



# **Financial Results for the year ended March 31, 2021 Progress of Medium-Term Management Plan (FY2019 to FY2021)**

May 13, 2021

1. Financial Results of the year ended March 31, 2021
2. Forecast for the year ending March 31, 2022
3. Progress of Medium-Term Management Plan

# Summary for the year ended March 31, 2021



**Revenue**  
**¥451.2B**

- **YoY : Down ¥139.8B**

- **Imaging Products** : Although the revenue of mirrorless grew, revenue decreased approx. ¥75.0B due to the market shrinkage and the impact of COVID-19.
- **Precision Equipment** : Total segment revenues down approx. ¥60.0B. Semiconductor Lithography Business revenues decreased as our major customer is at their shifting point of investment. FPD Lithography Business saw revenues decrease as large first-half impacts of COVID-19 outweighed benefits from resumption of installation activity in July.

**Operating Profit**  
**-¥56.2B**

- **YoY : Down ¥62.9B**

- Loss at operating level was limited after excluding ¥55.6B in one-time costs (restructuring relevant expenses, impairment losses of fixed assets and disposal and write-down of inventory).
- Deficit is shrank in Q4 due to higher revenue in Imaging Products and Healthcare, and the benefits of reduced costs in various business unit even posted approx. ¥15.0B on impairment losses of fixed assets and disposal and write-down of inventory

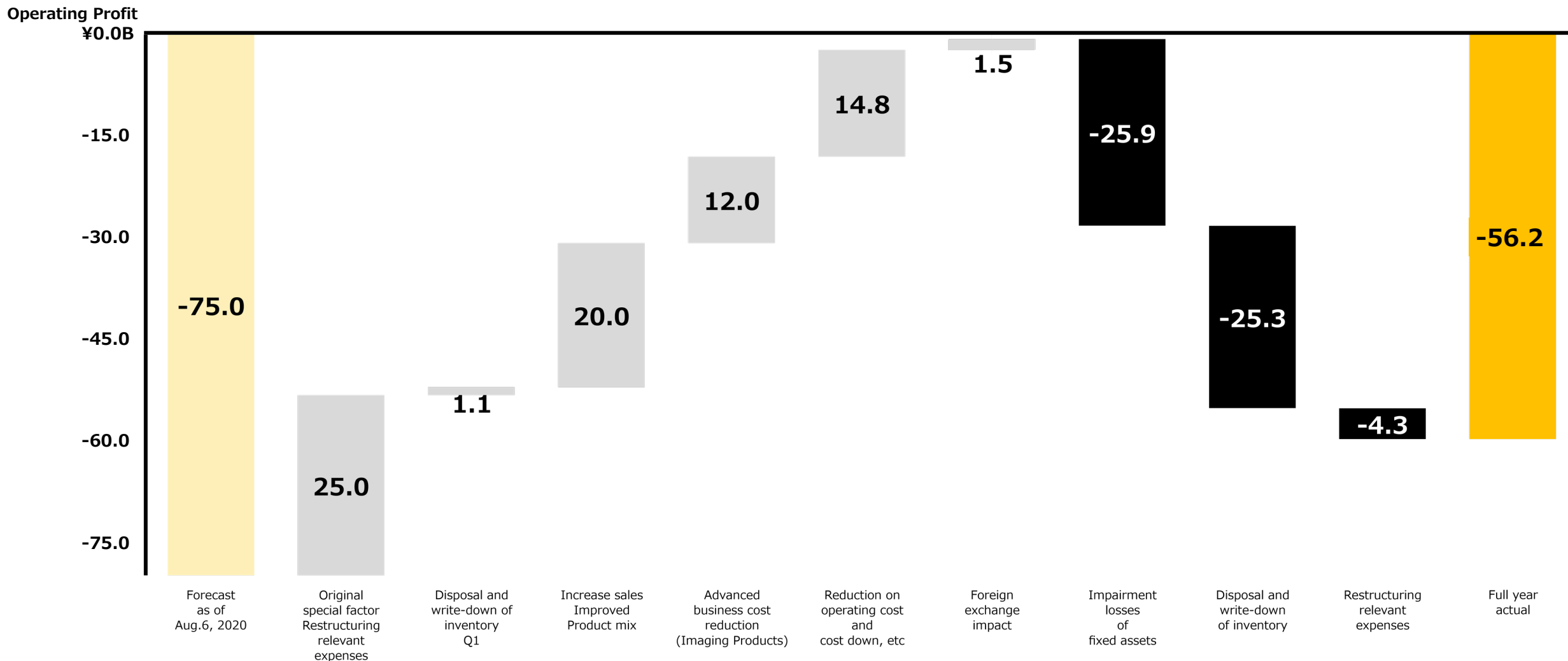
**Profit attributable to owners of the parent**  
**-¥34.4B**

- **YoY : Down ¥42.0B**

Operating profit : -¥56.2B · Profit attributable to owners of the parent : -¥34.4B  
(Operating profit : -¥75.0B · Profit attributable to owners of the parent : -¥50.0B at the forecast as of Aug. 6, 2020)

Note: Amounts in this presentation material are rounded down to the hundred millions of yen, previous forecast is the forecast as of Feb. 4, 2021.

# FY2021/3 Full Year Actual: Major Changes from August 2020



Operating loss of more than ¥50.0B due to one-time costs.  
Harsh expectations partially offset by increased sales and improved business management.

# Impairment losses of fixed assets, disposal and write-down of inventory and restructuring relevant expenses in FY2021/3



Billions of yen	Q1	Q2	Q3	Q4	Summation
Impairment losses of fixed assets	-	18.7	-	7.2	25.9
Disposal and write-down of inventory	1.1	10.7	5.5	8.0	25.3
Restructuring relevant expenses	0.3	1.0	0.6	2.4	4.3
Summation	1.4	30.4	6.1	17.6	55.6

Posted one-time costs (impairment losses of fixed assets, inventory disposal and write-down, and restructuring relevant expenses) of ¥55.6B for the full year in FY2021/3.

Note: Previous one-time costs were indicated of summation in impairment losses of fixed assets and disposal and write-down of inventory in Q2-Q3 of FY2021/3.

# Financial Results for the year ended March 31, 2021: Highlights



Billions of yen	FY2020/3 Actual(A)	Previous Forecast (Feb. 4) (B)	FY2021/3 Actual(C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	591.0	450.0	<b>451.2</b>	-139.8	+1.2
<b>Operating Profit</b> % vs Revenue	6.7 1.1%	-65.0 -14.4%	<b>-56.2</b> -12.5%	-62.9	+8.8
<b>Profit before income taxes</b> % vs Revenue	11.8 2.0%	-60.0 -13.3%	<b>-45.3</b> -10.0%	-57.1	+14.7
<b>Profit attributable to owners of the parent</b> % vs Revenue	7.6 1.3%	-42.0 -9.3%	<b>-34.4</b> -7.6%	-42.0	+7.6
<b>FCF</b>	-4.8	-	<b>22.9</b>	+27.7	-
<b>Exchange Rate :</b>				Impact on Revenue	
US \$	¥109	¥106	<b>¥106</b>	-1.7	+3.7
EURO	¥121	¥121	<b>¥124</b>	Impact on Operating Profit	
				+0.8	+0.6

Every profit is surpassed by the previous forecast because business itself has been going well even in deficit of each profit by the impact of one-time costs , etc.

# Financial Results for the year ended March 31, 2021:by Segments

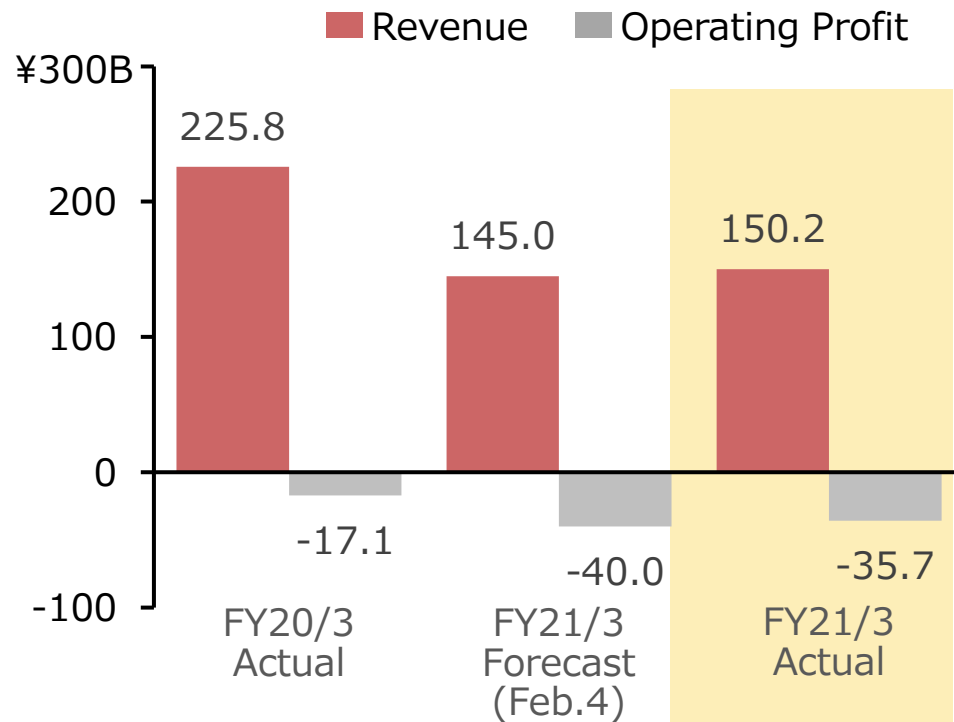


Billions of yen		FY2020/3 Actual (A)	FY2021/3 Previous Forecast (Feb. 4) (B)	FY2021/3 Actual (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	225.8	145.0	<b>150.2</b>	-33.5%	+3.6%
	Operating Profit	-17.1 (- 14.4)	-40.0 (- 35.0)	<b>-35.7</b> (- 32.2)	-¥18.6B	¥4.3B
Precision Equipment Business	Revenue	245.0	190.0	<b>184.7</b>	-24.6%	-2.8%
	Operating Profit	48.0 (48.0)	4.0 (4.0)	<b>1.4</b> (1.4)	-¥46.6B	-¥2.6B
Healthcare Business	Revenue	62.0	60.0	<b>62.8</b>	+1.3%	+4.7%
	Operating Profit	-2.4 (- 2.4)	-4.0 (- 4.0)	<b>-3.0</b> (- 3.0)	-¥0.6B	+¥1.0B
Industrial Metrology and Others	Revenue	58.0	55.0	<b>53.3</b>	-8.1%	-3.1%
	Operating Profit	1.8 (1.8)	-2.0 (- 2.0)	<b>-2.6</b> (- 1.9)	-¥4.4B	-¥0.6B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—	—	—
	Operating Profit	-23.6 (- 21.9)	-23.0 (- 23.0)	<b>-16.1</b> (- 16.1)	+¥7.5B	+¥6.9B
Consolidated	Revenue	591.0	450.0	<b>451.2</b>	-23.7%	+0.3%
	Operating Profit	6.7 (11.2)	-65.0 (- 60.0)	<b>-56.2</b> (- 51.9)	-¥62.9B	+¥8.8B

Note: The operating profit figures in parentheses exclude restructuring relevant expenses.

Corporate P/L not attributable to any reportable segments includes the elimination of intersegment transactions that amount to -¥2.1B in FY2020/3 and +¥2.5B in FY2021/3, and the gain from unused land sales of ¥3.8B in FY2020/3.

# Results for the year ended March 31, 2021: Imaging Products Business



## • Revenue: Down ¥75.6B YoY

Surpassed by ¥5.2B vs previous forecast

- Sales volumes down substantially on market shrinkage and the impact of COVID-19. Higher ASP on shift to models for pro/hobbyist.
- Revenue surpassed by mirrorless sales volumes growth in both camera bodies and lenses with mirrorless lineup expanded to 6 camera models and 18 lenses.
- Q4 sustained momentum from Q3. We continue to see strong sales in our new mirrorless products Z 6II and Z 7II, coupled with a continued recovery in the camera market.

## • Operating Profit: Down ¥18.6B YoY

Surpassed by ¥4.3B vs. previous forecast

- Slashed ¥27.0B from business costs, including ¥12.0B in advanced business cost reductions. Over the past 2 years, cumulative cost reductions totaled ¥52.0B. Steady progress toward the total reduction of ¥63.0B for the entire period of the Medium-Term Management Plan.
- Operating loss of ¥12.0B excluding ¥23.7B of one-time costs .

### Digital Camera-Interchangeable Lens type (units:1,000)

Market Scale	7,920	5,300	5,520
Nikon	1,620	850	840

### Interchangeable Lens (units:1,000)

Market Scale	13,370	8,800	9,110
Nikon	2,650	1,400	1,350

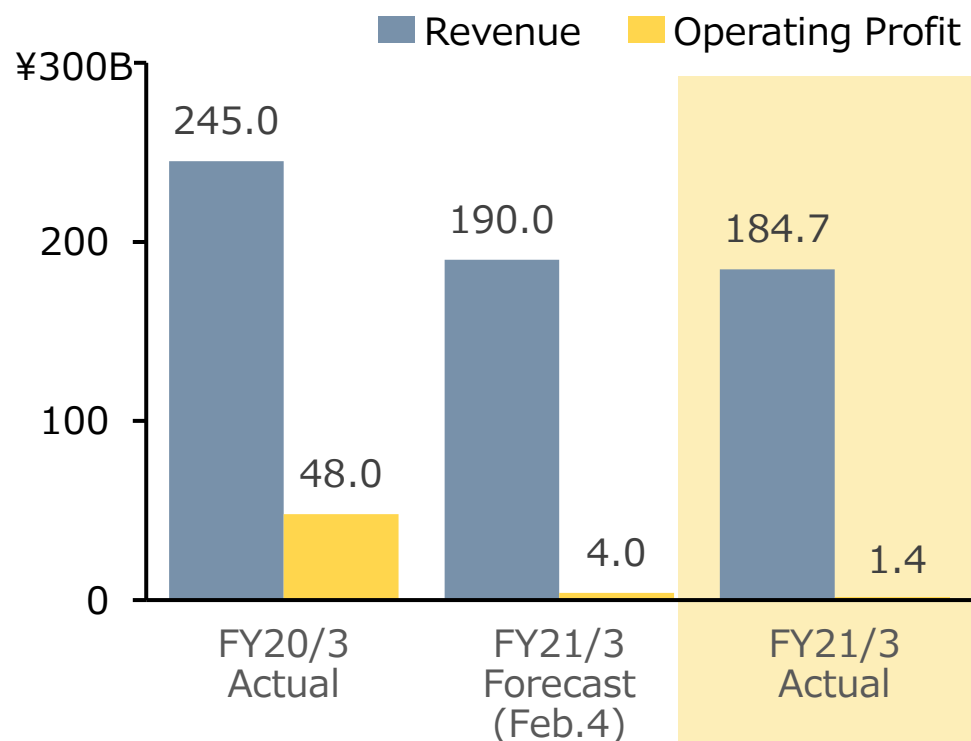
### Compact DSC (units:1,000)

Market Scale	6,190	3,500	3,430
Nikon	840	250	260

Note: ¥23.7B of one-time costs is summation in impairment losses of fixed assets (¥16.3B) , disposal and write-down of inventory (¥3.8B) and restructuring relevant expenses (¥3.5B).



# Results for the year ended March 31, 2021: Precision Equipment Business



## FPD Lithography Systems (units)

Market Scale (CY19/20)	90	52	52
Nikon	27	28	29

## Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY19/20)	280	305	330
Nikon	34/11	17/10	16/11

### • Revenue: Down ¥60.3B YoY

Down ¥5.3B vs. previous forecast

- FPD: Customer capex for small and mid-sized panels recovering. Capex for large panels also strong.
- FPD: Sales volumes up 1 unit vs. previous forecast as installations have progressed smoothly despite travel restrictions that continue to limit installation work.
- SPE: Sales volumes decreased substantially YoY as our major customer is at their shifting point of investment and some customers delay delivery or order due to the impact of COVID-19.
- Acceptance test of 1 ArF immersion system pushed out into next fiscal year, compared to previous forecast.

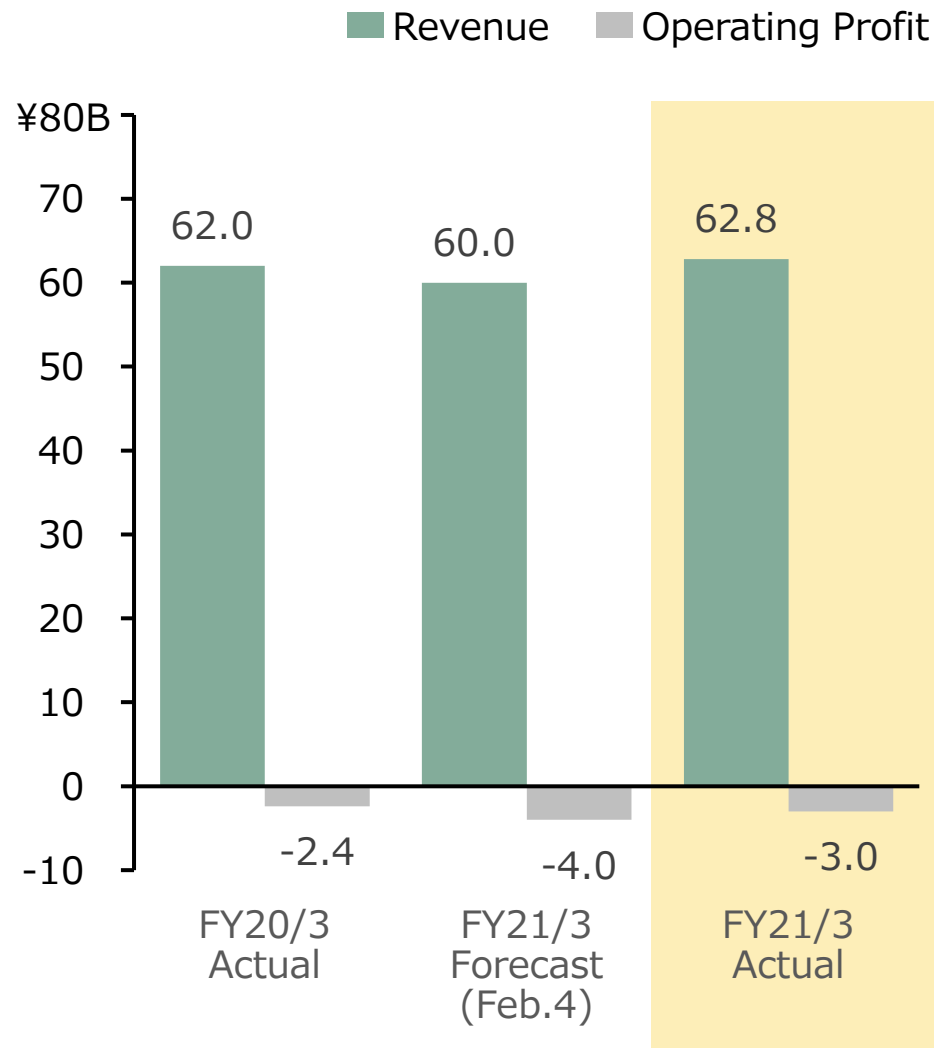
### • Operating profit: Down ¥46.6B YoY

Down ¥2.6B vs. previous forecast

- Profit decreased substantially as declining revenues in FPD and SPE combined with approx. ¥21.6B in one-time cost (including impairment losses of fixed assets) and increased R&D investments in growth areas.
- Profit decreased compare to previous forecast because acceptance test of 1 ArF immersion system got pushed out into the next fiscal year.

Note: ¥21.6B of one-time cost is summation in impairment losses of fixed assets (¥3.7B) and disposal and write-down of inventory (¥17.8B).

# Results for the year ended March 31, 2021: Healthcare Business



## • Revenue: Surpassed by ¥0.8B YoY

Surpassed by ¥2.8B vs. previous forecast

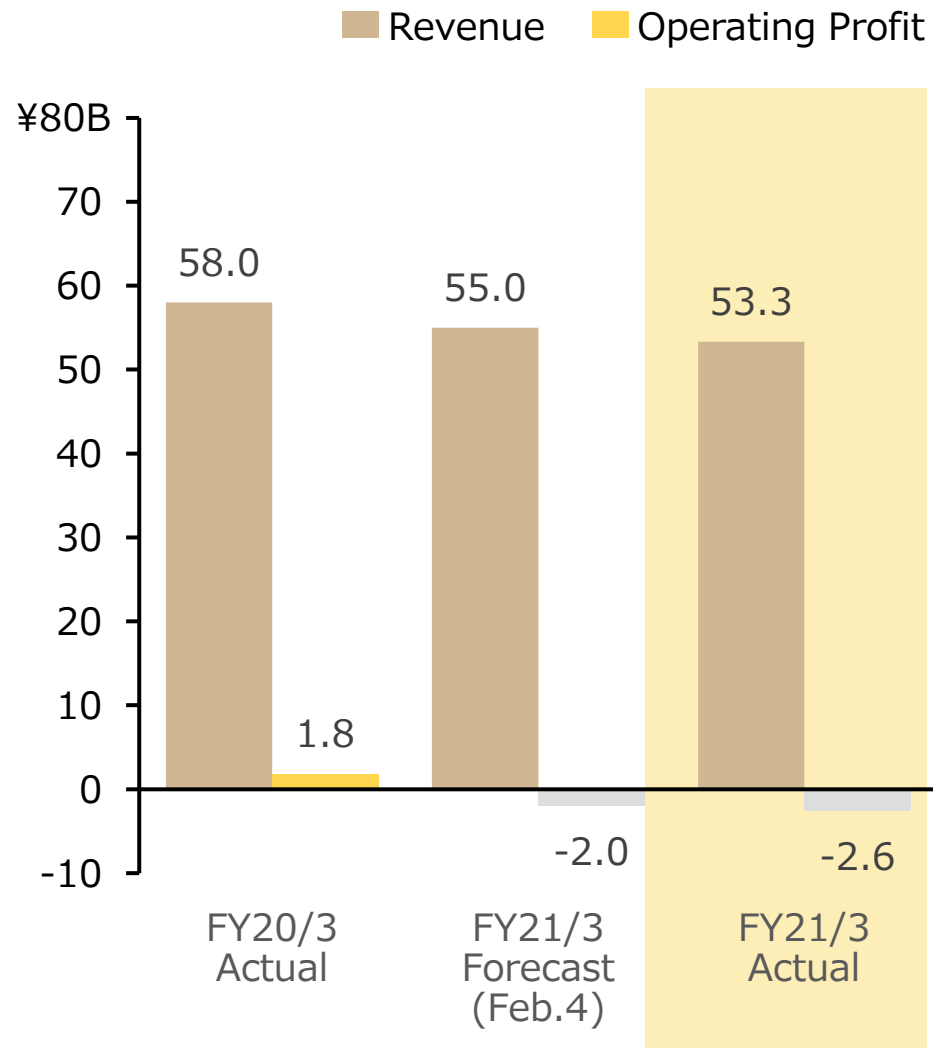
- Revenue increased YoY as Q3 recovery momentum continued in Q4, due to the resumption of sales activities for both biological microscopes and retinal diagnostic imaging systems. Also surpassed by previous forecast.
- Record-high sales for a full year in retinal diagnostic imaging systems.
- In contract cell manufacturing, multiple projects are moving forward smoothly.

## • Operating Profit: Down ¥0.6B YoY

Surpassed by ¥1.0B vs. previous forecast

- Although result was an operating loss due to the impact of COVID-19 in the 1H and the posted ¥2.5B of impairment losses of fixed assets, profitability is improving solidly thanks to revenue growth and expense reductions.

# Results for the year ended March 31, 2021: Industrial Metrology and Others



## • Revenue: Down ¥4.7B YoY

**Down ¥1.7B vs. previous forecast**

- Revenues decrease YoY in the Industrial Metrology Business despite recovery momentum in capex in electronic components, semiconductors and automotive.
- In the Others segment, collaboration with Velodyne Lidar, Inc. including lidar sensor production, as well as optical components, optical parts and encoders, etc.

## • Operating Profit: Down ¥4.4B YoY

**Down ¥0.6B vs. previous forecast**

- Posted ¥3.2B of impairment losses of fixed assets related to Imaging Products Business in a domestic production facility in Q2, ¥1.3B in soil remediation costs at a subsidiary and ¥0.8B in restructuring relevant expenses in Q4. Operating profit ¥2.7B, excluding these one-time cost.

Note: The Others segment of the Industrial Metrology and Others includes production subsidiaries, where impairment losses of fixed asset were posted in the previous year in connection with a review of the Imaging Products business plan.

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# Forecasts for the year ending March 31, 2022



**Revenue**  
**¥510.0B**

• **Company total forecast: Surpassed by ¥58.8B YoY.**

**Recovered to the revenue scale of ¥500B.**

- Expand sales in all segments driven by recovery from the COVID-19 pandemic.
- **Imaging Products:** Increase revenues ¥14.8B by recovery from the COVID-19 pandemic in camera market and expanded sales of mirrorless.
- **Precision Equipment:** Increase revenues ¥20.3B thanks to greater sales volumes in small and mid-sized panels for FPD by increased customers' investment.

**Operating Profit**  
**¥20.0B**

• **Company total forecast: Surpassed by ¥76.2B YoY**

- Improve profitability on recovery in revenues and lowering of breakeven point (thanks to lower depreciation burden due to impairment losses of fixed assets taken in the previous FY).
- Aim to be profitable in all segments.

**Profit attributable to owners of the parent**  
**¥16.0B**

• **Company total forecast: Surpassed by ¥50.4B YoY**

**Shareholder Return**

• **Dividend forecast:** Annual ¥30. (interim: ¥15)

- Annual dividend increase ¥10 YoY assuming earning recovery.

# Forecast for the year ending March 31, 2022: Financial Highlights



Billions of yen	FY2021/3 Actual (A)	FY2022/3 Forecast (B)	Change (B)-(A)
<b>Revenue</b>	451.2	<b>510.0</b>	+58.8
<b>Operating Profit</b>	-56.2	<b>20.0</b>	+76.2
% vs Revenue	-12.5%	<b>3.9%</b>	
<b>Profit before income taxes</b>	-45.3	<b>22.0</b>	+67.3
% vs Revenue	-10.0%	<b>4.3%</b>	
<b>Profit attributable to owners of the parent</b>	-34.4	<b>16.0</b>	+50.4
% vs Revenue	-7.6%	<b>3.1%</b>	
<b>EPS</b>	-¥93.96	<b>¥43.57</b>	+¥137.53
<b>Annual Dividends</b>	¥20	<b>¥30</b>	+¥10
Exchange Rate: US \$	¥106	<b>¥105</b>	Impact on Revenue Approx.-¥1.4B
EURO	¥124	<b>¥125</b>	Impact on Operating Profit Approx.+¥0.1B

Note: EPS (Basic Earning per Share) = Profit attributable to owner of the parent / Average number of shares during the term

Approx. 0.367B shares, an average over the number of shares at the end of FY2021/3, also approx. 0.367B, and the expected number of shares at the end of FY2022/3.

# Revision of Business Segments



<u>Old Segment</u>	<u>Business Unit (BU)</u>		<u>New Segment</u>	<u>Business Unit (BU)</u>
Imaging Products Business	Imaging BU		Imaging Products Business	Imaging BU
Precision Equipment Business	FPD Lithography BU		Precision Equipment Business	FPD Lithography BU
	Semiconductor Lithography BU			Semiconductor Lithography BU
	Next Generation Project Div.			Next Generation Project Div.
Healthcare Business	Healthcare BU		Healthcare Business	Healthcare BU
Industrial Metrology and Others	Industrial Metrology BU	→	Components Business	Digital Solution BU
	Digital Solution BU			Customized Products BU
	Customized Products BU			Glass BU
	Glass BU		Industrial Metrology BU	
	Others		others	

『Components Business』

Newly organized for realizing areas of Long-Term Growth (Digital Manufacturing and Vision Systems/Robotics)

# Forecast for the year ending March 31, 2022: Financial Highlights by Segment



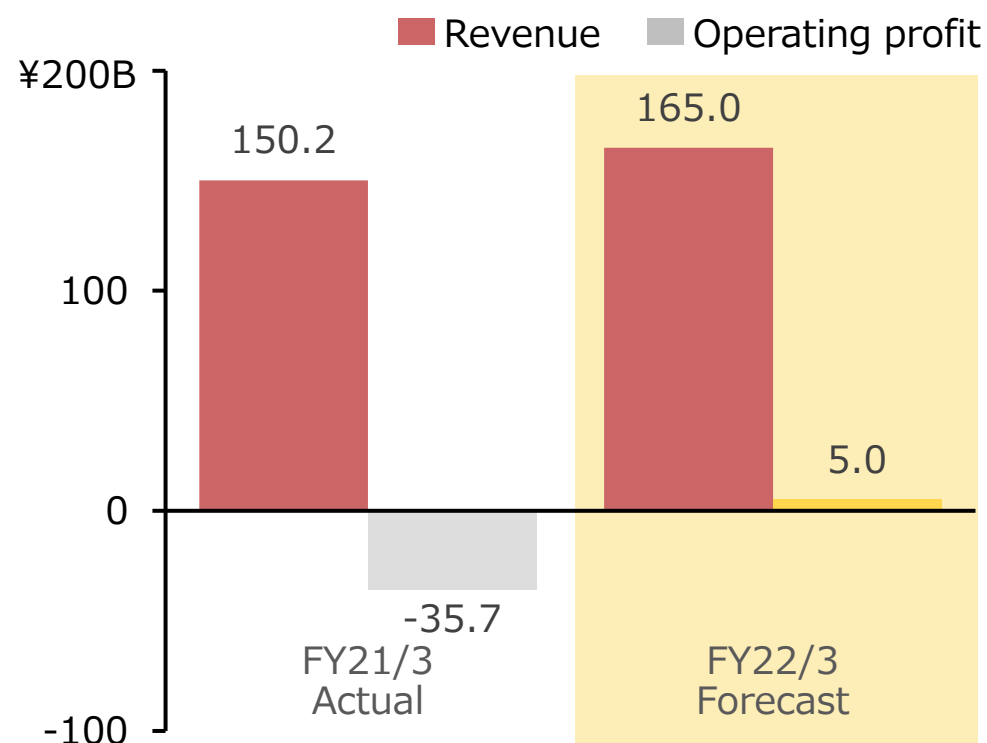
Billions of yen		FY2021/3 Actual(A)	FY2022/3 Forecast (B)	Change (B)-(A)
Imaging Products Business	Revenue	150.2	<b>165.0</b>	+9.9%
	Operating Profit	-35.7 (- 32.2)	<b>5.0</b>	¥40.7B
Precision Equipment Business	Revenue	184.7	<b>205.0</b>	+11.0%
	Operating Profit	1.4 (1.4)	<b>17.0</b>	¥15.6B
Healthcare Business	Revenue	62.8	<b>70.0</b>	+11.5%
	Operating Profit	-3.0 (- 3.0)	<b>1.0</b>	¥4.0B
Components Business	Revenue	25.7	<b>35.0</b>	+36.2%
	Operating Profit	0.0 (0.0)	<b>8.0</b>	¥8.0B
Industrial Metrology and Others	Revenue	27.5	<b>35.0</b>	+27.3%
	Operating Profit	-2.7 (- 1.9)	<b>3.0</b>	¥5.7B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-16.1 (- 16.1)	<b>-14.0</b>	¥2.1B
<b>Consolidated</b>	Revenue	451.2	<b>510.0</b>	+13.0%
	Operating Profit	-56.2 (- 51.9)	<b>20.0</b>	¥76.2B

Note: OP figures in parentheses are the operating profit excluding restructuring relevant expenses.

Corporate P/L non-attributable to any reportable segments includes elimination of intersegment transactions that amount to +¥2.5B in FY2021/3.



# Forecast for the year ending March 31, 2022: Imaging Products Business



## • Revenue: Surpassed by ¥14.8B YoY

- Digital camera market to sustain its improved momentum amid recovery from the COVID-19 pandemic. DCIL market to grow 5% YoY.
- Market for pro/hobbyist performing well. Continue to advance shift toward high-end and mid-range models.
- Expand further the lineup of mirrorless bodies and lenses compared to the previous year and achieve sales growth driven primarily by mirrorless.
- Focus on stable supply of parts (including semiconductors) for cameras and lenses.

## • Operating profit: Surpassed by ¥40.7B YoY

- In the previous year, posted total approx. ¥20.0B of impairment losses of fixed asset and disposals and write-down of inventory, as well as ¥3.5B of restructuring relevant expenses. Excluding these one-time cost, profit is to increase approx. ¥17.0B.
- Business costs to be reduced ¥11.0B in this FY. Plan to achieve the total reduction of ¥63.0B for the entire period of the Medium-Term Management Plan, including the cumulative ¥52.0B reduction achieved over the prior 2 years.

### Digital Camera-Interchangeable Lens type (units:1,000)

Market Scale	5,520	5,800
Nikon	840	750

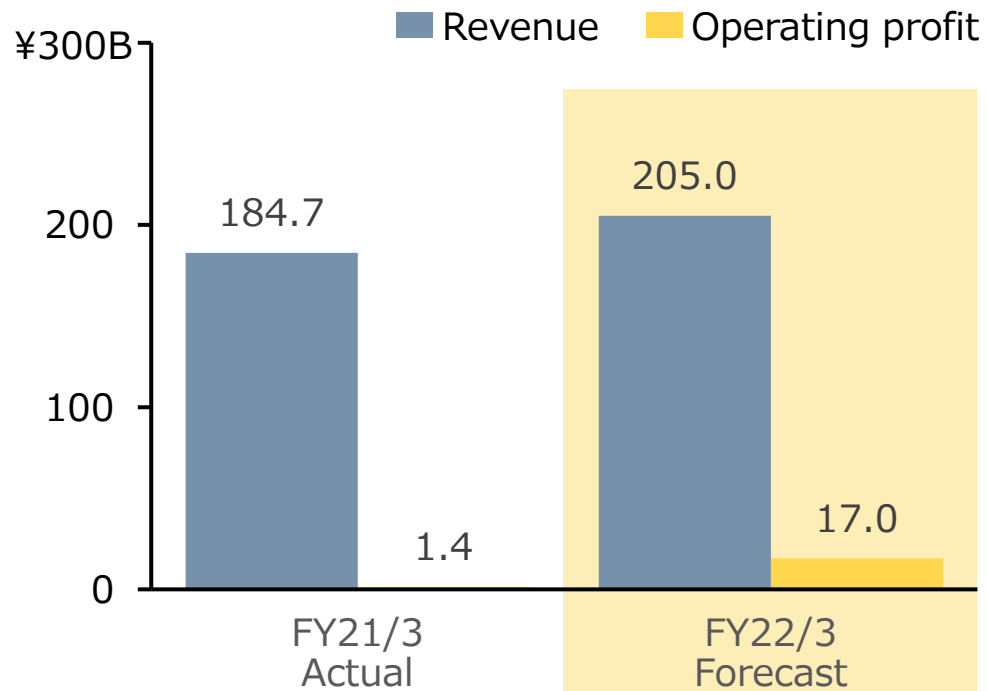
### Interchangeable lenses (units:1,000)

Market Scale	9,110	9,700
Nikon	1,350	1,300

### Compact DSC(units:1,000)

Market Scale	3,430	3,200
Nikon	260	250

# Forecast for the year ending March 31, 2022: Precision Equipment Business



## • Revenue: Surpassed ¥20.3B YoY

- FPD: Customer capex to trend strongly in both large panels and small and mid-sized panels. Orders are solid, primarily in small and mid-sized panels.
- FPD: Installations of systems delayed due to COVID-19 have been progressing and should be booked as sales this year.
- SPE: Sales of refurbished systems (primarily KrF and i-line) to increase, but new systems will decline during this transitional period in customer capex.

## • Operating profit: Surpassed by ¥15.6B YoY

- Total of approx. ¥21.0B of impairment losses of fixed assets and disposal and write-down of inventory posted in the previous year. Excluding these one-time costs, profit is to decrease approx. ¥5.5B.
- Benefits from increased FPD revenues outweighed by impact from decrease in new SPE systems and continued expansion of R&D investments in long-term growth areas in Next Generation Project Division.

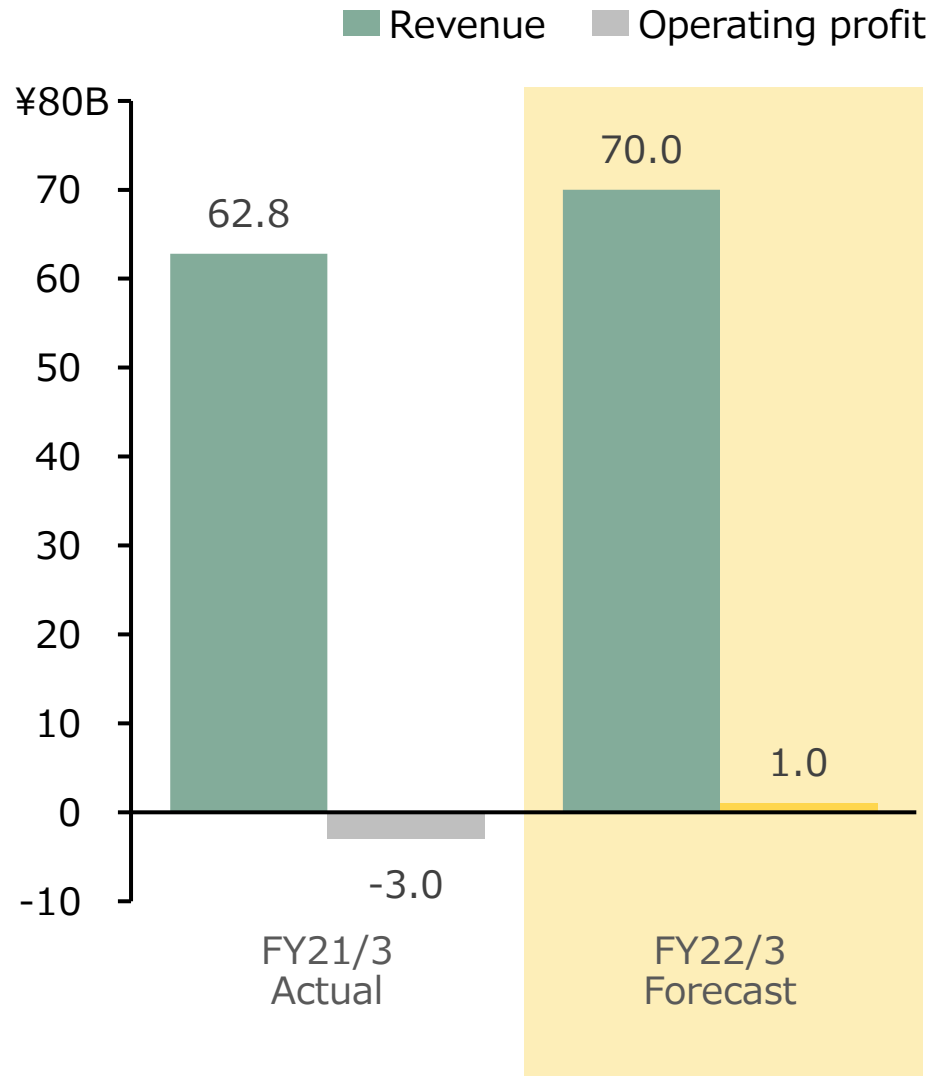
### FPD Lithography Systems (units)

Market Scale (CY20/21)	52	120
Nikon	29	45

### Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY20/21)	330	370
Nikon	16/11	13/15

# Forecast for the year ending March 31, 2022: Healthcare Business



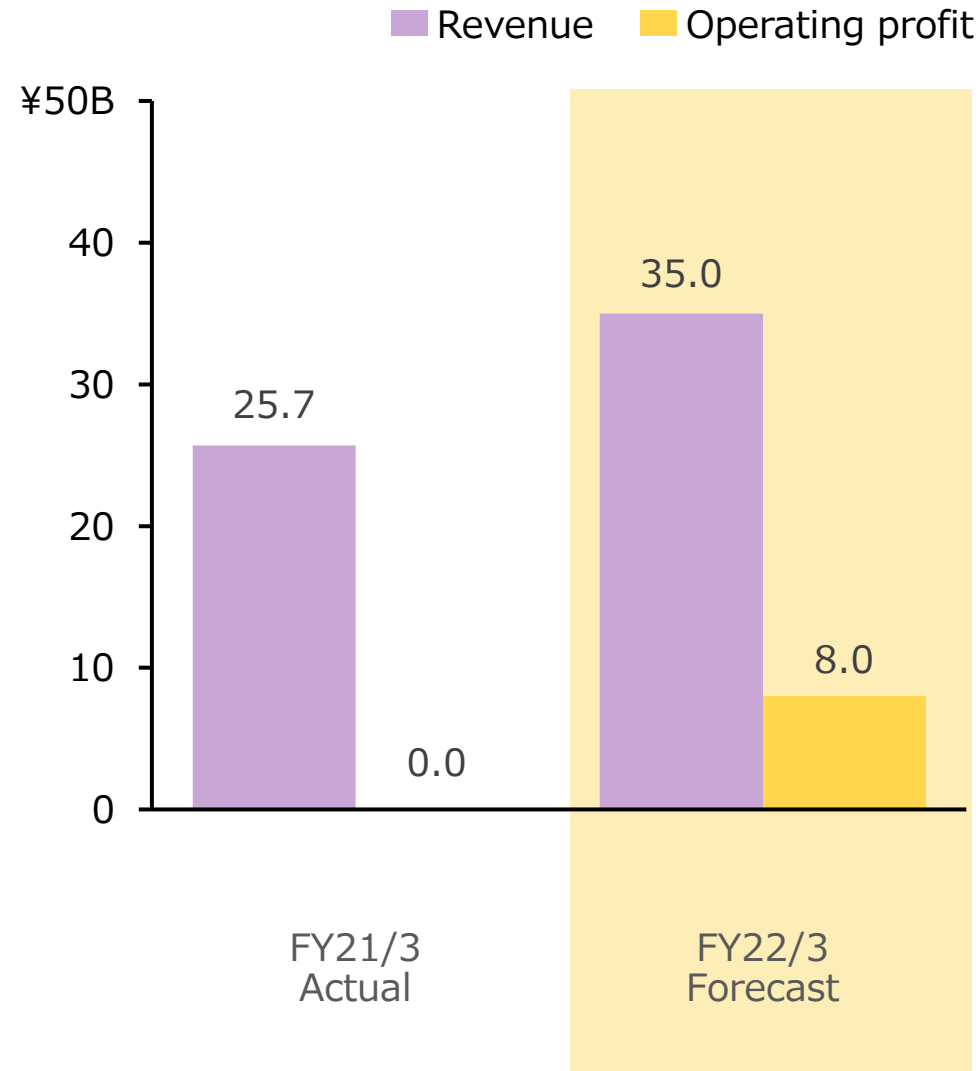
## • Revenue: Surpassed by ¥7.2B YoY

- In biological microscopes, recovery in The Americas market to contribute to sales growth.
- In retinal diagnostic imaging systems, plan to hit new record high in sales again this year.
- Begin commercial production in the cell contract manufacturing business.
- Expect record high sales for the Healthcare Business.

## • Operating profit: Surpassed by ¥4.0B YoY

- Profit to grow ¥1.5B, excluding ¥2.5B in impairment losses of fixed asset posted in the previous year.
- Expect the Healthcare Business to turn profitable for the first time, after a one-year delay caused by the COVID-19 pandemic.

# Forecast for the year ending March 31, 2022: Components Business



- **Revenue: Surpassed by ¥9.3B YoY**

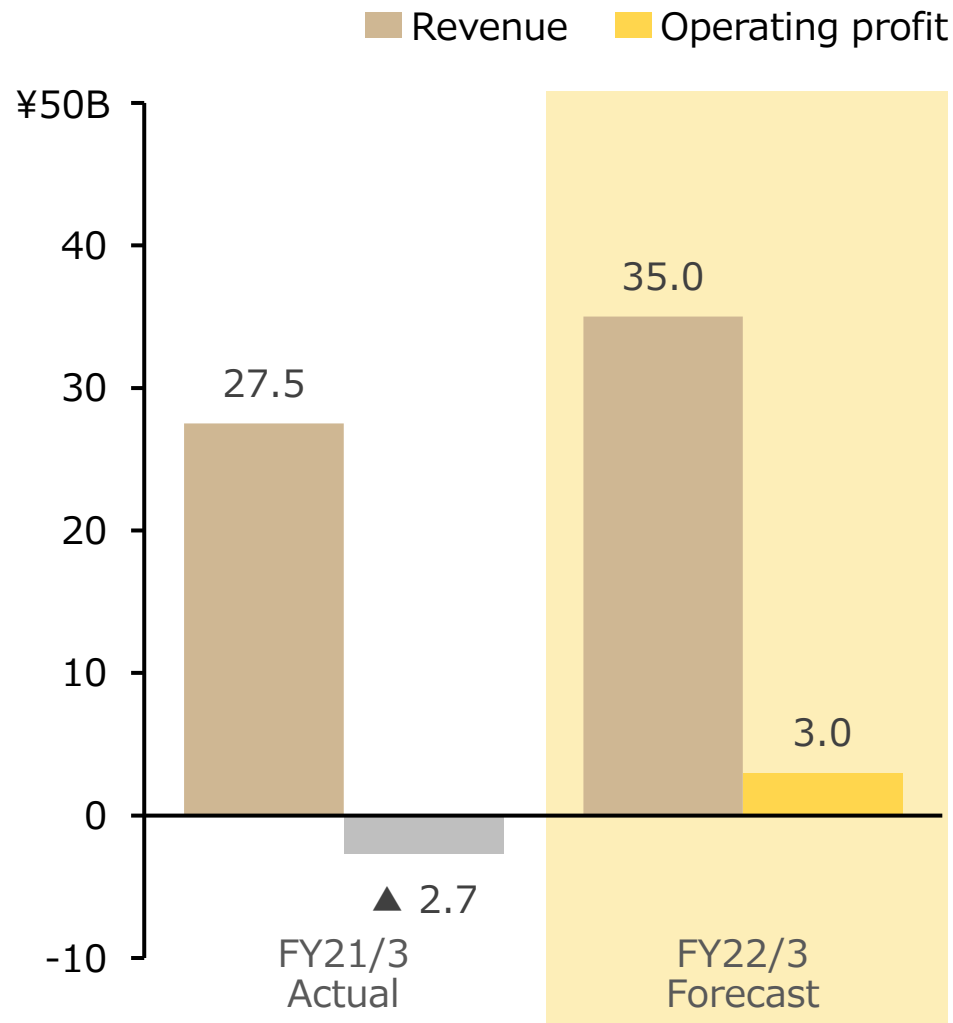
- Expanding sale of optical components, EUV related components, optical parts, encoders and photomask substrates for FPD, etc.
- Particularly, EUV related components business is progressing.

- **Operating profit: Surpassed by ¥8.0B YoY**

- Profit to grow ¥7.4B, excluding ¥0.6B of impairment losses of fixed asset posted in previous year.

Note: Actual in FY2021/3 and comments referring previous year are reference, as new disclosure.

# Forecast for the year ending March 31, 2021: Industrial Metrology and Others



## • Revenue: Surpassed by ¥7.5B YoY

- Capex to recover in electronic components, semiconductor and automotive fields.
- In Industrial Metrology, expand sales in image metrology systems, X-ray inspection systems and non-contact metrology systems.

## • Operating profit: Surpassed by ¥5.7B YoY

- Profit up ¥1.1B, excluding ¥4.6B in one-time costs, including impairment loss related to the Imaging Products Business and restructuring expenses, which were posted in the previous year.

Note: Actual in FY2021/3 and comments referring previous year are reference, as new disclosure.

The Others segment of the Industrial Metrology and Others Business includes production subsidiaries, where impairment of fixed asset were posted in the previous year in connection with a review of the Imaging Products business plan.

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# A look back: Making progress building a foundation for growth. The financial targets are to be unable to realize.



## Build a foundation for mid/long-term growth

- **Making solid progress building a foundation for growth. Accelerating measures aimed at scaling up.**
  - The Components Business has **entered a money-making phase.**
  - In the **Material Processing Business**, making progress in open innovation and customer development.
  - **Continue M&A strategy** while strengthening organizations and maintaining discipline to scale up business.

## Achieve ROE of 8% or higher

- Expect to face **difficulty achieving financial targets** for the final year of the Medium-term Management Plan due to external environmental factors, such as changes to the business environment and the impact of COVID-19.
- **Strengthening measures aimed at generating stable cash returns in excess of capital costs.**
  - Overcome deteriorating business environment and strengthen crisis response measures.
  - Advance improvements to management efficiency including a leaner balance sheet.



- **No change to management direction. Continue to strengthen business profitability and acquire growth engines to return to sustainable growth.**
- **Aim to enhance enterprise value by creating new pillars of earnings and increasing our ability to generate profits over the long term.**

# Medium-Term Management Plan progress summary: Develop areas for growth while evolving the business strategy



## Core businesses

Maximize business value while quickly responding to environmental changes

Imaging Products Business

Precision Equipment Business

- **Focus on pro/hobbyist and mirrorless**, develop BtoB opportunities and restructure to return to a stable business.
- **Expand customers and business domains** while discerning market growth potential and future uncertainties.

## Growth areas

Strengthen solutions and help customers create innovation

Components Business

Long-term growth areas

Digital Manufacturing

Vision Systems/Robotics

Healthcare

- Supply customers with key components that leverage our strengths in **areas where we can expect scale and a leadership position**.
- Pursue **Material Processing Business**, Nikon's unique digital manufacturing.
- **Develop solutions including sensors, robotics, smart cameras and tracking** to support DX and automation in society.
- In addition to equipment sales, focus on **drug discovery support services, genetic analysis and contract cell manufacturing**.



# Imaging Products Business: Complete restructuring and deploy a sustainable business model



## Expand earnings base

- **Camera business**
  - **Shift to mirrorless for pro/hobbyist**  
**Enhance customer satisfaction and the quality of sales** by launching flagship bodies, expanding our lineup of distinctive lenses and providing applications that enable new ways of expression through images.
  - Invest enough internal and external resources to strengthen differentiation.
- **Develop BtoB businesses: Leverage camera related technologies and IP**
  - Provide image experience leveraging robot-controlled automatic tracking, posture analysis technology and the like
  - Image contents business (volumetric video capture, create 3D avatar)
  - Monitoring service leveraging image analysis

## Strengthen business fundamentals

- **Optimize fixed cost structure**
  - **Generate profit even at the revenue below ¥150.0B** by cutting ¥63.0B out of business costs over the period of the Medium-Term Management Plan.
  - Optimized more than 2,000 employees by the end of March 2021. Also, consolidated production and reorganized sales companies.
- **Leaner business assets**
  - Impaired approx. ¥30.0B in fixed assets and inventories by the end of March 2021.

# Precision Equipment Business: Diversify revenue streams to drive profit growth for entire company



## Expand earnings base

- **FPD Lithography Systems**
  - Pursue greater customer value through **higher resolution and productivity improvement**. Sustain momentum to **grow share in small and mid-sized panels**.
- **Semiconductor Lithography Systems**
  - **Leverage business with core customer to strengthen development of other stable customers**. Also focus on elemental technology development for future lithography systems.
- **Service business**
  - Capture demand for maintenance and upgrades by bolstering analysis of use cases and actively pursue refurbishment and re-use business.
- **Measurement and inspection systems**
  - Integrate inspection systems business into the Industrial Metrology Business to strengthen **customer contacts and account strategy**. Focus on **Litho Booster**, which contributes to improved customer yields.

## Strengthen business fundamentals

- **Strengthen overseas operations**
  - **Localize system installation work** and promote remote training to shorten lead times for equipment installation.
- **Leaner business assets**
  - Impaired ¥20.0B and more in fixed assets and inventories by the end of March 2021.

# Growth areas: Making advances in scaling up Components and developing customers in Material Processing



## Components Business

- Generate earnings with **optical components and EUV related components** and in the meantime develop new key components.
- Achieve even more growth by **strengthening delivery of solutions** to customer needs, which are becoming more diverse and sophisticated.

## Material Processing Business

- **Customer applications**
  - Repair and maintenance of turbine blades, Fuel efficiency improvements in aerospace, Power generation efficiency improvements in wind power, Efficiency improvements in machining tools
- **Products and solutions**
  - Additive processing machine: Leverages 3D alignment (Non set up required). Handles a diverse range of metals. Light and compact.
  - High-precision removal processing machine: Flat work finishing and feedback fine processing at the sub-micron level.
  - Riblet processing service: Achieve energy efficiency gains by performing fine surface processing based on computational fluid dynamics. Begin contract processing service to seed future development of applications.
- **Open innovation and customer development**
  - Making progress developing customers primarily in the aerospace, energy and electronic equipment fields by leveraging the value chain and increasing our value proposition.

### Joint development



Optical comb based measurement



High-speed image processing



Analysis of fluid simulations

### Sales and technology alliances



Global sales network

### Acquire service infrastructure



Contract processing platform

# Strengthening the management foundation: Forging a foundation to support management with a long-term viewpoint



## Business process reforms

- HQ and procurement costs: Making solid progress in cost reforms aimed at cutting **¥18.0B** over the period of the Medium-Term Management Plan.
- Imaging restructuring: Cut **¥63.0B** out of business costs by the end of the current fiscal year (originally ¥ 50.0 B)

## Strengthening a foundation for precision and optical technologies and manufacturing

- Precision and optical technologies: Centralized management of companywide technology strategy. Consolidate development of next-generation businesses.
- Manufacturing: Consolidated companywide optical production, production technology, quality control, procurement functions and personnel development.

## Shifting human resources

- Japan: Reassigned **approx. 1,000 people** from existing businesses into growth areas.
- Overseas: Optimized **approx. 1,500 employees** by reorganizing production and sales companies by the end of March 2021.

## Balance sheet management

- Leaner: By the end of March 2021, removed from balance sheet more than **¥65.0B** in equipment, inventory and goodwill, reducing future risks.
- More liquid: By the end of March 2021, disposed of more than **¥40.0B** in shareholdings and unused real estate.

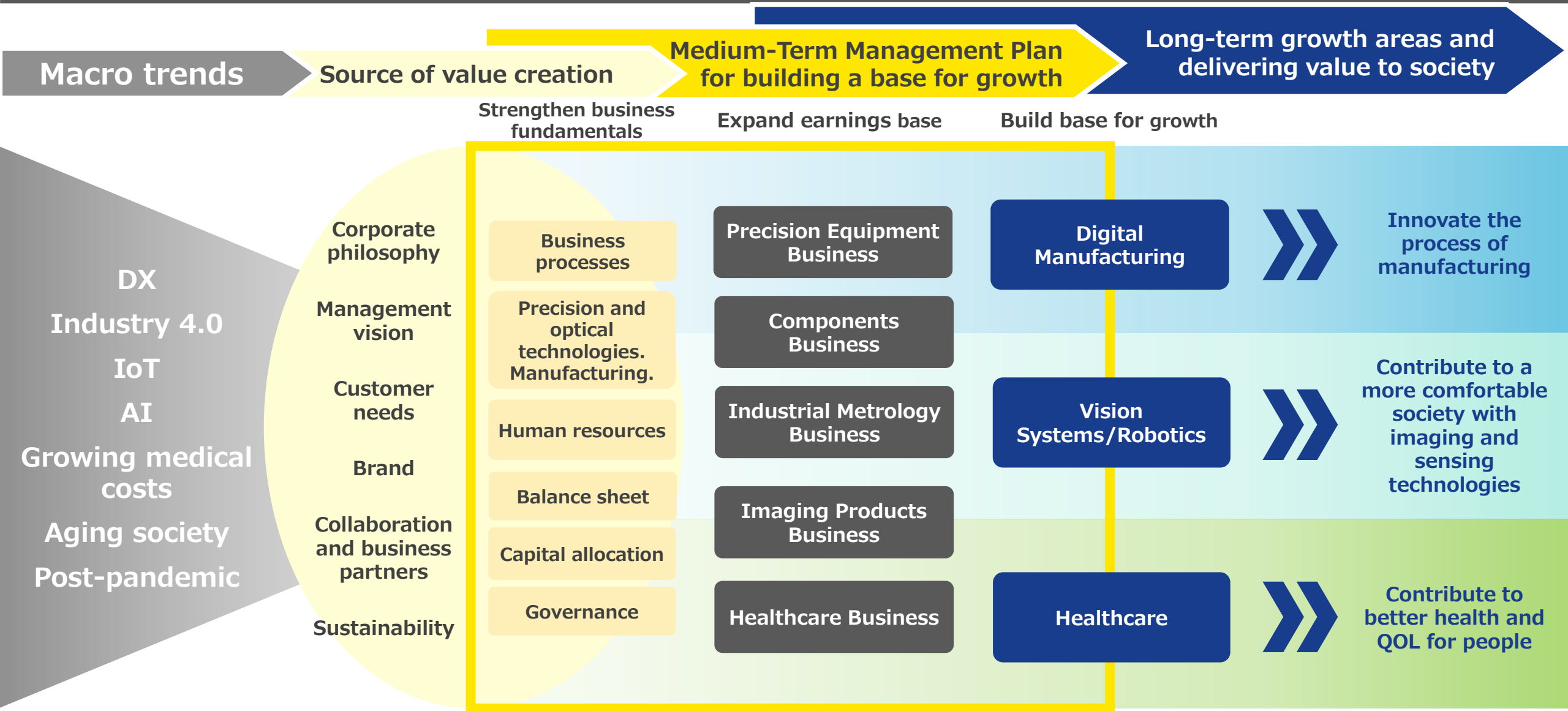
## Capital allocation over the mid/long-term

- Shareholder returns: Focused on stable dividends and a total shareholder returns ratio of **40% or more**. By the end of March 2021, bought back **¥40.0B** in shares.
- Strategic investments: Sustained direction to invest **up to 40%** toward establishing a new pillar of earnings.

## Strengthen corporate governance

- Secure transparency: **Strengthened effectiveness of nominating committee and successor training plan**, evaluated effectiveness of board of directors, expanded performance-based compensation.
- Board of Directors makeup: **Expanded diversity with a focus on quality** (one female and two from manufacturing industry were added). Increased external directors to **45%** of the board.

# Building a foundation for sustainable growth and making a value proposition for stakeholders



# Sustainability: Leverage environmentally friendly manufacturing based on optical technology to contribute to achieving SDGs

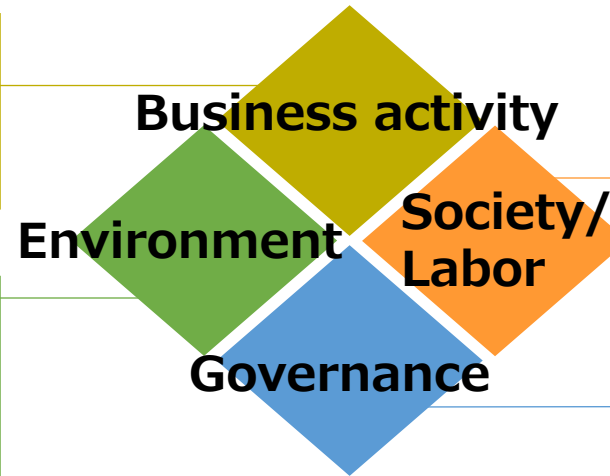


**2030 numerical targets**

- Reduce emission of greenhouse gases from offices by **70% or more** (compared to FY 2013)
- Shift to renewable energy for **30%** of power used in business activities (become carbon neutral by 2050)

## CSR Priority Issues

1. Creating social value through core technologies
2. Ensuring trustworthiness by maintaining and increasing quality
3. Promoting a decarbonized society
4. Promoting resource circulation
5. Preventing pollution and conserving ecosystems



6. Strengthening supply chain management
7. Respecting human rights
8. Diversity and inclusion
9. Employees' health and safety

10. Thorough compliance
11. Strengthening corporate governance
12. Strengthening risk management

## Major ESG external evaluations

Member of  
**Dow Jones Sustainability Indices**  
 Powered by the S&P Global CSA



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# Mid-/long-term capital allocation (FY2020/3 – 2024/3)



Redisplaying of Medium-Term Management Plan announced in May 2019

**Focus resources on new fields to establish new core pillars of profit, without emphasizing short-term FCF**

	Strategic Investments	R&D	Capital Investment	Dividend & Other	Proportion
<b>New fields</b> (Material processing business, areas of long-term growth)	Max 40%	10%	5%		40 to 50%
Existing fields		25%	10%		30 to 40%
Return to shareholders				10% or more Total return ratio 40% or more	10% or more
<b>Total</b>	40%	35%	15%	10% or more	100%

Scope: Funds on hand - working capital + 5-year cumulative operating CF (before deducting R&D)

# Business expansion scenario for growth areas in mid-/long-term



Redisplaying of Medium-Term Management Plan announced in May 2020

**FY2021/3-22/3**

**FY2023/3-25/3**

**FY2026/3 and beyond**

**Customer and product development**

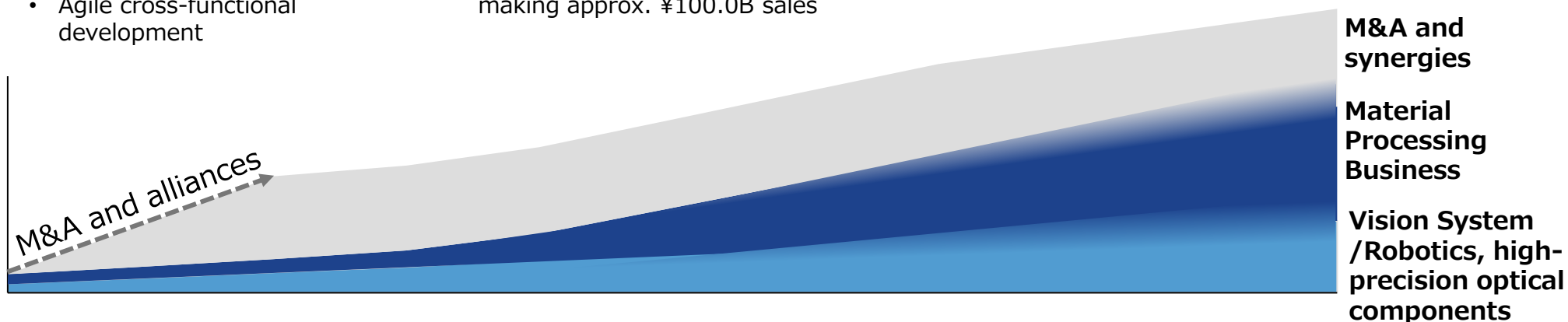
**Scale up businesses**

**Establish new core pillars of Nikon**

- Accelerate launch through M&A and alliances
- Forge partnerships with pilot customers and begin some joint projects
- Agile cross-functional development

- Deploy varieties of customer applications
- Acquire major customers in each industry to scale up
- Grow to high profit business making approx. ¥100.0B sales

- Establish whole growth areas of material processing business, Vision Systems / Robotics related businesses





# Reference Data

# Forecast for the year ending March 31, 2022



Billions of yen	FY2019/3	FY2020/3	FY2021/3			FY2022/3		
	Full year	Full year	1H	2H	Full year	1H	2H	Full year
Revenue	708.6	591.0	175.6	275.6	451.2	265.0	245.0	510.0
Operating Profit	82.6	6.7	-46.6	-9.6	-56.2	15.0	5.0	20.0
% vs Revenue	11.7%	1.1%	-26.5%	-3.5%	-12.5%	5.7%	2.0%	3.9%
Profit before income taxes	87.9	11.8	-38.8	-6.5	-45.3	16.0	6.0	22.0
% vs Revenue	12.4%	2.0%	-22.1%	-2.4%	-10.0%	6.0%	2.4%	4.3%
Profit attributable to owners of the parent	66.5	7.6	-31.5	-2.9	-34.4	12.0	4.0	16.0
% vs Revenue	9.4%	1.3%	-17.9%	-1.1%	-7.6%	4.5%	1.6%	3.1%
EPS	¥167.86	¥19.93	-¥93.96			¥43.57		
Annual Dividends	¥60	¥40	¥20			¥30		
ROE	11.2%	1.3%	-6.4%			3.0%		
FCF	43.5	-4.8	22.9			-		
Exchange Rate : US \$	¥111	¥109	¥107	¥105	¥106	¥105		
EURO	¥128	¥121	¥121	¥126	¥124	¥125		

# Financial forecast for the year ending March 31, 2022: by Segments



Billions of yen		FY2019/3	FY2020/3	FY2021/3			FY2022/3		
		Full year	Full year	1H	2H	Full year	1H	2H	Full year
<b>Imaging Products Business</b>	Revenue	296.1	225.8	<b>64.4</b>	<b>85.8</b>	<b>150.2</b>	<b>80.0</b>	<b>85.0</b>	<b>165.0</b>
	Operating Profit	22.0	-17.1	<b>-27.4</b>	<b>-8.3</b>	<b>-35.7</b>	<b>3.0</b>	<b>2.0</b>	<b>5.0</b>
		(22.6)	(- 14.4)	<b>(- 26.1)</b>	<b>(- 6.1)</b>	<b>(- 32.2)</b>			
<b>Precision Equipment Business</b>	Revenue	274.5	245.0	<b>63.8</b>	<b>120.9</b>	<b>184.7</b>	<b>125.0</b>	<b>80.0</b>	<b>205.0</b>
	Operating Profit	81.7	48.0	<b>-6.0</b>	<b>7.4</b>	<b>1.4</b>	<b>16.0</b>	<b>1.0</b>	<b>17.0</b>
		(81.7)	(48.0)	<b>(- 6.0)</b>	<b>(7.4)</b>	<b>(1.4)</b>			
<b>Healthcare Business</b>	Revenue	65.4	62.0	<b>25.7</b>	<b>37.1</b>	<b>62.8</b>	<b>30.0</b>	<b>40.0</b>	<b>70.0</b>
	Operating Profit	-1.9	-2.4	<b>-2.3</b>	<b>-0.7</b>	<b>-3.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>
		(- 1.9)	(- 2.4)	<b>(- 2.3)</b>	<b>(- 0.7)</b>	<b>(- 3.0)</b>			
<b>Components Business</b>	Revenue	-	-	<b>10.4</b>	<b>15.3</b>	<b>25.7</b>	<b>15.0</b>	<b>20.0</b>	<b>35.0</b>
	Operating Profit	-	-	<b>-1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>3.0</b>	<b>5.0</b>	<b>8.0</b>
		-	-	<b>(- 1.0)</b>	<b>(1.0)</b>	<b>(0.0)</b>			
<b>Industrial Metrology and Others</b>	Revenue	72.5	58.0	<b>11.2</b>	<b>16.3</b>	<b>27.5</b>	<b>15.0</b>	<b>20.0</b>	<b>35.0</b>
	Operating Profit	6.9	1.8	<b>-1.9</b>	<b>-0.8</b>	<b>-2.7</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>
		(7.5)	(1.8)	<b>(- 1.9)</b>	<b>(0.0)</b>	<b>(- 1.9)</b>			
<b>Corporate P/L non-attributable to any reportable segments</b>	Revenue	-	-	-	-	-	-	-	-
	Operating Profit	-26.1	-23.6	<b>-7.8</b>	<b>-8.3</b>	<b>-16.1</b>	<b>-7.0</b>	<b>-7.0</b>	<b>-14.0</b>
		(- 25.6)	(- 21.9)	<b>(- 7.8)</b>	<b>(- 8.3)</b>	<b>(- 16.1)</b>			
<b>Consolidated</b>	Revenue	708.6	591.0	<b>175.6</b>	<b>275.6</b>	<b>451.2</b>	<b>265.0</b>	<b>245.0</b>	<b>510.0</b>
	Operating Profit	82.6	6.7	<b>-46.6</b>	<b>-9.6</b>	<b>-56.2</b>	<b>15.0</b>	<b>5.0</b>	<b>20.0</b>
		(84.4)	(11.2)	<b>(- 45.3)</b>	<b>(- 6.6)</b>	<b>(- 51.9)</b>			

Note: Figures in parentheses are the operating profit excluding the restructuring relevant expenses.  
Financial highlights of revised segments are reference.

# Actual for the year ended March 31, 2021:by new segments



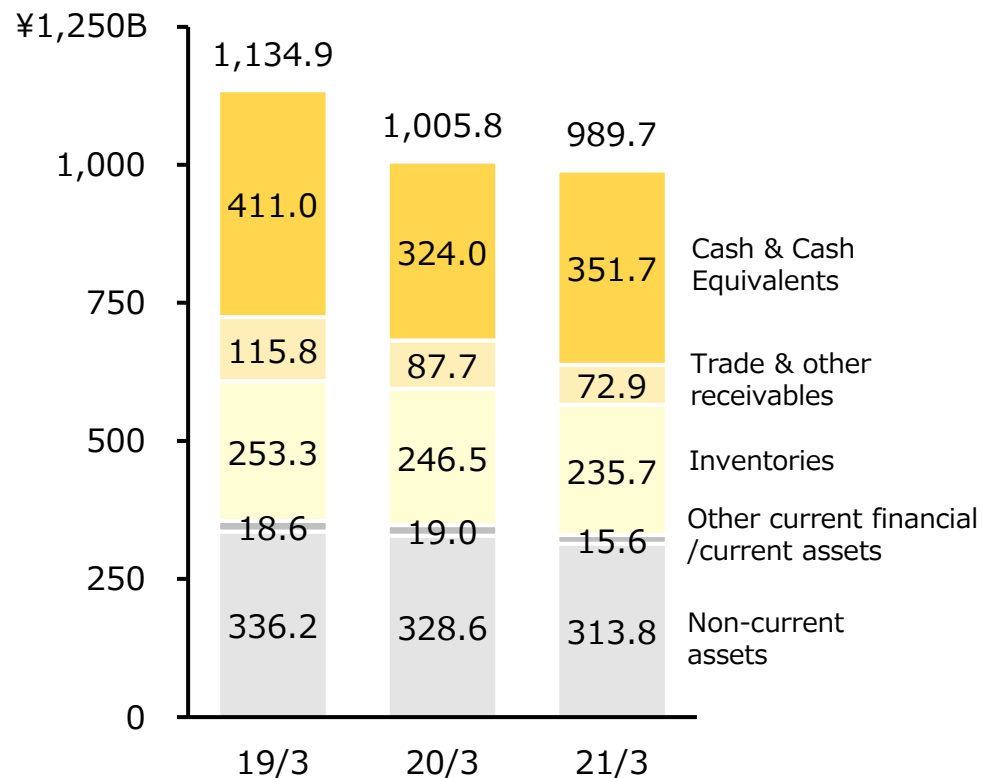
Billions of yen		Q1	Q2	Q3	Q4	Full year
<b>Imaging Products Business</b>	Revenue	25.1	39.3	52.3	33.5	150.2
	Operating Profit	-8.1 (- 7.8)	-19.3 (- 18.3)	-0.6 (0.0)	-7.7 (- 6.1)	-35.7 (- 32.2)
<b>Precision Equipment Business</b>	Revenue	19.6	44.2	66.6	54.3	184.7
	Operating Profit	-5.1 (- 5.1)	-0.9 (- 0.9)	12.1 (12.1)	-4.7 (- 4.7)	1.4 (1.4)
<b>Healthcare Business</b>	Revenue	10.3	15.4	17.1	20.0	62.8
	Operating Profit	-2.4 (- 2.4)	0.1 (0.1)	0.7 (0.7)	-1.4 (- 1.4)	-3.0 (- 3.0)
<b>Components Business</b>	Revenue	4.6	5.8	7.7	7.6	25.7
	Operating Profit	-0.4 (- 0.4)	-0.6 (- 0.6)	1.2 (1.2)	-0.2 (- 0.2)	0.0 (0.0)
<b>Industrial Metrology and Others</b>	Revenue	4.9	6.3	6.9	9.4	27.5
	Operating Profit	0.0 (0.0)	-1.9 (- 1.9)	0.1 (0.1)	-0.9 (- 0.1)	-2.7 (- 1.9)
<b>Corporate P/L non-attributable to any reportable segments</b>	Revenue	—	—	—	—	—
	Operating Profit	-4.4 (- 4.4)	-3.4 (- 3.4)	-3.8 (- 3.8)	-4.5 (- 4.5)	-16.1 (- 16.1)
<b>Consolidated</b>	Revenue	64.7	110.9	150.6	125.0	451.2
	Operating Profit	-20.5 (- 20.2)	-26.1 (- 25.1)	9.9 (10.5)	-19.5 (- 17.2)	-56.2 (- 51.9)

Note: Figures in parentheses for operating profit exclude restructuring relevant expenses.  
Actual in FY2021/3 of revised segments are reference.

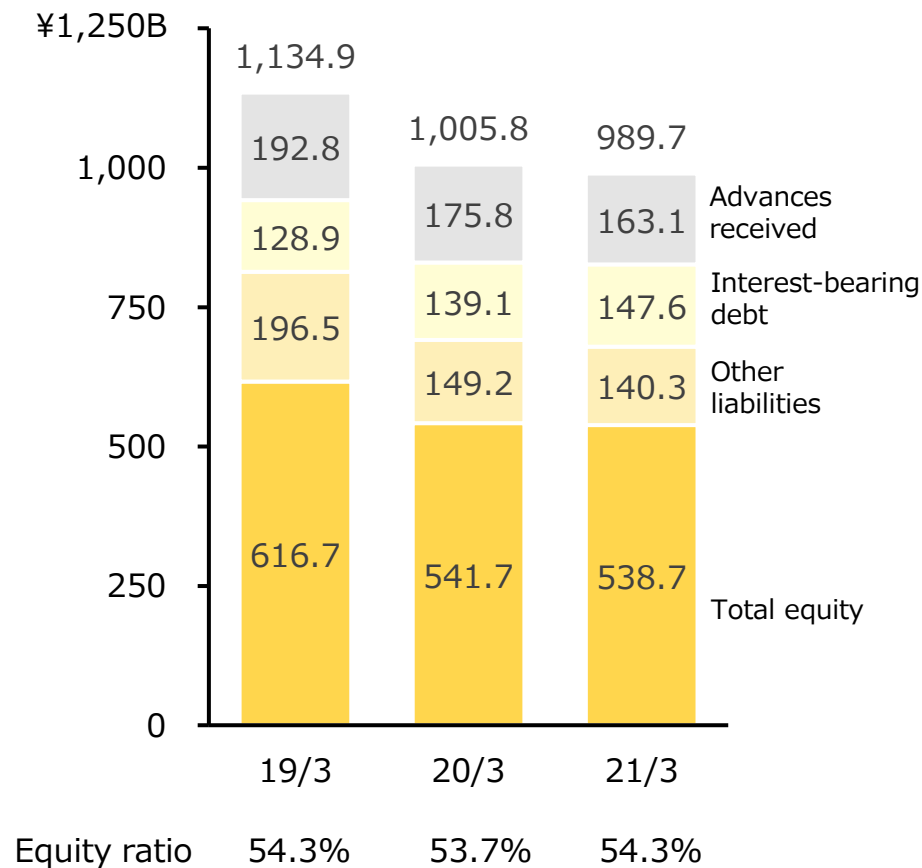
# Financial Position Breakdown in year ended March 31, 2021:



## ASSETS



## LIABILITIES/ EQUITY

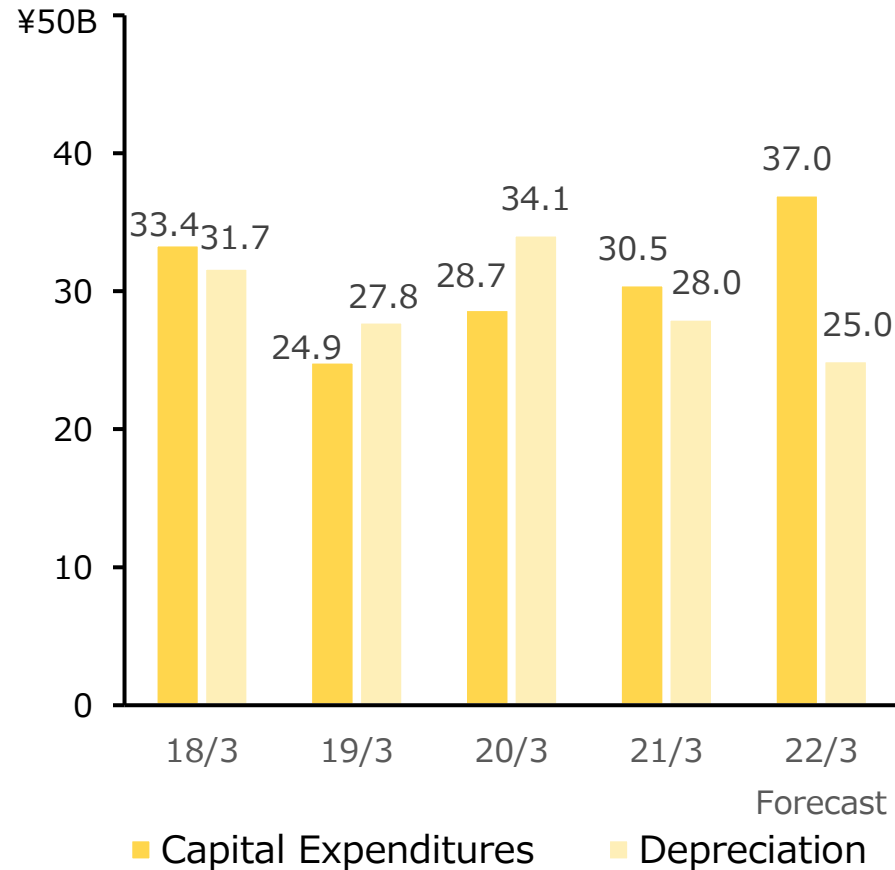


Note: Equity ratio is ratio of equity attributable to owners of the parent to total assets.  
Cash and Cash Equivalents excludes time deposits with maturities of three months or more.

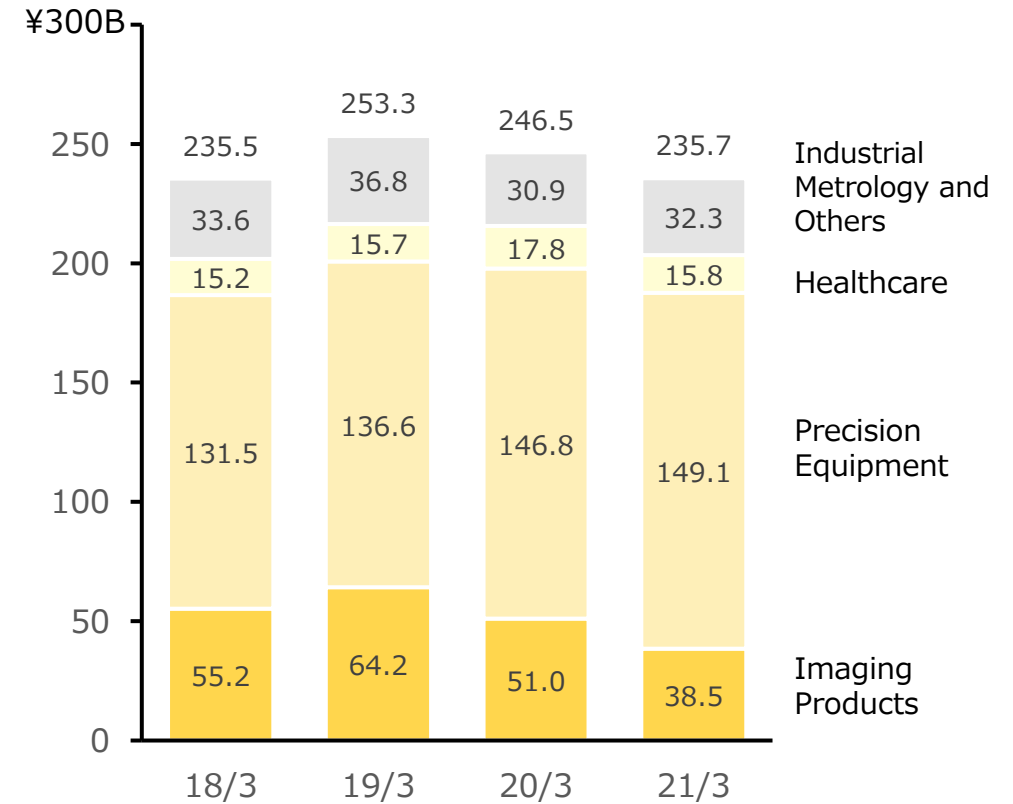
# Forecast for the year ending March 31, 2022: Capital Expenditures, Depreciation and Inventory



## CAPITAL EXPENDITURES, DEPRECIATION



## INVENTORY BREAKDOWN

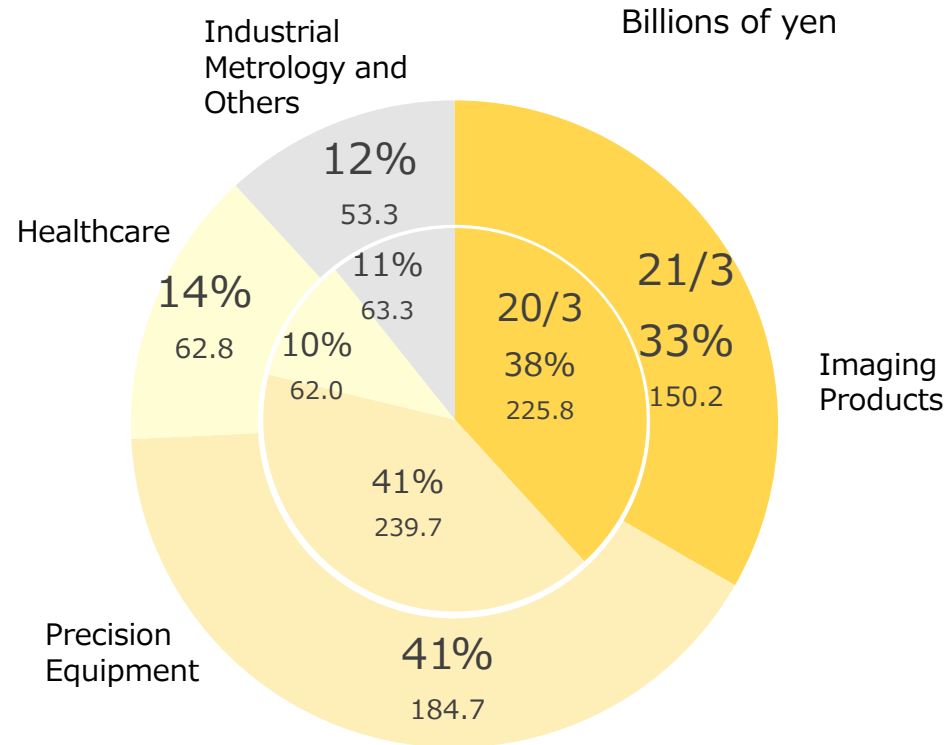


Note: Capital expenditures in FY2020/3 includes the leased assets of approximately ¥4.0B upon the adoption of IFRS16.  
 Depreciation from FY2018/3 includes the amortization of in-plant development costs and in FY2020/3 depreciation of right-to-use asset, same as capital expenditures.  
 The semiconductor related equipment business has been transferred to the Precision Equipment Business from the Industrial Metrology and Others.  
 Inventory of ¥3.1B in the end of 2019/12 and ¥2.6B in the end of 2020/3 have been transferred from Industrial Metrology and Others to the Precision Equipment Business as a result of retroactive application to FY2020/3 respectively.

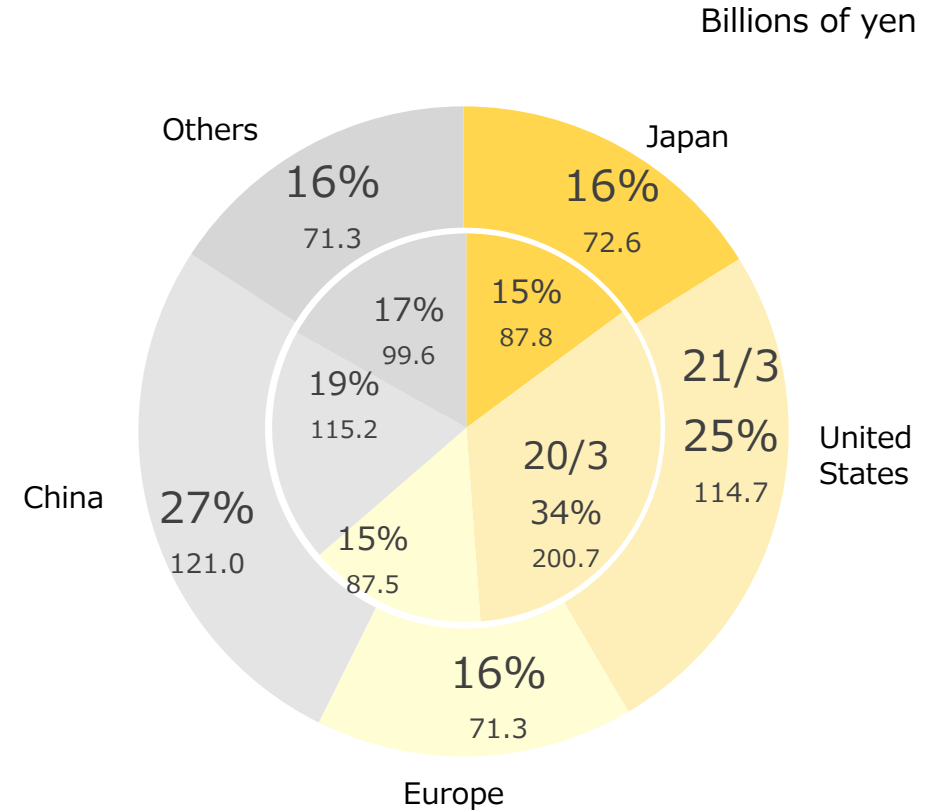
# Revenue Breakdown



## BY SEGMENT



## BY REGION

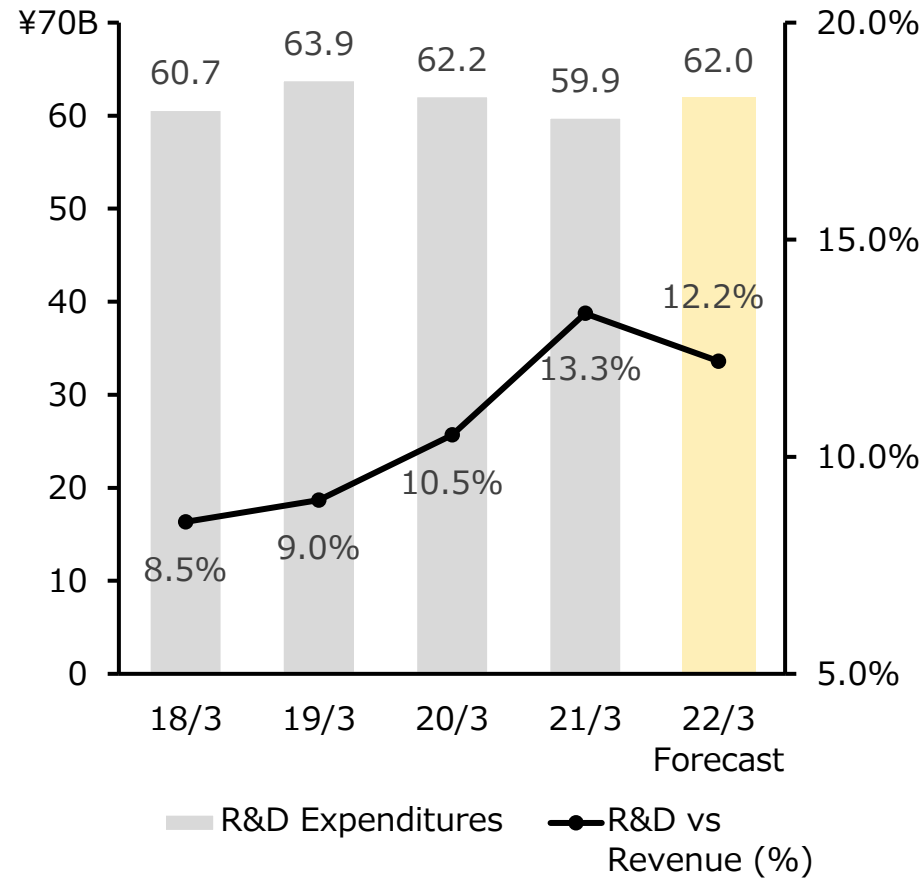


Note: The outside and inside circles show the breakdown of FY2021/3 revenue of ¥451.2B and FY2020/3 revenue of ¥591.0B, respectively.

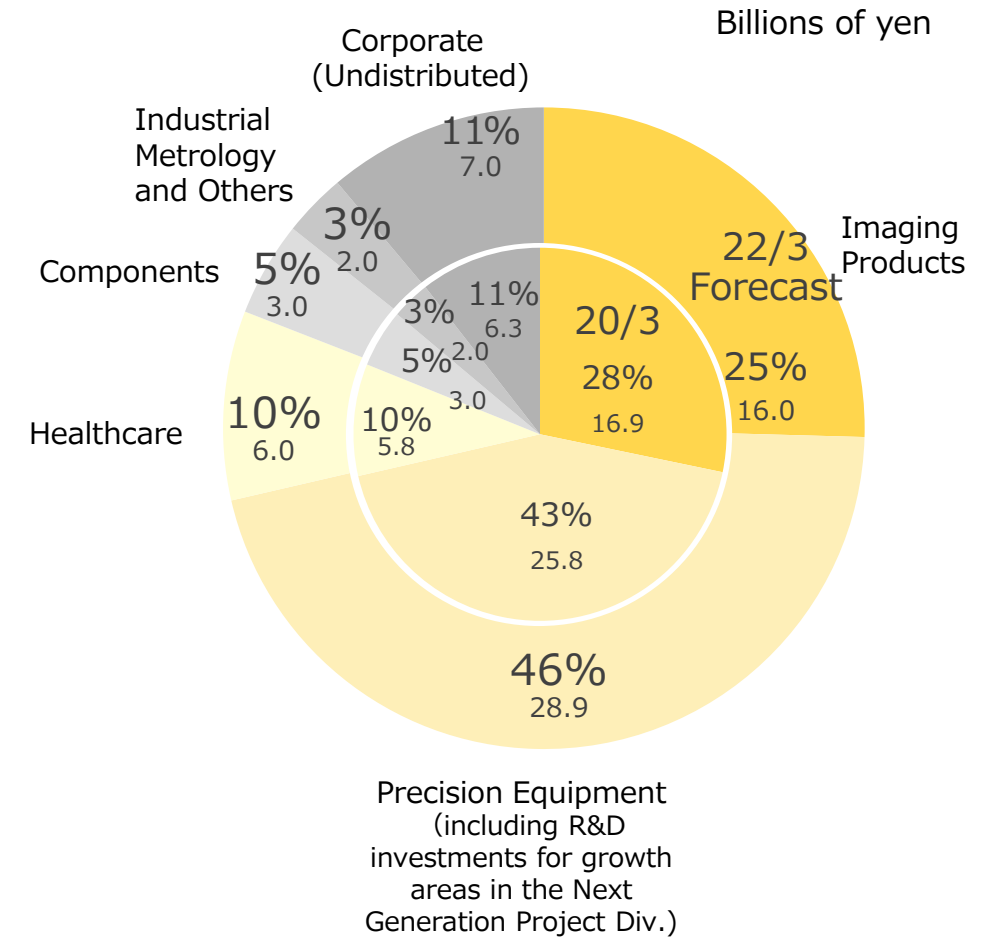
# Forecast for the year ending March 31, 2022: R&D Expenditures



## R&D EXPENDITURES



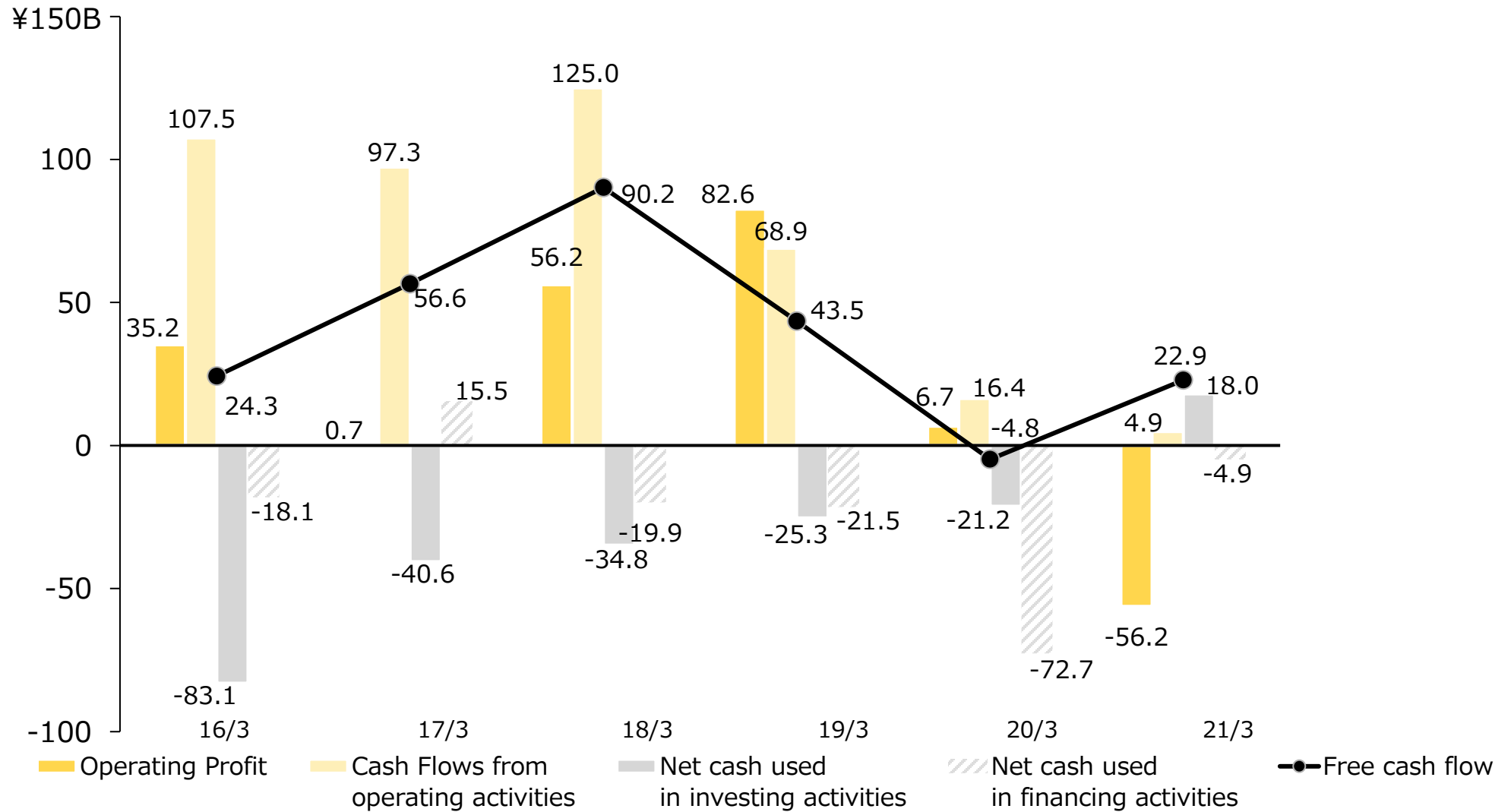
## R&D EXPENDITURES BREAKDOWN



Note: R&D expenditures after FY2018/3 includes capitalization of some development expenditure.

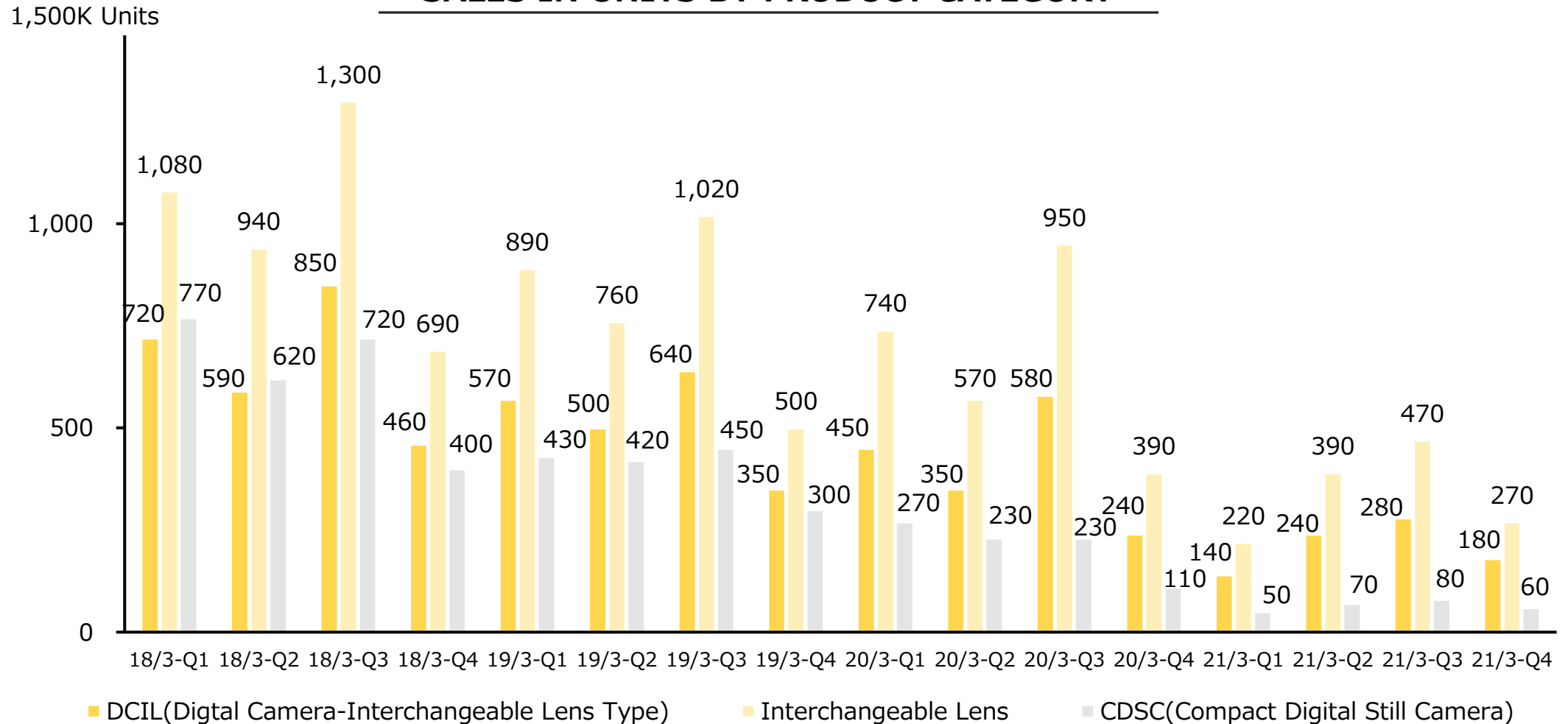


# Cash Flow History



Note: FCF + CF from financial activities + Effect of exchange rate changes on cash and cash equivalents = net increase (decrease) in cash and cash equivalents

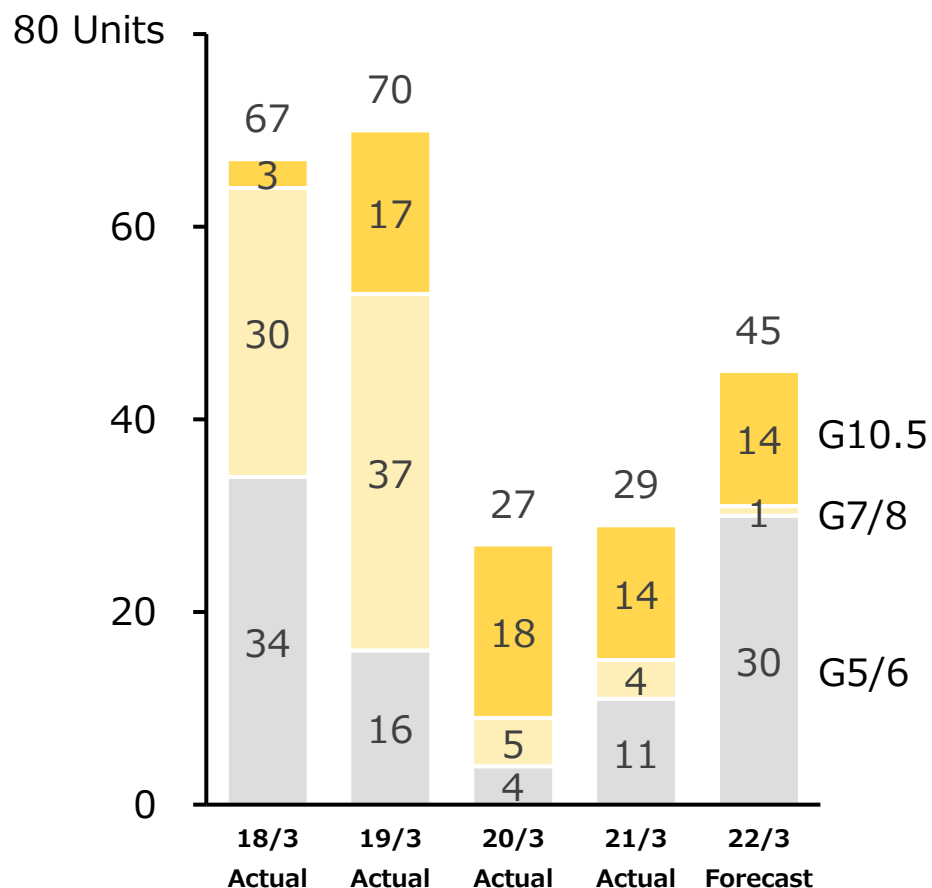
## SALES IN UNITS BY PRODUCT CATEGORY



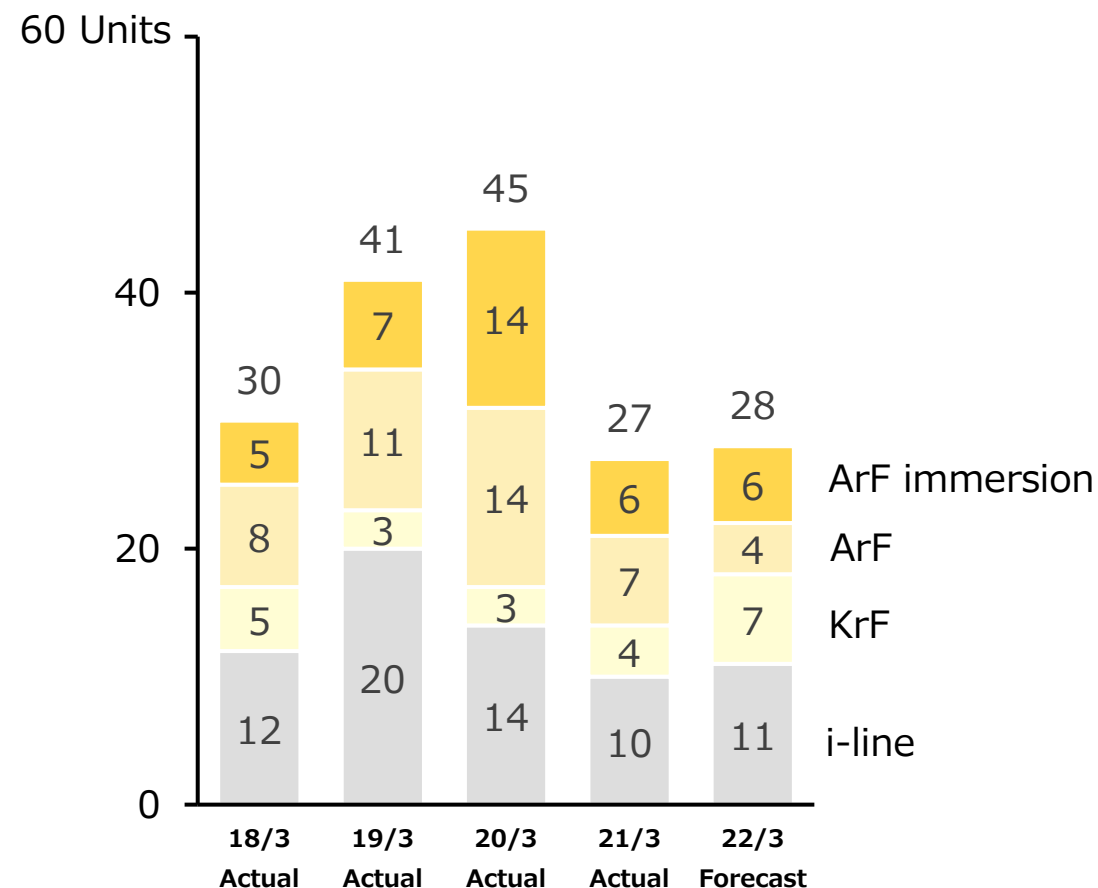
# Forecast for the year ending March 31, 2022: Precision Equipment Business Sales Units



## FPD LITHOGRAPHY SYSTEMS SALES BY GENERATION

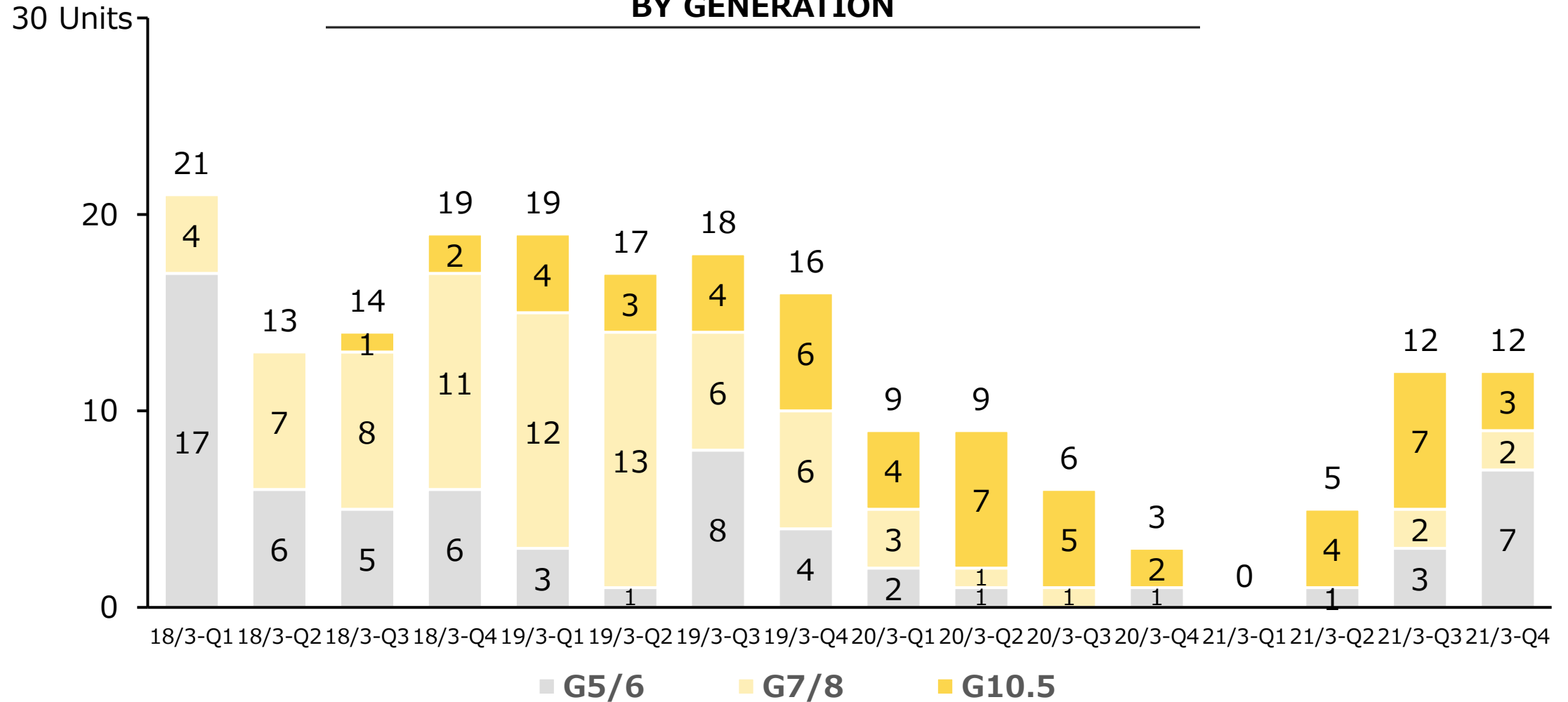


## SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES BY TECHNOLOGY (INCL. REFURBISHED)

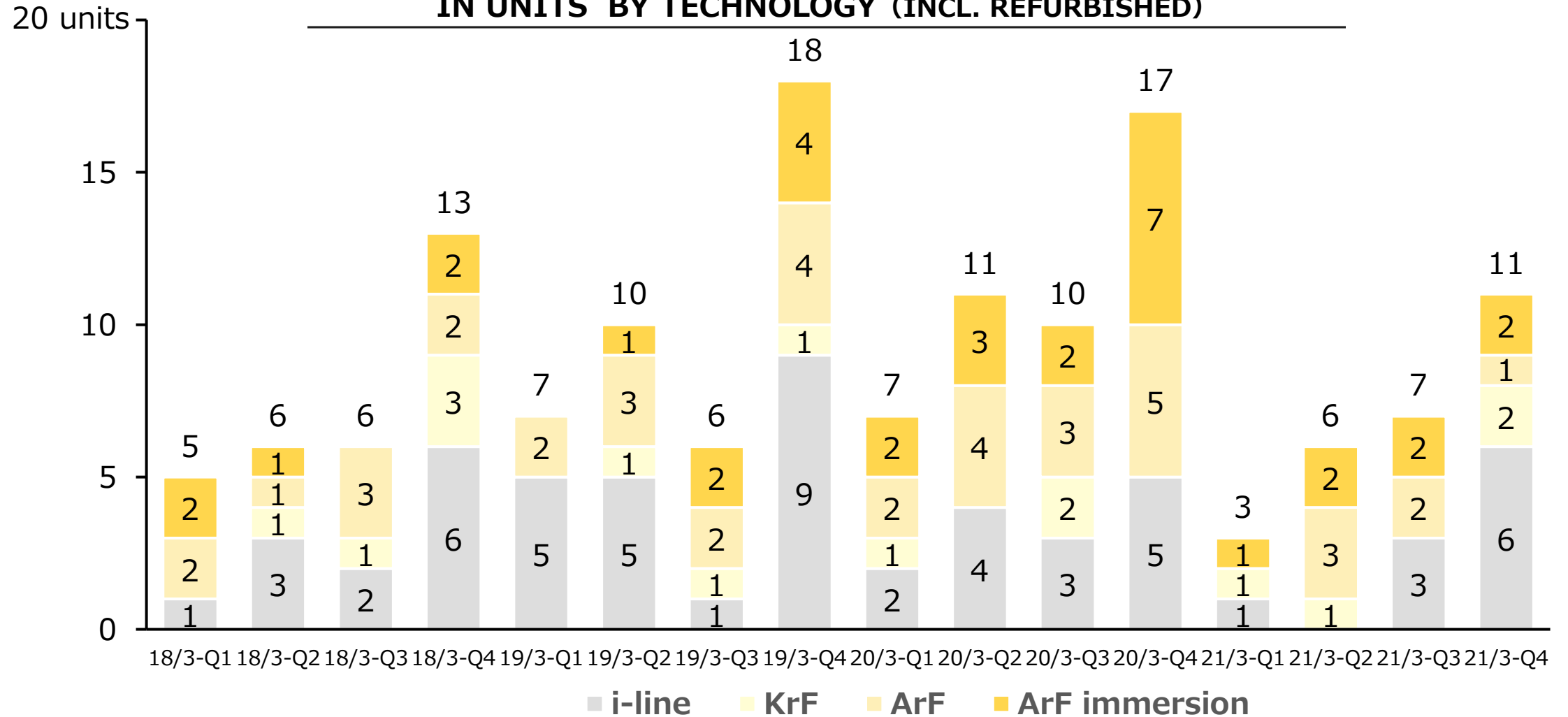


Note: The unit sales of new semiconductor lithography systems is 17 units in FY2018/3, 21 units in FY2019/3, 34 units in FY2020/3, 16 units in FY2021/3 and 13 units (forecast) in FY2022/3.

## FPD LITHOGRAPHY SYSTEMS SALES IN UNITS BY GENERATION



## SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES IN UNITS BY TECHNOLOGY (INCL. REFURBISHED)



# Forecast for the year ending March 31, 2022: Foreign Exchange Impact



	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	FY2022/3 Forecast	Revenue	Operating Profit
US \$	¥ 105	Approx. ¥ 1.9billion	Approx. ¥ 0.2billion
EURO	¥ 125	Approx. ¥ 0.6billion	Approx. ¥ 0.3billion

Note: The foreign exchange impact above is made on the assumption that emerging-market currencies move according to the influence of US \$ and EURO.

# Disclaimer Regarding Forecast and Projections



Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.

