



Financial Results for the Second Quarter of the Year ending March 31, 2020

November 7, 2019

Masashi Oka
Representative Director
Senior Executive Vice President & CFO

NIKON CORPORATION

1. Financial results for the second quarter of the year ending March 31, 2020
2. Forecast for the year ending March 31, 2020

Summary for the 1H of the Year ending March 31, 2020



1H Results

- **Revenue: ¥291.0B**
- **Operating profit: ¥17.5B**

YoY Results

- **Revenue down ¥44.7B**
- **Operating profit down ¥13.1B**
 - **Imaging Products:** Profit down on lower sales volumes of digital cameras, mainly DSLR.
 - **Precision Equipment:** Profit down as Semiconductor Lithography business profit growth could not cover lower profits in FPD.
 - **Industrial Metrology & Others:** Profit down as customers reined in capex.
 - **Corporate P/L non-attributable to any reportable segments:** Foreign exchange valuation losses associated with the liquidation of the China plant, the operation of which was suspended in 2017, were incurred as restructuring relevant expenses, but there was also gain from the sale of unused land.

vs. previous forecast

- **Revenue surpassed by ¥1.0B**
- **Operating profit surpassed by ¥2.5B**
 - Despite headwinds from shrinking Imaging Products Business profits, increased profit in other businesses more than picked up the slack.

Note: Amounts in this statement are rounded down to the hundred millions of yen.

First Half of the Year ending March 31, 2020: Financial Highlights



Billions of yen	FY2019/3 1H (A)	Previous forecast(Aug. 6) (B)	FY2020/3 1H (C)	Change (C)-(A)	Change (C)-(B)
Revenue	335.7	290.0	291.0	-44.7	+1.0
Operating Profit % vs Revenue	30.6 9.1%	15.0 5.2%	17.5 6.0%	-13.1	+2.5
Profit before income taxes % vs Revenue	33.8 10.1%	17.0 5.9%	20.1 6.9%	-13.7	+3.1
Profit attributable to owners of the parent % vs Revenue	22.8 6.8%	13.0 4.5%	16.3 5.6%	-6.5	+3.3
FCF	31.2	—	3.8	-27.4	—
Exchange rate :				Impact on Revenue	
US \$	¥110	¥107	¥109	-6.9	+0.1
EURO	¥130	¥124	¥121	Impact on Operating Profit	
				-2.2	-0.3

FCF decreased YoY due to less contributions from advances received and the changes of payment terms for the domestic partner supplier companies, etc.

First Half of the Year ending March 31, 2020: Financial Highlights by Segments



Billions of yen		FY2019/3 1H (A)	FY2020/3 1H (B)	Change (B)-(A)
Imaging Products Business	Revenue	150.9	119.0	-21%
	Operating Profit	13.2	2.0	-¥11.2B
Precision Equipment Business	Revenue	121.6	115.1	-5%
	Operating Profit	29.8	25.4	-¥4.4B
Healthcare Business	Revenue	29.4	30.0	+2%
	Operating Profit	-2.3	-1.2	+¥1.1B
Industrial Metrology and Others	Revenue	33.7	26.7	-21%
	Operating Profit	2.7	2.4	-¥0.3B
Corporate P/L non-attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-12.8	-11.1	+¥1.7B
Consolidated	Revenue	335.7	291.0	-13%
	Operating Profit	30.6	17.5	-¥13.1B

Corporate P/L non-attributable to any reportable segments includes the gain from unused land sales of ¥3.8B and the loss from restructuring relevant expenses of ¥1.7B.

Note: Corporate P/L non-attributable to any reportable segments includes elimination of intersegment transactions that amount to ¥0.01B for 1H of FY2019/3 and -¥1.7B for 1H of FY2020/3.

2nd Quarter of the Year ending March 31, 2020: Financial Highlights



Billions of yen	FY2019/3 Q2 (A)	FY2020/3 Q2 (B)	Change (B)-(A)
Revenue	168.8	148.1	-20.7
Operating Profit	11.6	8.2	-3.4
% vs Revenue	6.9%	5.5%	
Profit before income taxes	11.9	9.4	-2.5
% vs Revenue	7.0%	6.3%	
Profit attributable to owners of the parent	6.5	8.1	+1.6
% vs Revenue	3.9%	5.5%	
FCF	3.6	4.5	+0.9
Exchange rate :			Impact on Revenue
US \$	¥111	¥107	-5.0
EURO	¥130	¥119	Impact on Operating Profit
			-1.3

Although Operating Profit decreased due to the exchange rate impact and additional restructuring relevant expenses, Profit attributable to owners of the parent increased ¥1.6B YoY due to reduced tax expenses.

First Half of the Year ending March 31, 2020: Imaging Products Business



Billions of yen	FY2019/3 1H (A)	Previous Forecast (Aug.6) (B)	FY2020/3 1H (C)	Change (C)-(A)	Change (C)-(B)
Revenue	150.9	120.0	119.0	-31.9	-1.0
Operating Profit % vs Revenue	13.2 8.7%	3.0 2.5%	2.0 1.7%	-11.2	-1.0
Digital Camera- Interchangeable Lens type (units sold: 1,000)	1,070	—	800	-270	—
Interchangeable Lens (units sold: 1,000)	1,650	—	1,310	-340	—
Compact DSC (units sold: 1,000)	850	—	500	-350	—

- **YoY:** The unit sales of full-frame cameras increased mainly in Europe and US due to increased ML camera sales. However, revenue was adversely affected by reduced sales of DSLR cameras especially in Asia including China, resulting in significant revenue/profit reductions.
- **Actual vs. forecast:** Revenue slightly fell short of the forecast. OP missed the target due to lower-than-expected revenue and the yen appreciation against Euro, etc.

First Half of the Year ending March 31, 2020: Precision Equipment Business



Billions of yen	FY2019/3 1H (A)	Previous Forecast (Aug.6) (B)	FY2020/3 1H (C)	Change (C)-(A)	Change (C)-(B)
Revenue	121.6	110.0	115.1	-6.5	+5.1
Operating Profit	29.8	23.0	25.4	-4.4	+2.4
% vs Revenue	24.5%	20.9%	22.1%		
FPD Lithography Systems (units)	36	—	18	-18	—
Semiconductor Lithography Systems New/Refurbished (units)	8/9	—	14/4	+6/-5	—

• **YoY:** For FPD lithography business, Revenue and OP decreased in spite of G10.5 sales improvement, due to a substantial reduction of G8 sales as Chinese manufacturers' investment for TV panel had shifted from G8 to G10.5. For Semiconductor lithography business, both Revenue and OP increased due to a growth in sales of new systems including ArF immersion systems, etc.

Actual vs. forecast: For both FPD and Semiconductor, the 1H sales units and the product mix were changed by the advancement and postponement of the installation of systems, resulting in higher than planned revenue and OP.

First Half of the Year ending March 31, 2020: Healthcare Business



Billions of yen	FY2019/3 1H (A)	Previous Forecast (Aug.6) (B)	FY2020/3 1H (C)	Change (C)-(A)	Change (C)-(B)
Revenue	29.4	30.0	30.0	+0.6	±0
Operating Profit	-2.3	-3.0	-1.2	+1.1	+1.8
% vs Revenue	-7.8%	-10.0%	-4.0%		

- **YoY:** Biological microscopes improved its revenue in the Americas and Japan, almost fully compensating the revenue drop in Europe and Asia. Retinal diagnostic imaging systems marked the record of 1H sales. Overall business posted a revenue increase. Deficit was suppressed by focusing investment themes, etc.
- **Actual vs. forecast:** Revenue hike in retinal diagnostic imaging systems offset the reduced revenue of biological microscopes, meeting the business revenue target. The deficit amount was reduced more than expected due to the product mix change and expense postponement to the 2H.

First Half of the Year ending March 31, 2020: Industrial Metrology Business and Others



Billions of yen	FY2019/3 1H (A)	Previous Forecast(Aug.6) (B)	FY2020/3 1H (C)	Change (C)-(A)	Change (C)-(B)
Revenue	33.7	30.0	26.7	-7.0	-3.3
Operating Profit	2.7	1.0	2.4	-0.3	+1.4
% vs Revenue	8.0%	3.3%	9.0%		

- **YoY:** Revenue was largely decreased by delayed investment of customers in both Industrial Metrology and Other businesses, but the impact on OP was suppressed by the product mix change, etc.
- **Actual vs. forecast:** Customers delayed investment amid economic slowdown mainly in Asia including China, and it hindered revenue from reaching the plan but OP was improved by the product mix change, cost improvement, expense reduction, etc.

1. Financial results for the second quarter of the year ending March 31, 2020
2. Forecast for the year ending March 31, 2020

Forecast for the Year ending March 31, 2020



Revenue

- **Company total forecast: Revised down ¥50B to ¥620B**

- **Imaging Products:** Revised down ¥25B based on a review of 2H market outlook, sales plan and Euro FX assumptions.
- **Precision Equipment:** Revised down ¥15B as sales in FPD and Semiconductor Lithography business will be postponed to the next FY.
- **Industrial Metrology & Others:** Revised down ¥10B to reflect customers pushing out capex spend.

Operating profit

- **Company total forecast: Revised down ¥32B to ¥20B**

- **Imaging Products:** Revised down ¥22B mainly on shrinking revenue, stronger yen and restructuring relevant expenses.
- **Precision Equipment:** Revised down ¥5B mainly due to postponement of sales into next FY.
- **Industrial Metrology & Others:** Revised down ¥2B mainly on reduced revenue.
- **Corporate P/L non-attributable to any reportable segments:** Revised down ¥3B due to 1H results and increase in corporate costs in 2H. (Corporate costs up ¥1.3B vs. previous forecast.)

Profit attributable to owners of the parent

- **Company total forecast: Revised down ¥25B to ¥17B**

Forecast for the Year ending March 31, 2020: Financial Highlights



Billions of yen	FY2019/3 (A)	Previous Forecast(Aug.6) (B)	New Forecast (Nov.7) (C)	Change (C)-(A)	Change (C)-(B)
Revenue	708.6	670.0	620.0	-88.6	-50.0
Operating Profit	82.6	52.0	20.0	-62.6	-32.0
% vs Revenue	11.7%	7.8%	3.2%		
Profit before income taxes	87.9	55.0	23.0	-64.9	-32.0
% vs Revenue	12.4%	8.2%	3.7%		
Profit attributable to owners of the parent	66.5	42.0	17.0	-49.5	-25.0
% vs Revenue	9.4%	6.3%	2.7%		
EPS	¥167.86	¥106.89	¥43.26	-¥124.6	-¥63.6
Annual Dividends	¥60	¥60	¥60	±0	±0
FCF	43.5	40.0	15.0	-28.5	-25.0
Exchange rate :				Impact on Revenue	
US \$	¥111	¥106	¥107	-17.8	-1.6
EURO	¥128	¥125	¥121	Impact on Operating Profit	
				-4.6	-1.2

Note: EPS (Basic Earning per Share) = Profit attributable to owner of the parent / Average number of shares during the term
Only the new forecast is calculated by approx. 0.393B shares, an average over the number of shares at the end of FY2019/3, approx. 0.396B, and the expected number of shares at the end of FY2020/3.

Forecast for the Year ending March 31, 2020: Financial Highlights by Segments

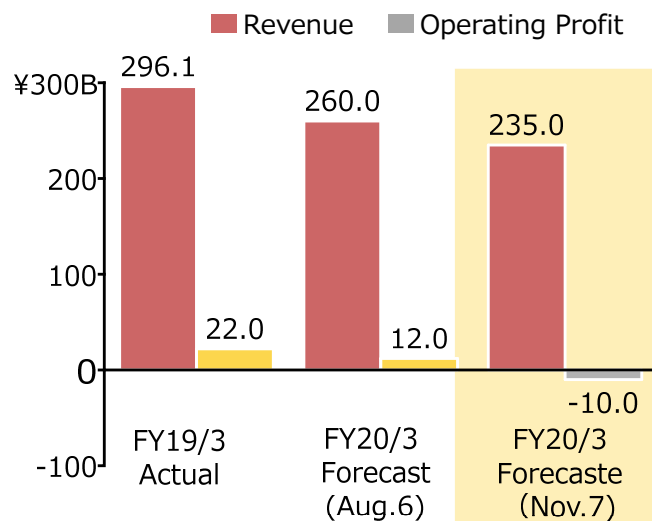


Billions of yen		FY2019/3 (A)	Previous Forecast(Aug.6) (B)	New Forecast(Nov.7) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	296.1	260.0	235.0	-20.6%	-9.6%
	Operating Profit	22.0 (22.6)	12.0 (12.0)	-10.0 (-5.0)	-¥32.0B	-¥22.0B
Precision Equipment Business	Revenue	274.5	270.0	255.0	-7.1%	-5.6%
	Operating Profit	81.7 (81.7)	56.0 (56.0)	51.0 (51.0)	-¥30.7B	-¥5.0B
Healthcare Business	Revenue	65.4	65.0	65.0	-0.6%	±0%
	Operating Profit	-1.9 (-1.9)	-1.0 (-1.0)	-1.0 (-1.0)	+¥0.9B	±¥0.0B
Industrial Metrology and Others	Revenue	72.5	75.0	65.0	-10.3%	-13.3%
	Operating Profit	6.9 (7.5)	6.0 (6.0)	4.0 (4.0)	-¥2.9B	-¥2.0B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—	—	—
	Operating Profit	-26.1 (-25.6)	-21.0 (-21.0)	-24.0 (-22.3)	+¥2.1B	-¥3.0B
Consolidated	Revenue	708.6	670.0	620.0	-12.5%	-7.5%
	Operating Profit	82.6 (84.4)	52.0 (52.0)	20.0 (26.7)	-¥62.6B	-¥32.0B

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 ¥0.6B for FY2019/3 and -¥1.7B for FY2020/3.

Forecast for the Year ending March 31, 2020: Imaging Products Business



• Revenue: Forecast revised down ¥25B, down ¥61.1B YoY

- Over-estimation of market size/share is corrected for 2H forecast and future planning.
- Sales unit forecast of DCIL, interchangeable lens and CDSC is revised down.
- Shift toward ML cameras and the product mix change in the full-frame category have not been accelerated as expected.

• Operating Profit: Forecast revised down ¥22B, down ¥32B YoY

- OP suffers from sales unit reduction, product mix change, and Euro FX impact.
- Efforts to reduce Sales and R&D expenses continue, but the forecast is substantially revised down by posting of restructuring relevant expenses.

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

Market Scale	10,040	8,500	7,800
Nikon	2,060	1,600	1,500

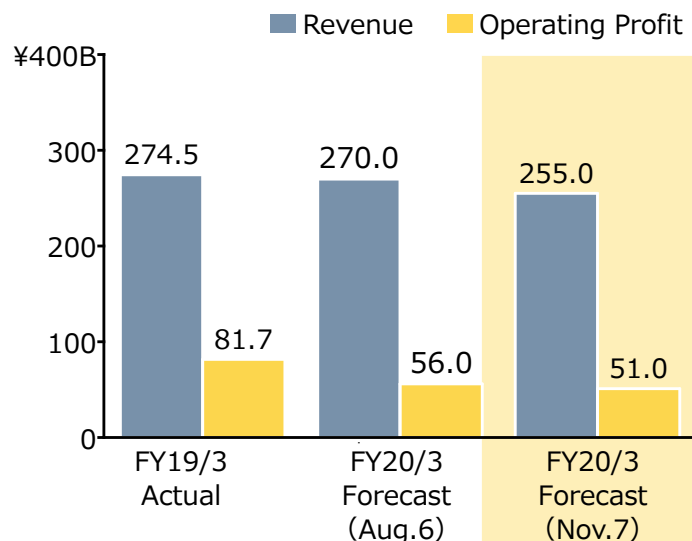
Interchangeable Lens (units:1,000)

Market Scale	16,960	14,500	13,500
Nikon	3,170	2,600	2,500

Compact DSC (units:1,000)

Market Scale	8,220	6,000	6,000
Nikon	1,600	1,000	900

Forecast for the Year ending March 31, 2020: Precision Equipment Business



- **Revenue: forecast revised down ¥15B, down ¥19.5B YoY**

- FPD: No change is made for high-priced G10.5 sales units. G8 (5 units) sign-off is postponed to the next FY due to customer reasons.
- Semiconductor: Customer CAPEX continues to be steady, but one ArF immersion system sales is postponed to the next FY because the supplier production facility was damaged by the typhoon.
- Market slowdown weakened the refurbished system demand. Sales volume forecast is revised only with minor impact on the revenue.

- **Operating Profit: forecast revised down ¥5B, down ¥30.7B YoY**

- OP for FY2019/3 was approx. ¥66.7B excluding the one-off gain from litigation settlement.
- OP is revised down ¥5B due to postponed sales of FPD and semiconductor lithography system.

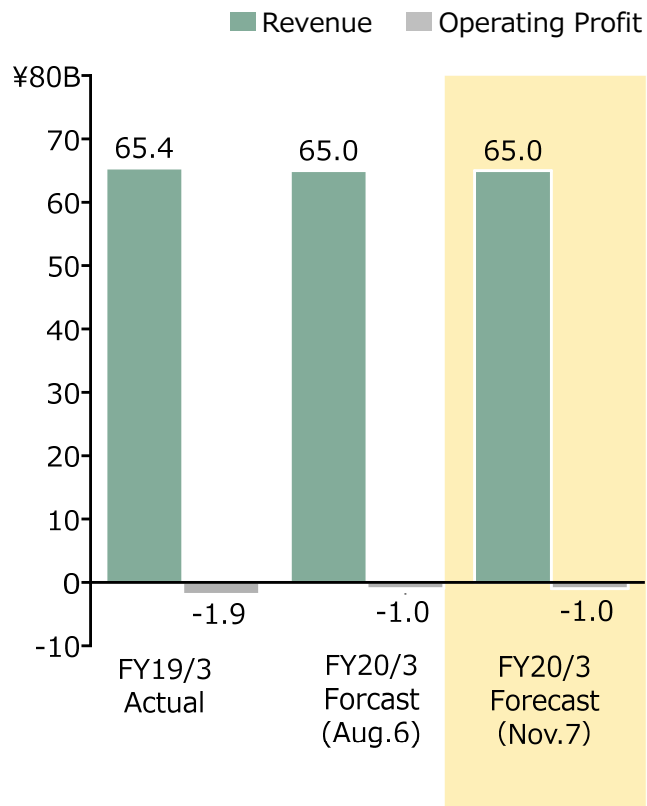
FPD Lithography Systems (units)

Market Scale (CY18/19)	142	100	90
Nikon	70	37	32

Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY18/19)	300	250	250
Nikon	21/20	31/14	30/11

Forecast for the Year ending March 31, 2020: Healthcare Business



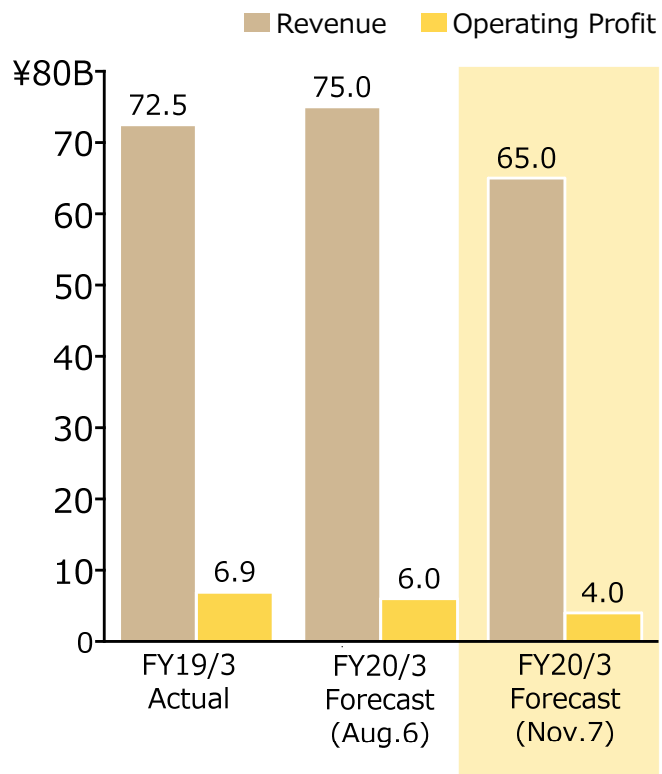
- **Revenue: forecast unchanged, down ¥0.4B YoY**

- Both biological microscope and retinal diagnostic imaging system are performing steadily as planned, yet almost flat revenue is expected due to the negative FX impact.

- **Operating Profit: forecast unchanged, up ¥0.9B YoY**

- Focused investment is conducted in the regenerative medicine and ophthalmological diagnosis fields to halve the negative profit, and generate profit in the next FY as planned.

Forecast for the Year ending March 31, 2020: Industrial Metrology Business and Others



- **Revenue: forecast revised down ¥10B, down ¥7.5B YoY**

- Due to economical downturn, customers mainly in Asia including China postponed CAPEX: sales plan of relevant products is revised.
- Revised down from the previous year.
- Industrial metrology: Results are being demonstrated to expand the market share of X-ray inspection systems and non-contact 3D metrology systems.

- **Operating Profit: forecast revised down ¥2B, down ¥2.9B YoY**

- To minimize the revenue drop impact on OP, efforts are made to reduce costs and expenses.
- Investment for future growth in the component business, etc. will continue.

Forecast for the Year ending March 31, 2020: Shareholder Return



Annual Dividend

- **¥60 (¥30 interim)**: unchanged (same as the previous FY)

Buy-back

- Buy-back amount: up to **¥30B**
- Number of shares: up to **36,000,000 shares** (equivalent to **9.2%** of the outstanding shares excluding Treasury Stock)
- Buy-back period: **November 8, 2019 to March 24, 2020**
- Holding policy: Newly acquired own shares will be all canceled by the end of this fiscal year (planned).

Note: ¥30B is equivalent to approximately 21.6M shares(equivalent to 5.5% of the outstanding shares) as of the end of October 2019.





Progress of Medium-Term Management Plan and Management Policy

Toshikazu Umatate
Representative Director
President & CEO

1H Performance

- **Achieved overall plan for revenue, operating profit and Profit attributable to owners of the parent**

- Imaging Products Business unachieved plan, however other segments were mostly in line.

2H Environment

- **Urgent need for further risk controls, particularly in Imaging Products business, as challenges remain inside and outside the company**

- **Imaging Products Business:** Business environment has deteriorated further as market shrinkage accelerates and competition intensifies. Increased costs from Z-mount system lineup expansion also a burden.

- **Precision Equipment and Industrial Metrology & Others:** Revised down the plan as customers control and delay investments.

Full year plan

- **Significantly revise down plan for this year. Accelerate restructuring of Imaging Products Business and initiatives aimed at profit growth.**

- Fundamentally transform Imaging business structure to revitalize amid harsh environment.

- Proactively consider collaboration with external resources and strategic investments to build foundation for future growth.

Urgent need to rebuild management structure to achieve major KPIs in the new medium-term management plan.

②-1. Imaging Products Business: Challenges and Positioning



Business challenges

- **Fundamentally rectify structure and strategy, and address challenges appropriately to halt profit erosion.**
 - Market environment deterioration in DCIL is worse than expected.
 - Sales plan for ML cameras was overestimated.
 - Across the business as a whole, slow execution on drawn out decision making.
 - The competitive environment will intensify further on price and technological development alike.

Positioning

- **Generate enough profits to justify its existence as business unit and expand applications of core technologies.**
 - Strengthen brand and continue to deliver imaging experiences that contribute to the life and creative activities of users.
 - Apply our cultivated imaging technology assets to long-term growth areas.

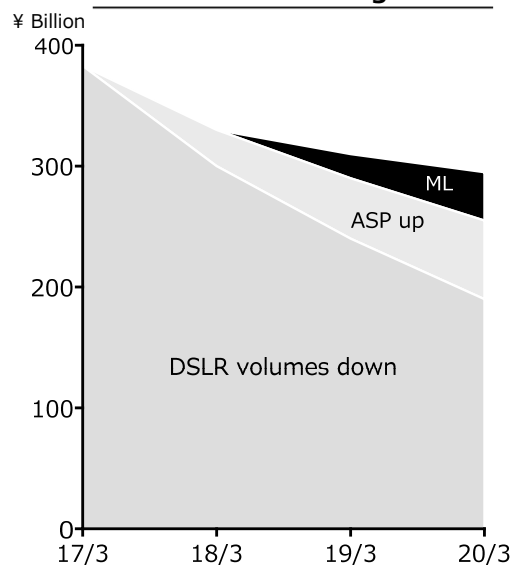
Imaging Products Business will continue to respond to the expectations of stakeholder and contribute to the enhancement of enterprise value.

②-2 Imaging Products Business: Business Environment

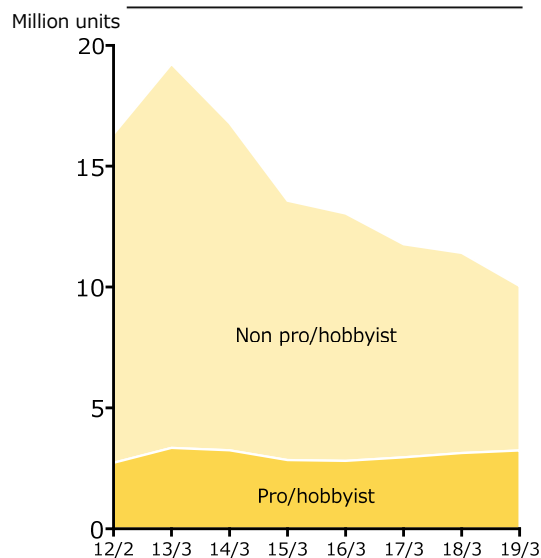


Focus on the professional and hobbyist segments, which have performed steadily through the harsh environment. Strengthen marketing focused on loyal customers, and create the next generation of core users. Transform to a business that can generate solid profit despite a shrinking market.

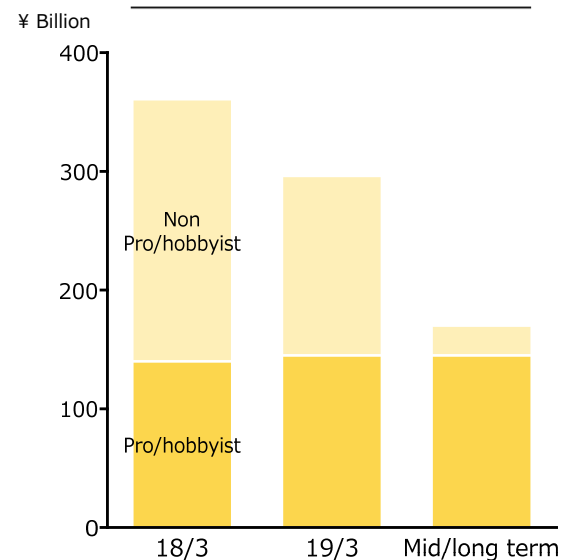
DCIL Sales Plan of the Previous Restructuring



DCIL Market Estimate



Approximation of Nikon's Imaging Products Business Revenues



②-3. Imaging Products Business: Direction of Restructuring



Fundamentally transform business unit, surpassing the scale of the previous restructuring, to rebuild business unit that stably generates cashflow.

- **Business strategy:** Intensify focus on professional and hobbyist segments.
 - ⇒ Focus strategy on further enhancing customer satisfaction among professionals and hobbyists, including lens lineup expansions.
- **Restructuring:** Build an organization that can generate stable profits under new strategy and harsh market environment.
 - ⇒ Reconstruct operating system of the Imaging Business Unit.
 - Strengthen the management system, including enhancement of the Board of Directors' governance.
 - ⇒ Within medium-term management plan period, **cut ¥50B in business costs* vs. FY2018 (including ¥20B in fixed costs).**
 - Development:** Maintain development of core technologies, be more selective in product development and shift resources to long-term growth areas.
 - Sales:** Drastically revise sales strategy. Optimize sales companies. Thoroughly drive efficiencies.
 - Production:** Optimize plant function and size (Open up plants to use by other business segments)
 - Other:** Optimize staffing on a global basis.
- **Profit plan:** In FY2019 & FY2020 the outlook is harsh given priority placed on thorough restructuring. Restructuring relevant expense is ¥5.0B for this FY, and almost same amount will be planned to post in next FY. In FY2021 and beyond, **generate profits in excess of capital cost on a stable basis.**

Note: Business costs refers to SG&A and fixed costs included in COGS.

Progress of Material Processing Business: focus area of Medium-Term Management Plan

●Optics-based machine tools

- Launched optical processing machine: Lasermeister 100A
- Announced the second optical processing machine: High-precision flat surface processing machine in September, 2019.

●Supply of components, development of differentiated technologies

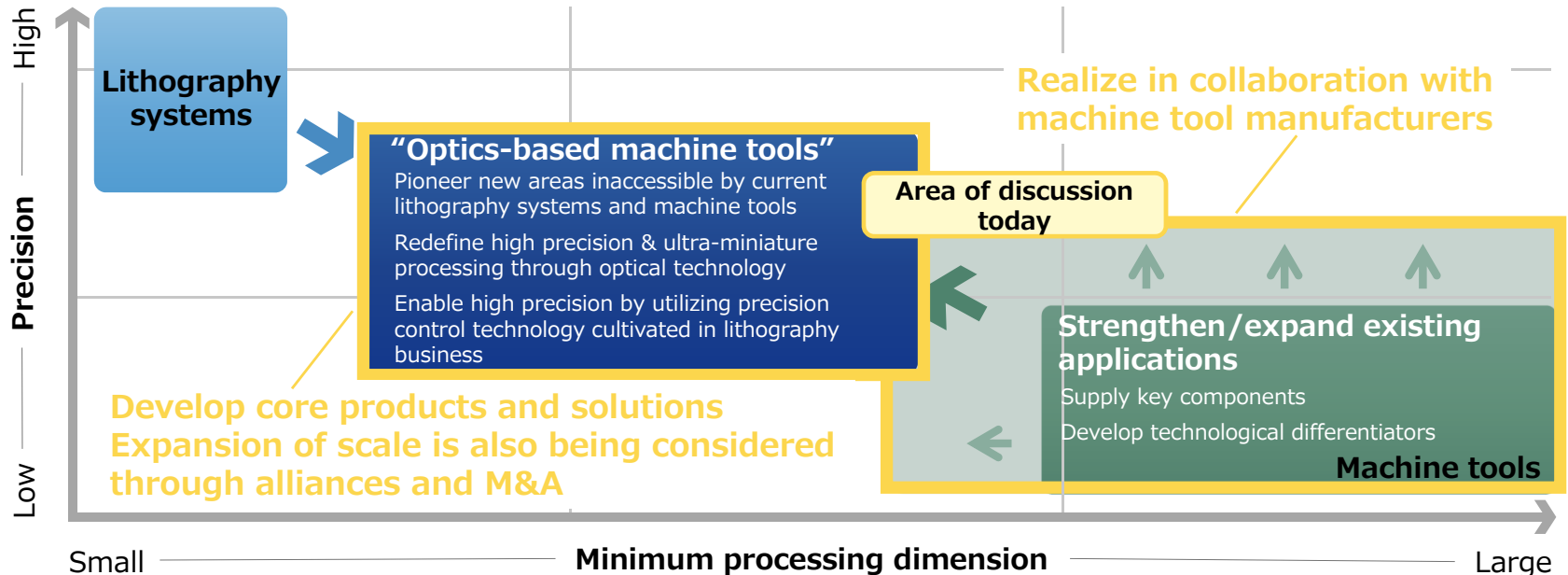
- Contribute to development of more advanced machine tools by applying measurement and camera related technologies.

③-2. Growth Strategy: Business domains for Optical Processing Machine



Generating New Core
Pillars of Profit

Create new manufacturing markets and industries in Monodzukuri field

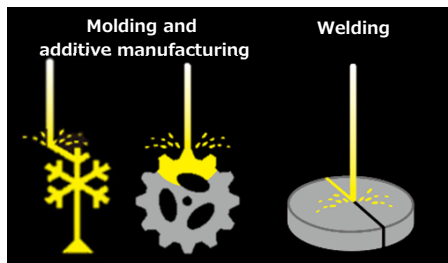


③-3. Growth Strategy: Core Products, Optical processing machine series.



Optical processing machine : G1

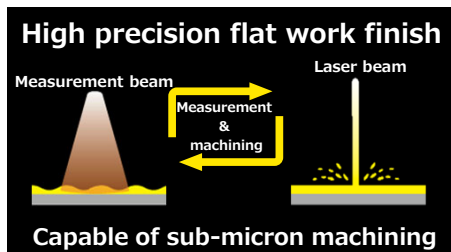
Lasermeister 100A



- Launched in April, 2019
- Received orders mainly for prototyping

Optical processing machine : G2

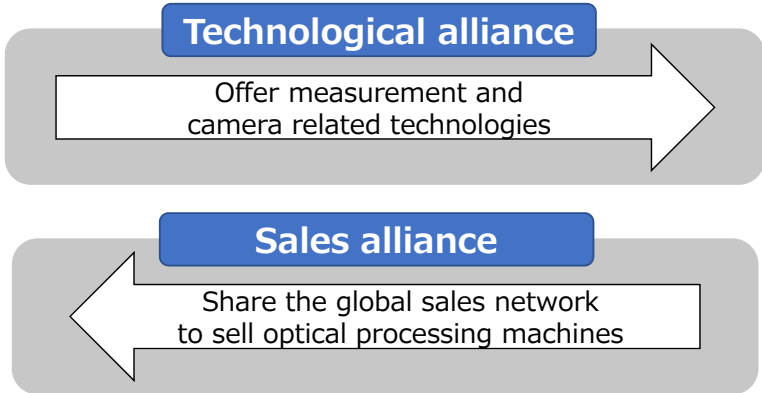
High precision flat surface processing machine



- Showcased at exhibition in September, 2019
- Received numbers of demonstration requests for high-precision and special machining applications

Plan to launch unique G3 and G4 Optical processing machines.
In parallel, will promote our contract processing business and
customer application development.

③-4. Growth Strategy: Business alliance with DMG MORI CO., LTD.



DMG MORI



- Apply Nikon's measurement and camera related technologies on DMG MORI's machine tools to jointly develop more advanced products.
- Utilize DMG MORI's global sales network to sell Nikon's optical processing machines.

④ Management Direction During Medium-term Management Plan



Financial target

ROE of 8% or more (Keep that level in final year of plan FY2021 and beyond)

Management resources

Capital allocation: Prioritize strategic investments in establishing foundation for growth, such as Material Processing Business.

Human resources: Accelerate allocation toward long-term growth areas

Restructuring

Cost reduction: ¥18B

Imaging Products Business: Reduce ¥50B in business costs

Shareholder returns

Total return ratio of 40% or more, made up of annual dividend per share of at least ¥60 plus flexible share buybacks

Maintain the KPIs, and basic policies for capital allocation and shareholder returns of medium-term management plan, despite the restructuring costs until next FY mainly for Imaging Products Business.

Reference Data

Forecast for the Year ending March 31, 2020

Financial Highlights



Billions of yen	FY2017/3	FY2018/3	FY2019/3			FY2020/3 Forecast		
	Full Year	Full Year	1H	2H	Full Year	1H	2H	Full Year
Revenue	749.2	717.0	335.7	372.9	708.6	291.0	329.0	620.0
Operating Profit	0.7	56.2	30.6	52.0	82.6	17.5	2.5	20.0
% vs Revenue	0.1%	7.8%	9.1%	13.9%	11.7%	6.0%	0.8%	3.2%
Profit before income taxes	3.0	56.2	33.8	54.1	87.9	20.1	2.9	23.0
% vs Revenue	0.4%	7.8%	10.1%	14.5%	12.4%	6.9%	0.9%	3.7%
Profit attributable to owners of the parent	3.9	34.7	22.8	43.7	66.5	16.3	0.7	17.0
% vs Revenue	0.5%	4.8%	6.8%	11.7%	9.4%	5.6%	0.2%	2.7%
ROE	0.7%	6.3%	11.2%			3%		
FCF	56.6	90.2	43.5			15.0		
Exchange rate :								
US \$	¥108	¥111	¥110	¥112	¥111	¥109	¥105	¥107
EURO	¥119	¥130	¥130	¥127	¥128	¥121	¥120	¥121

Note: From FY2019/3, a part of sales promotion expenses is deducted from revenue, which had been booked as SG&A previously. FY2019/3 Revenue is an amount after deducting ¥8.3B.

Forecast for the Year ending March 31, 2020: Financial Highlights by Segments



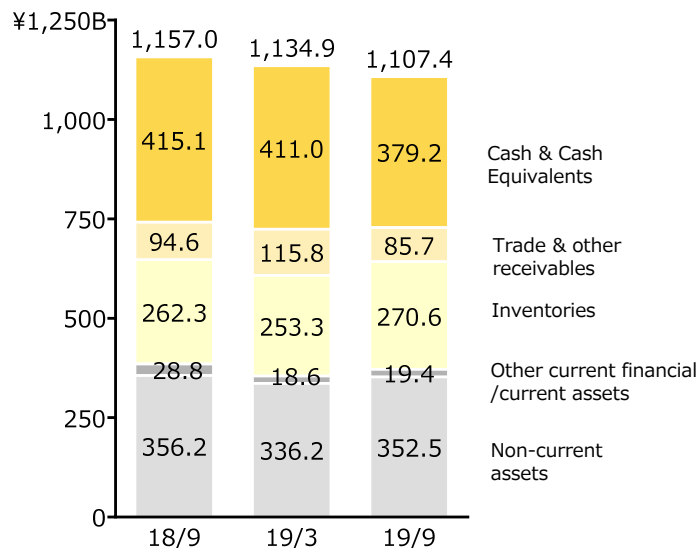
Billions of yen		FY2017/3	FY2018/3	FY19/3			FY20/3 Forecast		
		Full Year	Full Year	1H	2H	Full Year	1H	2H	Full Year
Imaging Products Business	Revenue	383.0	360.7	150.9	145.2	296.1	119.0	116.0	235.0
	Operating Profit	17.1	30.2	13.2	8.8	22.0	2.0	-12.0	-10.0
		(28.1)	(36.0)	(13.6)	(9.0)	(22.6)	(2.0)	(-7.0)	(-5.0)
Precision Equipment Business	Revenue	248.0	226.3	121.6	152.9	274.5	115.1	139.9	255.0
	Operating Profit	13.4	53.3	29.8	51.9	81.7	25.4	25.6	51.0
		(48.1)	(53.3)	(29.8)	(51.9)	(81.7)	(25.4)	(25.6)	(51.0)
Healthcare Business	Revenue	55.7	56.8	29.4	36.0	65.4	30.0	35.0	65.0
	Operating Profit	-0.6	-3.2	-2.3	0.4	-1.9	-1.2	0.2	-1.0
		(-0.1)	(-3.2)	(-2.3)	(0.4)	(-1.9)	(-1.2)	(0.2)	(-1.0)
Industrial Metrology and Others	Revenue	62.4	73.2	33.7	38.8	72.5	26.7	38.3	65.0
	Operating Profit	3.7	5.0	2.7	4.2	6.9	2.4	1.6	4.0
		(5.5)	(7.8)	(3.5)	(4.0)	(7.5)	(2.4)	(1.6)	(4.0)
Corporate P/L non-attributable to any reportable segments	Revenue	—	—	—	—	—	—	—	—
	Operating Profit	-32.8	-29.1	-12.8	-13.3	-26.1	-11.1	-12.9	-24.0
		(-27.5)	(-29.1)	(-12.8)	(-12.8)	(-25.6)	(-9.4)	(-12.9)	(-22.3)
Consolidated	Revenue	749.2	717.0	335.7	372.9	708.6	291.0	329.0	620.0
	Operating Profit	0.7	56.2	30.6	52.0	82.6	17.5	2.5	20.0
		(54.1)	(64.9)	(31.8)	(52.6)	(84.4)	(19.2)	(7.5)	(26.7)

Note: From FY2019/3, a part of sales promotion expenses is deducted from revenue, which had been booked as SG&A previously. FY2019/3 Revenue is an amount after deducting ¥8.3B. Figures in parentheses are the operating profit excluding the restructuring relevant expenses.

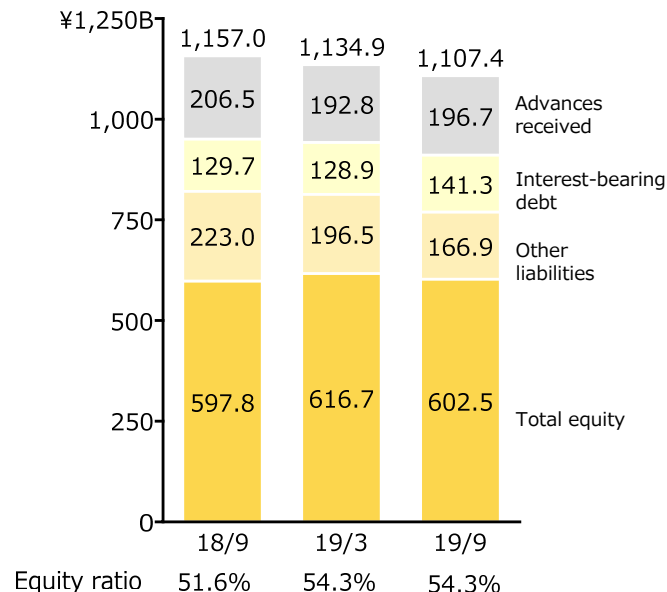
First Half of the Year ending March 31, 2020: Financial Position Breakdown



ASSETS



LIABILITIES/ EQUITY

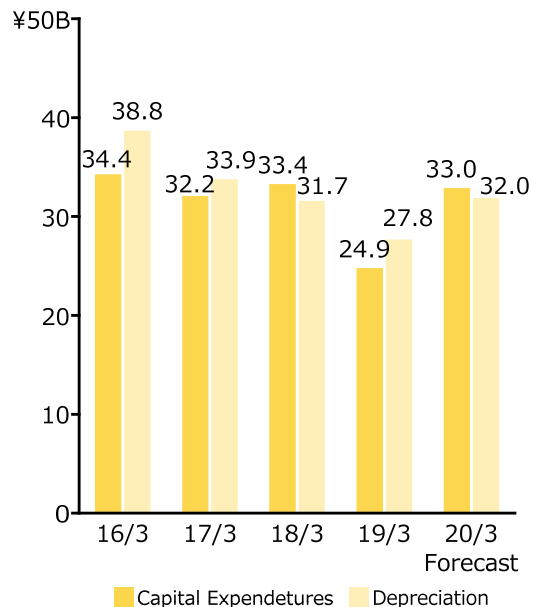


Note: A breakdown of interest-bearing debt as of September 30, 2019 is ¥29.9B in bonds and ¥111.4B in other borrowings.
 Equity ratio is ratio of equity attributable to owners of the parent to total assets.
 Cash and Cash Equivalents excludes time deposits with maturities of three months or more.

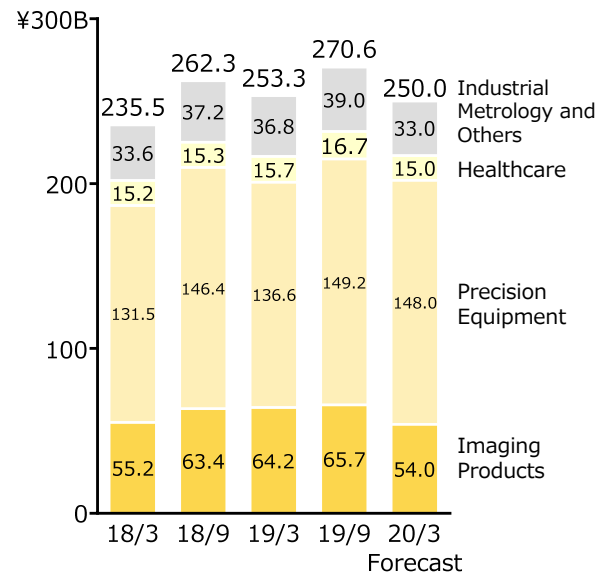
Forecast for the Year ending March 31, 2020: Capital Expenditures, Depreciation and Inventory



CAPITAL EXPENDITURES, DEPRECIATION



INVENTORY BREAKDOWN



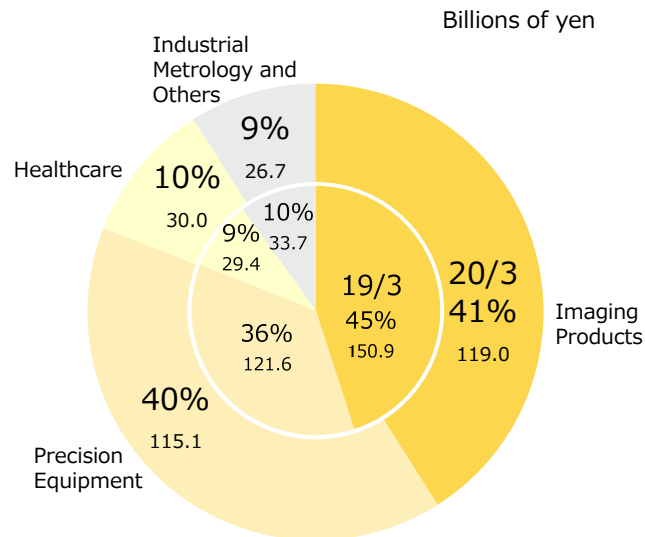
Note: In FY2020/3, "CAPITAL EXPENDITURES" includes the leased assets of approximately ¥3.0B upon the adoption of IFRS16.

"DEPRECIATION" includes the amortization of capitalized R&D costs from the FY2018/3 and depreciation of the leased asset of approx. ¥4.0B in FY2020/3, as mentioned above.

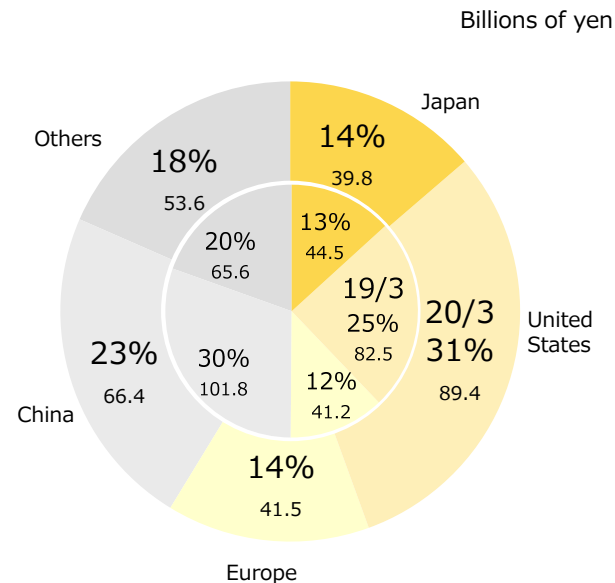
First Half of the Year ending March 31, 2020: Revenue Breakdown



BY SEGMENT



BY REGION

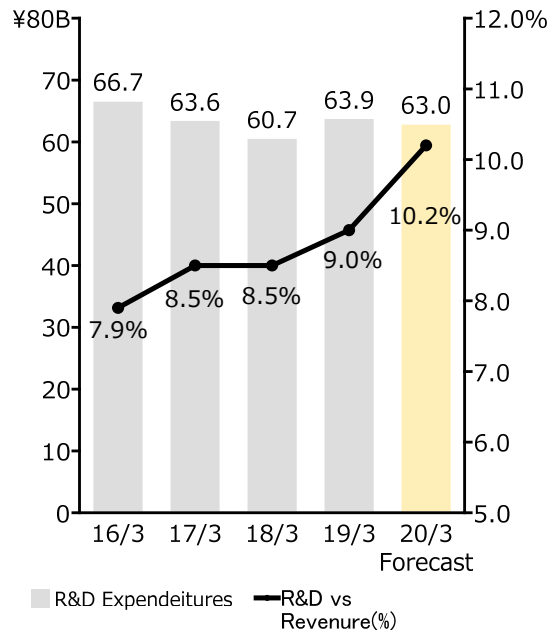


Note: The outside and inside circles show the breakdown of F2020/3 1H revenue of ¥291.0B and FY2019/3 1H revenue of ¥335.7B, respectively.

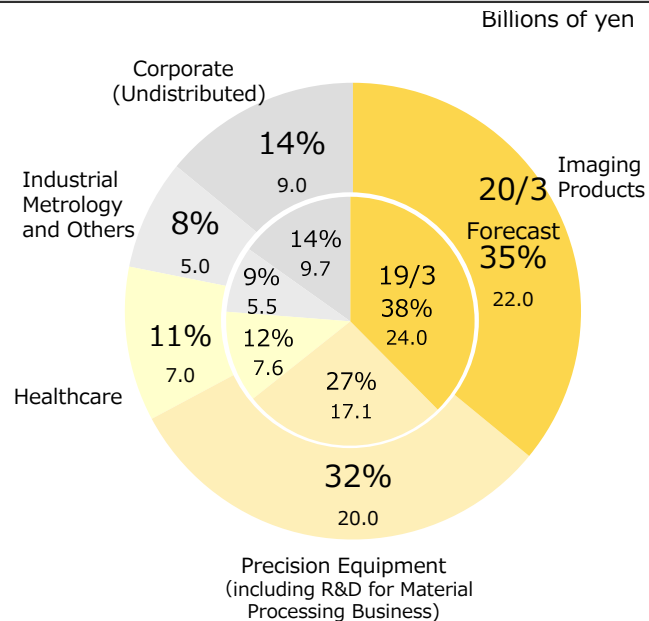
Forecast for the Year ending March 31, 2020: R&D Expenditures



R&D EXPENDITURES

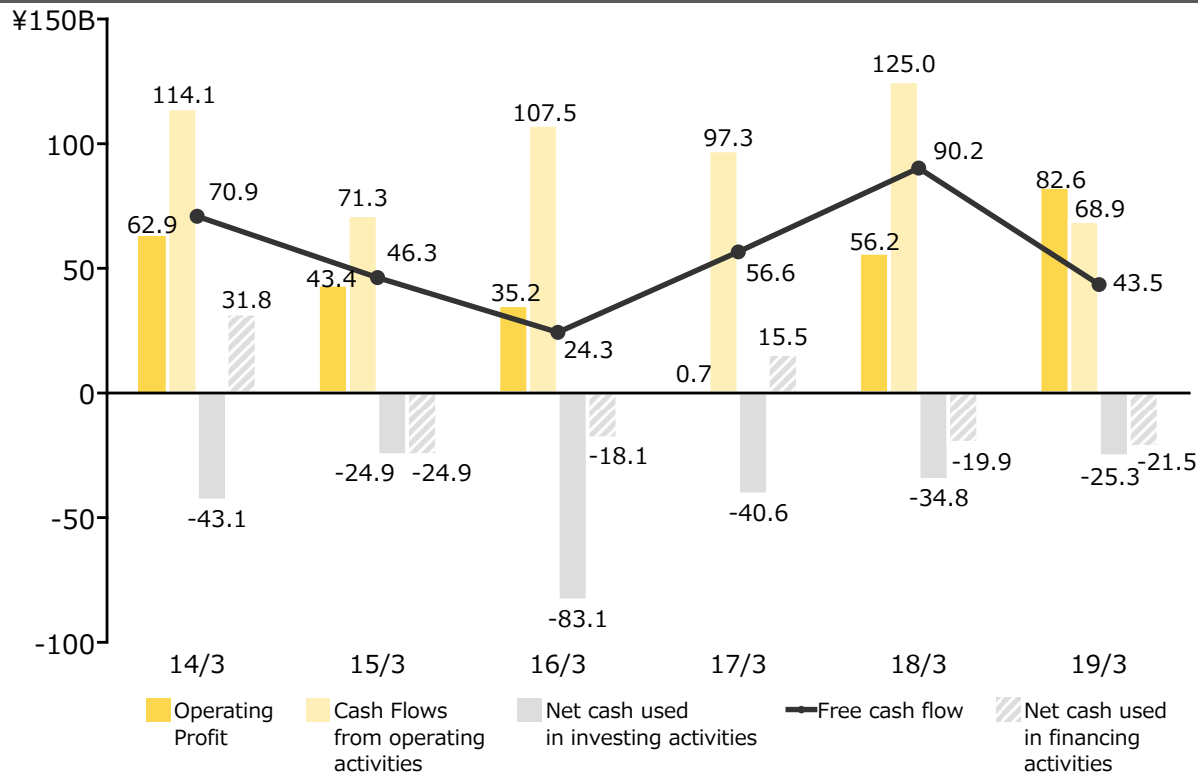


R&D EXPENDITURES BREAKDOWN



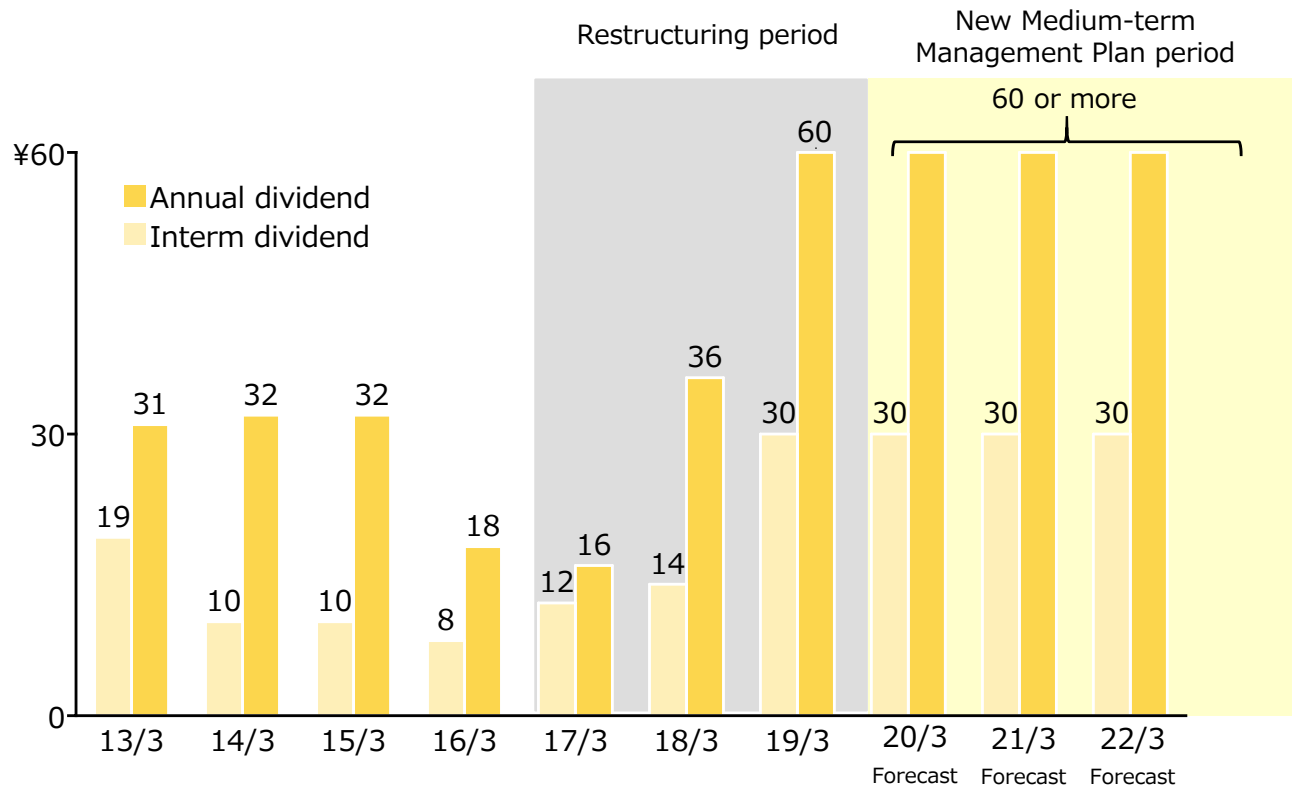
Note: R&D expenditures after FY2018/3 includes capitalization of some development expenditure.

Cash Flow History



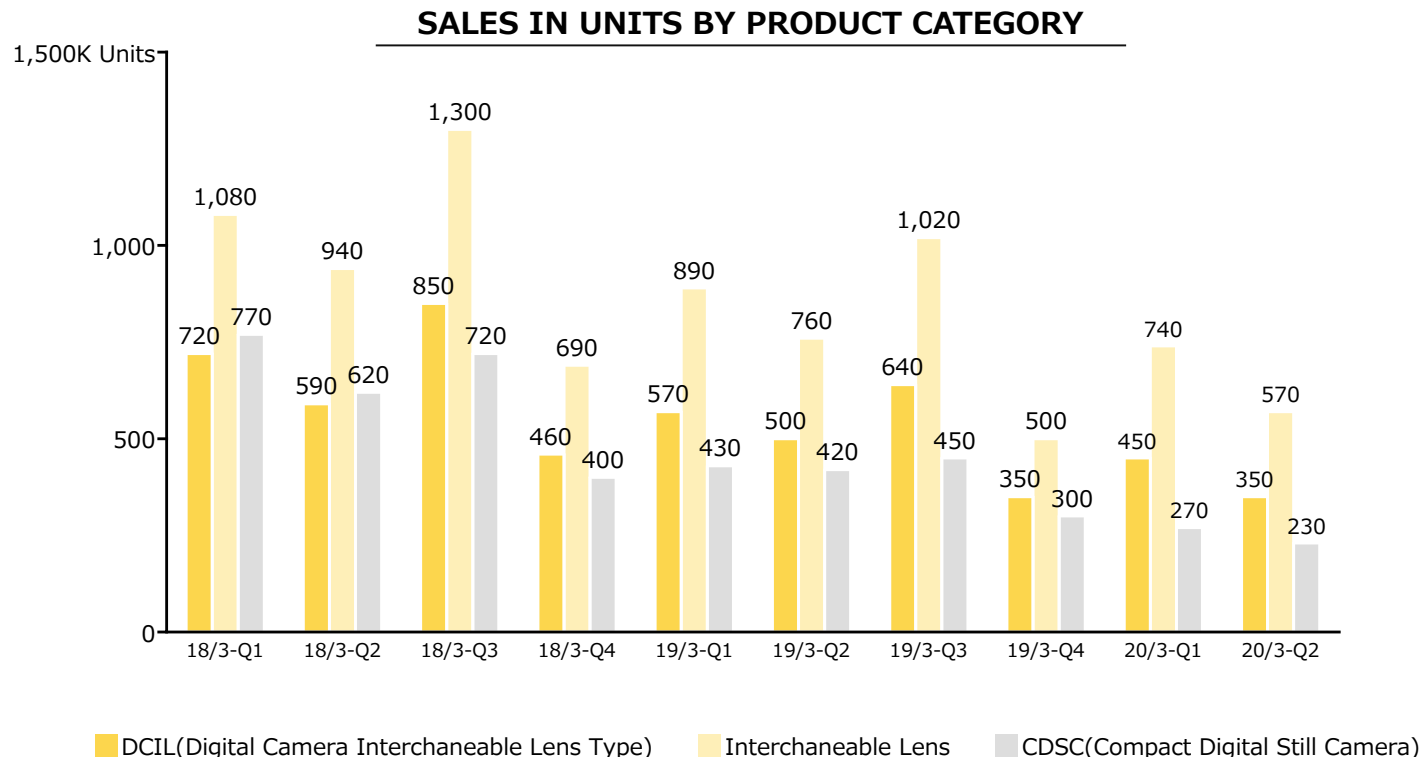
Note: FCF (free cash flows) = CF from operating activities + CF from investing activities; Japanese Standard is employed for FY2015/3 and prior, and IFRS is adopted for FY2016/3 and after.
 FCF + CF from financial activities + Effect of exchange rate changes on cash and cash equivalents = net increase (decrease) in cash and cash equivalents

Shareholder Return History and Forecast



Note: Buy-back of shares at approx. ¥10.0B was conducted in Q1 of FY2020/3. Another buy-back of approx. ¥30B is planned in the period between Q3 and Q4 of FY2020/3.

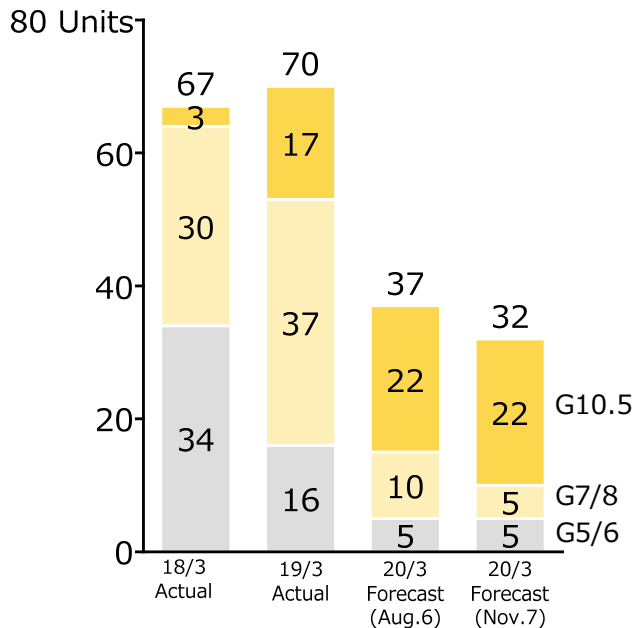
Imaging Products Business: Sales Units



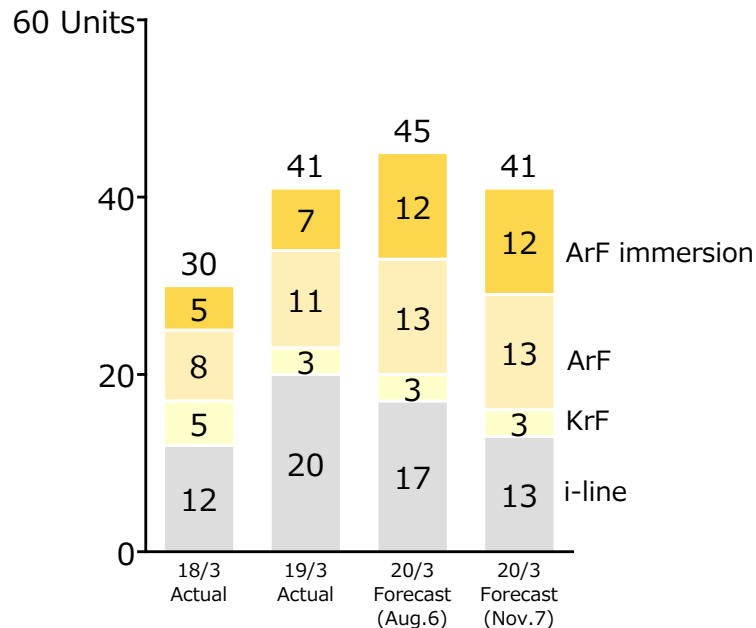
Forecast for the Year ending March 31, 2020: Precision Equipment Business Sales Units



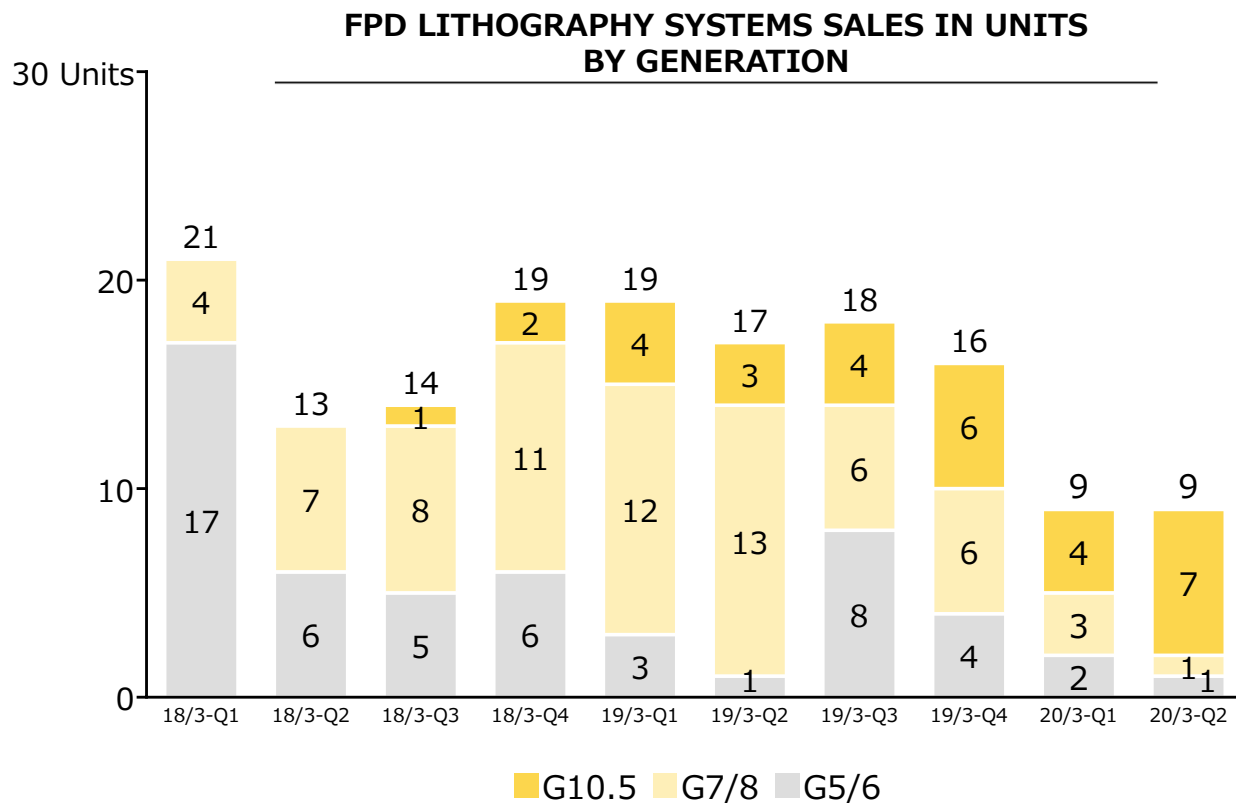
FPD LITHOGRAPHY SYSTEMS SALES BY GENERATION



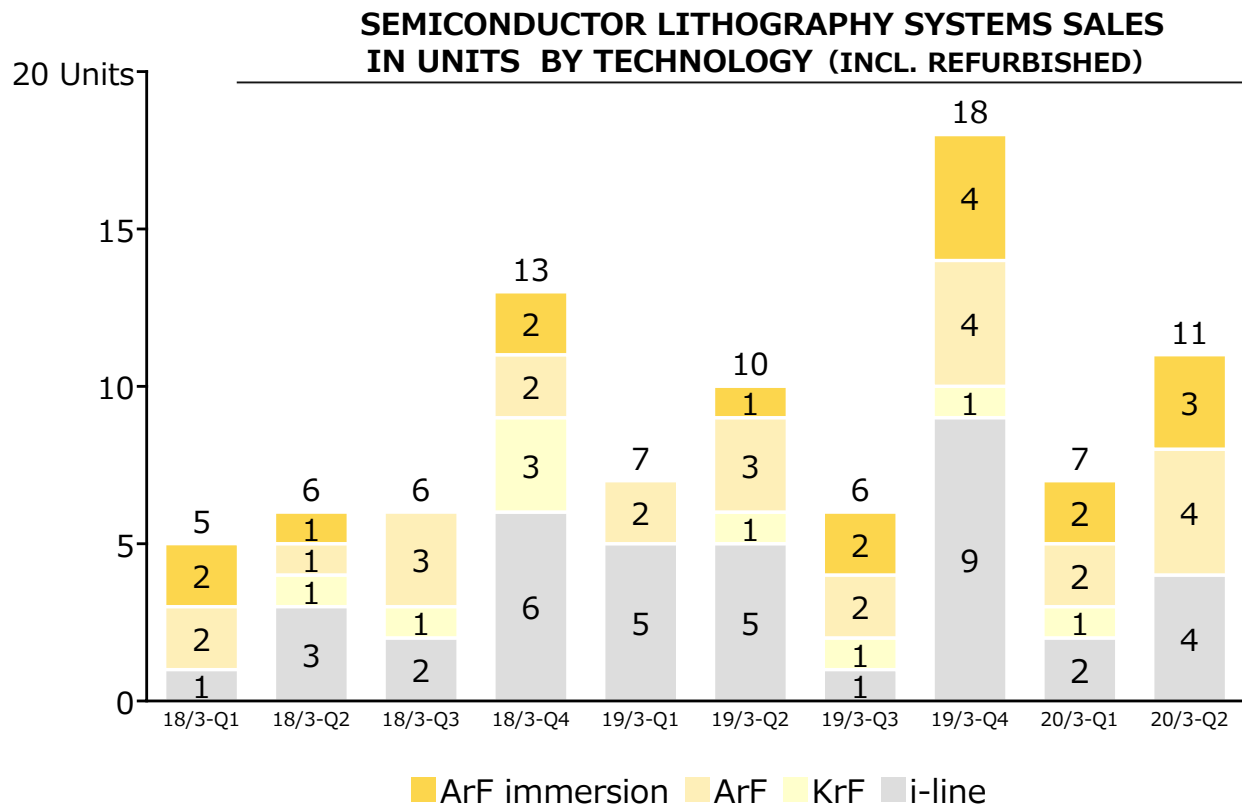
SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES BY TECHNOLOGY (INCL. REFURBISHED)



Note: The unit sales of new semiconductor lithography systems is 17 units in FY2018/3, 21 units in FY2019/3 and 30 units (forecast) in FY2020/3.



Precision Equipment Business: Sales Units



Forecast for the Year ending March 31, 2020: Foreign Exchange Impact



	Exchange rate	Financial Impact from Fluctuation by 1 yen	
	FY2020/3 Forecast for 2H	Revenue 2H	Operating Profit 2H
US \$	¥105	Approx. ¥1.3billion	Approx. ¥0.2billion
EURO	¥120	Approx. ¥0.3billion	Approx. ¥0.2billion

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.

