

Main questions and answers at the financial results presentation for the fiscal year
ended March 31, 2026

Date/Time: May 13, 2026 (Wednesday) 4:30 p.m. -5:30 p.m.

Participants from the Company:

Yoshitaka Oji, President & CEO; Toshiyuki Furukawa, Senior Managing Director;

Keiichi Kobayashi, Director

Main questions and answers:

[General]

Q) How did you approach additional U.S. tariffs in the FY2026 financial forecasts and what is the status of the tariff refund procedure?

A) The difference in impact due to the lower rate of additional U.S. tariffs has been factored into the FY2026 financial forecasts. Our U.S. subsidiary is dealing with the tariff refund procedure based on consultation with a law firm. However, refunds have not been factored into the financial forecasts because the timing and amount of refunds is currently unknown.

[Watches]

Q) Regarding FY2026 financial forecasts

A) Gains in sales and profits are forecast. In Japan, we expect sales to increase by several percent due to recovering internal demand. In North America, sales are expected to increase by several percent, reflecting continued strong performances via each distribution channel, and sales in Europe are also projected to rise by several percent. In Asia, we expect a slight decrease in China and a slight increase in other Asian regions, with total sales in Asia likely to be mostly unchanged year on year. Movement sales are expected to increase by around 10%.

Q) Tell us about your multi-brand strategy and brand portfolio.

A) In FY2026, La Joux-Perret S.A., our subsidiary, accepted investment from the LVMH Group. Previously, our multi-brand strategy focused mainly on finished watches but, in our external sales of movements, we intend to launch a sales offensive in the Swiss market with Japan-made Miyota movements and Swiss-made La Joux-Perret movements. At the same time, we will aim for efficient procurement of finished watches, including the FREDERIQUE CONSTANT brand and BULOVA brand.

[Machine Tools]

Q) Regarding FY2026 financial forecasts and trends in orders received

A) A significant improvement in profit is expected. Regarding orders by region, we expect demand for semiconductor-related products in China to remain strong. In Europe and Americas, we expect only a gradual recovery, but Japan and other Asian regions will likely remain on recovery path. Demand for automotive products is expected to remain on par with the previous year.

[Devices and Components]

Q) Regarding FY2026 financial forecasts

A) Gains in sales and profits are forecast. The profit decrease in the second half reflects seasonal factors in the fourth quarter.