipment	150,758	156,912	6,154
Right-of-use assets	17,600	17,105	(495)
Goodwill and intangible assets	95,614	98,064	2,451
Retirement benefit asset	3,309	3,752	443
Investments accounted for using equity method	12,417	13,270	853
Other non-current financial assets	73,974	81,292	7,317
Deferred tax assets	73,918	73,283	(636)
Other non-current assets	918	1,726	807
Total non-current assets	428,508	445,403	16,895
Total assets	1,075,007	1,097,132	22,125

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	73,367	83,657	10,290
Bonds and borrowings	97,717	97,159	(559)
Income taxes payable	5,151	4,985	(167)
Advances received	67,372	77,616	10,244
Provisions	9,548	7,591	(1,957)
Other current financial liabilities	30,042	30,263	221
Other current liabilities	45,101	40,719	(4,382)
Total current liabilities	328,298	341,990	13,692
Non-current liabilities			
Bonds and borrowings	122,240	122,262	22
Retirement benefit liability	8,582	8,802	220
Provisions	5,298	5,469	170
Deferred tax liabilities	3,257	3,134	(123)
Other non-current financial liabilities	13,323	13,341	17
Other non-current liabilities	5,813	7,376	1,563
Total non-current liabilities	158,513	160,382	1,869
Total liabilities	486,811	502,372	15,561
EQUITY			
Share capital	65,476	65,476	—
Capital surplus	—	30	30
Treasury shares	(6,813)	(6,775)	39
Other components of equity	108,953	119,312	10,359
Retained earnings	419,169	415,317	(3,852)
Equity attributable to owners of parent	586,785	593,360	6,575
Non-controlling interests	1,411	1,400	(11)
Total equity	588,196	594,760	6,564
Total liabilities and equity	1,075,007	1,097,132	22,125

(2) Quarterly Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

Quarterly Condensed Consolidated Statement of Profit or Loss

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)		Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)		Changes
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)
Revenue	158,121	100.0	164,182	100.0	6,061
Cost of sales	(90,907)	(57.5)	(99,622)	(60.7)	(8,715)
Gross profit	67,214	42.5	64,561	39.3	(2,653)
Selling, general and administrative expenses	(68,235)		(66,834)		1,400
Other operating income	914		1,482		568
Other operating expenses	(1,085)		(205)		880
Operating loss	(1,191)	(0.8)	(997)	(0.6)	195
Finance income	2,424		2,765		341
Finance costs	(1,240)		(1,233)		7
Share of profit of investments accounted for using equity method	802		965		163
Profit before tax	795	0.5	1,502	0.9	706
Income tax expense	8,667		(196)		(8,863)
Profit for the period	9,462	6.0	1,306	0.8	(8,157)
Profit attributable to:					
Owners of parent	9,469	6.0	1,289	0.8	(8,179)
Non-controlling interests	(6)		16		23
Profit for the period	9,462	6.0	1,306	0.8	(8,157)
Earnings per share:					
Basic earnings per share (Yen)	28.79		3.91		
Diluted earnings per share (Yen)	28.64		3.90		

Quarterly Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)	Changes
Profit for the period	9,462	1,306	(8,157)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain (loss) on financial assets measured at fair value through other comprehensive income	1,686	5,286	3,600
Share of other comprehensive income of investments accounted for using equity method	0	1	1
Total of items that will not be reclassified subsequently to profit or loss	1,686	5,287	3,601
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	417	4,894	4,477
Effective portion of cash flow hedges	96	(71)	(168)
Share of other comprehensive income of investments accounted for using equity method	39	63	25
Total of items that may be reclassified subsequently to profit or loss	553	4,886	4,334
Other comprehensive income, net of taxes	2,239	10,173	7,934
Total comprehensive income for the period	11,701	11,479	(222)
Comprehensive income attributable to:			
Owners of parent	11,698	11,415	(283)
Non-controlling interests	4	64	60
Total comprehensive income for the period	11,701	11,479	(222)

(3) Quarterly Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Gain (loss) on financial assets measured at fair value through other comprehensive income	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2025	65,476	—	(7,761)	11,909	(929)
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	1,659	39
Total comprehensive income for the period	—	—	—	1,659	39
Dividends	—	—	—	—	—
Purchase and disposal of treasury shares	—	(0)	(0)	—	—
Share-based payment transactions	—	(459)	499	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	459	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	30	—
Total transactions with owners	—	—	499	30	—
As of June 30, 2025	65,476	—	(7,262)	13,598	(890)

As of April 1, 2026	65,476	—	(6,813)	16,660	(541)
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	5,271	64
Total comprehensive income for the period	—	—	—	5,271	64
Dividends	—	—	—	—	—
Purchase and disposal of treasury shares	—	(0)	(0)	—	—
Share-based payment transactions	—	30	39	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	233	—
Total transactions with owners	—	30	39	233	—
As of June 30, 2026	65,476	30	(6,775)	22,164	(476)

(Millions of yen)

(millions of yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total				
As of April 1, 2025	55,966	201	67,147	513,115	637,977	1,246	639,223
Profit for the period	—	—	—	9,469	9,469	(6)	9,462
Other comprehensive income	434	96	2,229	—	2,229	10	2,239
Total comprehensive income for the period	434	96	2,229	9,469	11,698	4	11,701
Dividends	—	—	—	(8,221)	(8,221)	(18)	(8,238)
Purchase and disposal of treasury shares	—	—	—	—	(0)	—	(0)
Share-based payment transactions	—	—	—	—	40	—	40
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	(459)	—	—	—
Transfer from other components of equity to retained earnings	—	—	30	(30)	—	—	—
Total transactions with owners	—	—	30	(8,710)	(8,181)	(18)	(8,199)
As of June 30, 2025	56,401	297	69,406	513,873	641,493	1,232	642,726

As of April 1, 2026	92,679	155	108,953	419,169	586,785	1,411	588,196
Profit for the period	—	—	—	1,289	1,289	16	1,306
Other comprehensive income	4,862	(71)	10,126	—	10,126	47	10,173
Total comprehensive income for the period	4,862	(71)	10,126	1,289	11,415	64	11,479
Dividends	—	—	—	(4,941)	(4,941)	(47)	(4,988)
Purchase and disposal of treasury shares	—	—	—	—	(0)	—	(0)
Share-based payment transactions	—	—	—	—	69	—	69
Changes in ownership interest in subsidiaries	—	—	—	—	—	5	5
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	233	(200)	33	(33)	—
Total transactions with owners	—	—	233	(5,141)	(4,840)	(75)	(4,915)
As of June 30, 2026	97,541	84	119,312	415,317	593,360	1,400	594,760

(4) Quarterly Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Cash flows from operating activities:		
Profit before tax	795	1,502
Depreciation and amortization	10,313	10,520
Interest and dividend income	(1,805)	(1,929)
Share of (profit) loss of investments accounted for using equity method	(802)	(965)
Losses (gains) on sale of property, plant and equipment	(11)	(34)
Interest expenses	709	878
Decrease (increase) in trade and other receivables	9,729	7,011
Decrease (increase) in inventories	(13,338)	(3,847)
Increase (decrease) in trade and other payables	(519)	7,332
Increase (decrease) in advances received	13,091	10,803
Increase (decrease) in provisions	(878)	(1,647)
Others, net	(10,162)	(7,668)
Subtotal	7,122	21,956
Interest and dividend income received	1,761	1,934
Interest expenses paid	(745)	(954)
Income taxes refund (paid)	(3,737)	(2,410)
Net cash provided by (used in) operating activities	4,401	20,526
Cash flows from investing activities:		
Purchase of property, plant and equipment	(10,207)	(9,721)
Proceeds from sale of property, plant and equipment	83	88
Purchase of intangible assets	(4,071)	(5,167)
Purchase of investment securities	(148)	(207)
Proceeds from sale of investment securities	370	225
Others, net	175	(1,191)
Net cash provided by (used in) investing activities	(13,798)	(15,973)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	10,847	(547)
Proceeds from long-term borrowings	10,000	—
Repayments of long-term borrowings	(55)	(62)
Repayments of lease liabilities	(1,899)	(2,049)
Cash dividends paid	(8,060)	(4,872)
Cash dividends paid to non-controlling interests	(18)	(47)
Others, net	17	22
Net cash provided by (used in) financing activities	10,833	(7,555)
Effect of exchange rate changes on cash and cash equivalents	(285)	2,026
Net increase (decrease) in cash and cash equivalents	1,150	(976)
Cash and cash equivalents at beginning of the period	163,590	158,036
Cash and cash equivalents at end of the period	164,740	157,060

(5) Notes to Quarterly Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Segment Information)

(1) Outline of Reportable Business Segments

The Group's reportable segments are components for which discrete financial information is available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and evaluate performance.

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 Industry Business, and the Digital Manufacturing Business.

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital cameras, including interchangeable-lens and fixed-lens types, digital cinema cameras, and interchangeable lenses. The Precision Equipment Business provides products and services with regard to the FPD lithography system and semiconductor lithography system. The Healthcare Business provides products and services for the life science solutions field such as biological microscopes, for the eye care solutions field such as ultra-wide field retinal imaging devices, and for the contract cell development and manufacturing field. The Industry 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.

(Revision of Reportable Business Segments)

Beginning with the three months ended June 30, 2026, the Group changed the name of the reportable segment "Components Business" to "Industry Business". The Group also transferred its consolidated subsidiary Nikon Vision Co., Ltd. from the "Industry Business" to the "Imaging Products Business".

The segment information for the three months ended June 30, 2025 has been prepared based on the revised business segments.

(2) Information on Reportable Business Segments

Profit or loss of reportable segments is based on operating profit. The intersegment revenues are based on prevailing market prices.

Information on revenue and profit (loss) by reportable segment is as follows.

For the Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industry	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	80,054	33,821	23,173	15,157	5,099	817	158,121	—	158,121
Intersegment	310	46	47	228	29	21,433	22,093	(22,093)	—
Total	80,364	33,867	23,220	15,385	5,128	22,250	180,214	(22,093)	158,121
Segment profit (loss)	11,171	1,889	(1,838)	1,664	(4,190)	(212)	8,484	(9,675)	(1,191)
Finance income									2,424
Finance costs									(1,240)
Shares of profit of investments accounted for using equity method									802
Profit before tax									795

- Notes: 1. The “Others” category consists of operations not included in the reportable segments.
2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating loss reported in the quarterly condensed consolidated statements of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of (1,477) million yen and corporate profit (loss) of (8,199) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (4,153) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (4,046) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments.

For the Three Months Ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industry	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	72,970	38,269	27,791	17,926	6,318	908	164,182	—	164,182
Intersegment	491	196	95	101	4	20,229	21,116	(21,116)	—
Total	73,461	38,465	27,885	18,027	6,322	21,137	185,298	(21,116)	164,182
Segment profit (loss)	8,103	(2,632)	1,053	3,007	(2,197)	300	7,634	(8,631)	(997)
Finance income									2,765
Finance costs									(1,233)
Shares of profit of investments accounted for using equity method									965
Profit before tax									1,502

- Notes: 1. The “Others” category consists of operations not included in the reportable segments.
2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating loss reported in the quarterly condensed consolidated statements of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of (1,986) million yen and corporate profit (loss) of (6,645) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (3,135) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (3,509) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments.

(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 Industry 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 reconciliation of disaggregated revenue by geographical regions, based on customers' locations, and segment revenue is as follows.

For the Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industry	Digital Manufacturing	Others (Note 1)	Total
Japan	7,439	3,458	3,108	7,233	269	422	21,929
United States	19,399	6,322	10,716	2,663	2,409	—	41,509
Europe (Note 2)	15,367	4,209	4,673	1,878	2,250	28	28,405
China	22,141	15,289	1,839	1,275	0	318	40,861
Others (Note 2)	15,707	4,543	2,837	2,109	171	50	25,417
Total	80,054	33,821	23,173	15,157	5,099	817	158,121

- Notes: 1. The “Others” category consists of operations not included in the reportable segments.
2. Except for Japan, the United States, and China, the countries or regions are primarily categorized as follows:
1) Europe: The United Kingdom, France, and Germany
2) Others: Canada, Asia other than Japan and China, Middle East, Oceania, and Latin America

For the Three Months Ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industry	Digital Manufacturing	Others (Note 1)	Total
Japan	7,103	6,646	3,133	8,132	73	409	25,496
United States	17,152	4,276	13,561	2,624	4,658	—	42,271
Europe (Note 2)	12,844	5,804	5,301	1,836	1,244	24	27,053
China	18,777	17,192	2,676	1,868	—	400	40,913
Others (Note 2)	17,095	4,352	3,120	3,465	342	75	28,449
Total	72,970	38,269	27,791	17,926	6,318	908	164,182

- 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

(Contingent Liabilities)

(Litigation)

The Group is exposed throughout its business activities to the possibility of being involved in a contentious case, becoming a defendant in a lawsuit, and being the object of inquiries by government agencies, in Japan and overseas. The Group examines the possibility of recognizing a provision for the obligation arising from a contentious case or a lawsuit, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Company's subsidiary in India (hereinafter referred as the "Subsidiary in India") was inquired by the Indian Tax Authority regarding the import of the Company's digital cameras, and in October 2016, the imposition was confirmed in relation to the customs duty, interest, and penalty concerning those products. In January 2017, the Subsidiary in India appealed to the Customs, Excise and Service Tax Appellate Tribunal (hereinafter referred to as the "CESTAT"); however, the appeal was dismissed in December 2017. To object to this decision, in January 2018, the Subsidiary in India filed an appeal to the Supreme Court of India (hereinafter referred to as the "Supreme Court"). In March 2021, the Supreme Court delivered a judgment revoking the decision of the CESTAT and consequently the demand notice by the Indian Tax Authority. Subsequently in April 2021, the Indian Tax Authority filed a request for retrial. The Supreme Court approved the request for retrial in November 2024, and remanded the case to the CESTAT. In April 2025, at the remanded trial, the CESTAT rendered a judgement that the products were exempt from taxation. However, the Indian Tax Authority appealed the judgement to the Supreme Court in February 2026. Subsequently, in July 2026, the Supreme Court accepted the appeal and commenced hearings in the case. As it is currently unable to predict the final decision of the lawsuit, the Company has not recognized any provision based on the aforementioned policy.

(Contracts and Legal Compliance)

In response to a question raised that the Company's consolidated subsidiary, Optos Plc, sold refurbished products and new products without distinction, the Company conducted an internal investigation with the cooperation of the external organizations, as well as its own internal review. With respect to potential violations and breaches of legal, regulatory and contractual requirements in the United States, the Company has recorded a provision of 1,443 million yen for possible compensation, penalties or other sanction. As a result of the review conducted to date, the Company has not found any quality, sales or marketing or other issues that have caused the Company to increase the provision.

Depending on the future progress of the investigation and the Company's review, there is a possibility that its consolidated performance would be affected in case where payments to regulatory authorities and compensation to customers, etc., exceeding the above provision will occur. However, the Company is unable to reasonably estimate the potential financial impact at this stage.

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.