



February 4, 2021

Consolidated Financial Results of the Third Quarter Ended December 31, 2020 (IFRS)

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Securities code number: 7731

Stock exchange listings: Tokyo

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(Amounts are rounded to the nearest millions of yen)

1. Consolidated Results of the Third Quarter ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

(1) Consolidated Operating Results (Percentage represents comparison changes to the same period the previous year)

	Revenue		Operating Profit		Profit before Income Taxes		Profit Attributable to Owners of the Parent		Total Comprehensive Income for the Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	326,258	(26.6)	(36,762)	—	(27,931)	—	(23,434)	—	9,938	(56.7)
Nine months ended December 31, 2019	444,462	(15.5)	21,569	(59.0)	25,918	(54.5)	20,229	(50.4)	22,977	(31.7)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Nine months ended December 31, 2020	(63.83)	(63.83)
Nine months ended December 31, 2019	51.85	51.66

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of the Parent	Ratio of Equity Attributable to Owners of the Parent to Total Assets
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2020	1,021,029	544,530	543,495	53.2
As of March 31, 2020	1,005,881	541,760	540,652	53.7

2. Dividends

	Dividend per Share				
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	30.00	—	10.00	40.00
Year ending March 31, 2021	—	10.00	—	—	—
Year ending March 31, 2021 (Planned)	—	—	—	10.00	20.00

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

3. Consolidated Financial Forecasts for the Year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)
(Percentage represents comparison changes to the same period the previous year)

	Revenue		Operating Profit		Profit before Income Taxes		Profit Attributable to Owners of the Parent		Basic Earnings per Share Attributable to Owners of the Parent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	450,000	(23.9)	(65,000)	—	(60,000)	—	(42,000)	—	(114.40)

(Note) Revision of forecast from the latest announcement: None

4. Others

(1) Changes in Significant Subsidiaries during the Current Fiscal Year: None

(Note) This refers to the presence or absence of specified subsidiaries, which accompany changes in scope of consolidation in the period under review.

(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 (Common stock)

1. Number of shares issued as of the term end (Including treasury stock):

Nine months ended December 31, 2020	378,336,521 shares
Year ended March 31, 2020	378,336,521 shares

2. Number of treasury stock as of the term end:

Nine months ended December 31, 2020	11,186,384 shares
Year ended March 31, 2020	11,216,862 shares

3. Average number of shares during the term (Quarterly total):

Nine months ended December 31, 2020	367,136,028 shares
Nine months ended December 31, 2019	390,135,994 shares

※ This report is out of scope of the quarterly review procedure by certified public accountants or auditing firms.

※ 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

(1) Qualitative Information regarding Consolidated Operating Results

During the nine months ended December 31, 2020, in the Imaging Products Business, the shrinkage trend of the digital camera market persisted, although signs of recovery were seen in the market conditions that were worsened by the spread of COVID-19. In the Precision Equipment Business, capital investments were solid for both mid-to-small size and large-size panels in the FPD-related field. Capital investments in the semiconductor-related field were on a recovery trend. In the Healthcare Business, market conditions generally remained dull in both the bioscience field and the ophthalmic diagnosis field due to the spread of COVID-19, but there have also been some recent signs of recovery.

Under these circumstances, during the nine months ended December 31, 2020, revenue fell by 118,203 million yen (26.6%) year on year to 326,258 million yen. The Group recorded an operating loss of 36,762 million yen (operating profit of 21,569 million yen was posted in the same period of the previous fiscal year), loss before income taxes of 27,931 million yen (profit before income taxes of 25,918 million yen in the same period of the previous fiscal year), and loss attributable to owners of the parent of 23,434 million yen (profit attributable to owners of the parent of 20,229 million yen in the same period of the previous fiscal year). For the three months ended December 31, 2020, the Group recorded an operating profit of 9,873 million yen.

Performance by segment is as follows.

As stated in "2. Condensed Consolidated Financial Statements (5) Notes to Condensed Consolidated Financial Statements (Segment Information)," there has been a revision within the reportable business segments from the quarter ended June 30, 2020. The following year-on-year comparisons are made with the figures prepared based on the revised business segments for the same period of the previous year.

In the Imaging Products Business, the Group made efforts to expand sales of mid- to high-end products for the professional and hobbyist segments by launching the Z 7II and Z 6II, full-frame mirrorless cameras of new products in the Z series, and by expanding the product line-up of interchangeable lenses for mirrorless cameras. Nevertheless, unit sales of digital cameras overall fell amidst the shrinking market, resulting in decreased revenue and profits.

In the Precision Equipment Business, although the resumption of installation work in July led to increase the unit sales during the three months ended December 31, 2020, compared to the same period of the previous fiscal year, both revenue and profit fell due to the decline in unit sales by factors such as the travel restrictions caused by the spread of COVID-19 during the nine months ended December 31, 2020 in the FPD lithography system field. In the semiconductor lithography system field, unit sales declined due to factors such as the Group's major customer being at their shifting point of investment, resulting in revenue decreased. In addition, disposal and write-down of some equipment were recorded, resulting in profit decreased.

In the Healthcare Business, revenue and profits increased for the three months ended December 31, 2020 because the bioscience field was steady and the ophthalmic diagnosis field was strong from October. For the nine months ended December 31, 2020, however, revenue fell due to the material impact of the spread of COVID-19 in the first half of the fiscal year, while operating loss for the entire business was at the same level as that of the same period of the previous fiscal year.

(2) Qualitative Information regarding Consolidated Financial Position

The balance of total assets as of December 31, 2020 increased 15,148 million yen from the end of the previous fiscal year to 1,021,029 million yen. This was mainly because while increases were seen in other current financial assets included in non-current assets by 41,776 million yen due to factors such as increases in fair value of investment securities, cash and cash equivalents increases by 18,351 million yen, decreases were seen in property, plant and equipment, right-of-use assets, goodwill and intangible assets by 21,624 million yen, deferred tax assets by 9,505 million and in trade and other receivables by 9,052 million yen.

The balance of total liabilities as of December 31, 2020 increased 12,378 million yen from the end of the previous fiscal year to 476,499 million yen. This was primarily because while increases were seen in bonds and borrowings included in non-current liabilities by 18,768 million mainly due to issue of corporate bonds and increase of 5,518 million yen in advances received, trade and other payables fell by 10,246 million yen.

The balance of total equity as of December 31, 2020 increased 2,770 million yen from the end of the previous fiscal year to 544,530 million yen. This was mainly because while other components of equity rose by 30,096 million yen due to factors such as increases in fair value of investment securities, retained earnings fell by 27,461 million yen, primarily as a result of posting loss attributable to owners of the parent and also dividends paid.

During the nine months ended December 31, 2020, for the cash flows from operating activities, net cash of 11,554 million yen was provided in operating activities, as depreciation and amortization of 20,997 million yen, impairment losses of 18,868 million yen were posted, decreases were seen in trade and other receivables and increases were seen advance received. However on the contrary, loss before taxes were posted, trade and other payables decreased. (Net cash of 20,076 million yen was provided in the same period of the previous year).

For the cash flows from investing activities, net cash used in investing activities was 1,078 million yen, primarily owing to the purchases of property, plant and equipment and intangible assets, in spite of the proceeds from sales of investment securities of 13,459 million yen. (Net cash of 15,371 million yen was used in the same period of the previous year).

For the cash flows from financing activities, net cash provided in financing activities was 7,044 million yen, due to proceeds from the issuance of bonds of 19,894 million yen, in spite of the repayments of lease obligations and payment of dividends. (Net cash of 55,083 million yen was used in the same period of the previous year).

In addition, the effect of exchange rate changes on cash and cash equivalents increased 831 million yen.

As a result of the above, the balance of cash and cash equivalents as of December 31, 2020 rose by 18,351 million yen from the end of the previous fiscal year to 342,385 million yen.

(3) Qualitative Information regarding Consolidated Financial Forecasts

Regarding the business environment for the fiscal year ending March 31, 2021, in the Imaging Products Business, the digital camera market is forecast to continue to shrink. In the Precision Equipment Business, capital investments for mid-to-small size and large-size panels are expected to be steady in the FPD-related field, although the spread of COVID-19 is likely to have a lingering impact. The semiconductor-related field is expected to continue its recovery trend. In the Healthcare Business, although there is expected to be a major impact from the spread of COVID-19, both the bioscience field and the ophthalmic diagnosis field are expected to continue their recovery trend toward the end of the fiscal year ending March 31, 2021.

The consolidated financial forecast for the fiscal year ending March 31, 2021 is revised as stated in the “Notice Regarding the Recognition of Disposal and Write-Down of Inventory and Revision of the Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2021,” announced on January 29, 2021.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020	Changes
ASSETS			
Current assets			
Cash and cash equivalents	324,034	342,385	18,351
Trade and other receivables	87,779	78,727	(9,052)
Inventories	246,530	245,191	(1,339)
Other current financial assets	2,901	869	(2,032)
Other current assets	15,960	15,470	(490)
Total current assets	677,203	682,642	5,438
Non-current assets			
Property, plant and equipment	106,369	89,499	(16,870)
Right-of-use assets	15,265	13,023	(2,242)
Goodwill and intangible assets	46,895	44,382	(2,512)
Net defined benefit assets	4,624	4,617	(7)
Investments accounted for using the equity method	10,002	10,960	959
Other non-current financial assets	84,068	125,844	41,776
Deferred tax assets	58,890	49,384	(9,505)
Other non-current assets	2,564	677	(1,887)
Total non-current assets	328,677	338,387	9,710
Total assets	1,005,881	1,021,029	15,148

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	68,856	58,609	(10,246)
Bonds and borrowings	20,950	20,947	(3)
Income tax payables	1,845	3,316	1,471
Advances received	175,894	181,413	5,518
Provisions	5,161	4,390	(771)
Other current financial liabilities	27,210	27,662	452
Other current liabilities	30,238	29,597	(641)
Total current liabilities	330,154	325,934	(4,221)
Non-current liabilities			
Bonds and borrowings	102,778	121,546	18,768
Net defined benefit liabilities	11,047	10,094	(954)
Provisions	4,989	5,089	100
Deferred tax liabilities	3,589	3,158	(431)
Other non-current financial liabilities	9,232	8,474	(757)
Other non-current liabilities	2,332	2,205	(127)
Total non-current liabilities	133,966	150,565	16,599
Total liabilities	464,121	476,499	12,378
EQUITY			
Capital stock	65,476	65,476	–
Capital surplus	46,369	46,528	159
Treasury stock	(17,639)	(17,590)	48
Other components of equity	(39,502)	(9,406)	30,096
Retained earnings	485,948	458,487	(27,461)
Equity attributable to owners of the parent	540,652	543,495	2,843
Non-controlling interests	1,108	1,035	(73)
Total equity	541,760	544,530	2,770
Total liabilities and equity	1,005,881	1,021,029	15,148

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

	Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)		Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)		Changes (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	444,462	100.0	326,258	100.0	(118,203)
Cost of sales	(270,953)	(61.0)	(211,656)	(64.9)	59,298
Gross profit	173,508	39.0	114,603	35.1	(58,906)
Selling, general and administrative expenses	(154,318)		(132,074)		22,244
Other income	5,941		2,624		(3,317)
Other expenses	(3,562)		(21,915)		(18,353)
Operating Profit (Loss)	21,569	4.9	(36,762)	(11.3)	(58,331)
Finance income	4,508		10,036		5,528
Finance costs	(1,626)		(2,616)		(990)
Share of the profit of investments accounted for using the equity method	1,468		1,411		(57)
Profit (Loss) before income taxes	25,918	5.8	(27,931)	(8.6)	(53,849)
Income tax expenses	(5,623)		4,472		10,094
Profit (Loss) for the period	20,295	4.6	(23,460)	(7.2)	(43,755)
Attributable to:					
Owners of the parent	20,229	4.6	(23,434)	(7.2)	(43,663)
Non-controlling interests	66		(26)		(92)
Profit (Loss) for the period	20,295	4.6	(23,460)	(7.2)	(43,755)
Earnings (Loss) per share:					
Basic earnings (Loss) per share (Yen)	51.85		(63.83)		
Diluted earnings (Loss) per share (Yen)	51.66		(63.83)		

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)	Changes
Profit (Loss) for the period	20,295	(23,460)	(43,755)
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	4,960	32,350	27,390
Share of other comprehensive income of investments accounted for using the equity method	7	(2)	(9)
Total of items that will not be reclassified subsequently to profit or loss	4,967	32,348	27,381
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(2,009)	1,217	3,227
Effective portion of the change in fair value on cash flow hedges	(229)	(205)	24
Share of other comprehensive income of investments accounted for using the equity method	(47)	37	84
Total of items that may be reclassified subsequently to profit or loss	(2,285)	1,050	3,335
Other comprehensive income, net of taxes	2,682	33,398	30,716
Total comprehensive income for the period	22,977	9,938	(13,039)
Attributable to:			
Owners of the parent	22,971	9,978	(12,993)
Non-controlling interests	6	(40)	(46)
Total comprehensive income for the period	22,977	9,938	(13,039)

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent				
	Capital stock	Capital surplus	Treasury stock	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 the equity method
As of April 1, 2019	65,476	81,424	(13,044)	8,544	(835)
Profit (Loss) for the period	—	—	—	—	—
Other comprehensive income	—	—	—	4,993	(40)
Total comprehensive income for the period	—	—	—	4,993	(40)
Dividends	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(24,003)	—	—
Share-based payments	—	252	44	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(1,695)	—
Total transactions with owners	—	252	(23,959)	(1,695)	—
As of December 31, 2019	65,476	81,676	(37,003)	11,843	(875)

As of April 1, 2020	65,476	46,369	(17,639)	1,108	(964)
Profit (Loss) for the period	—	—	—	—	—
Other comprehensive income	—	—	—	32,386	35
Total comprehensive income for the period	—	—	—	32,386	35
Dividends	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(1)	—	—
Share-based payments	—	159	49	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(3,316)	—
Total transactions with owners	—	159	48	(3,316)	—
As of December 31, 2020	65,476	46,528	(17,590)	30,178	(929)

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Exchange differences on translation of foreign operations	Effective portion of the change in fair value on cash flow hedges	Total				
As of April 1, 2019	(27,723)	21	(19,992)	502,056	615,920	806	616,726
Profit (Loss) for the period	–	–	–	20,229	20,229	66	20,295
Other comprehensive income	(1,982)	(229)	2,742	–	2,742	(60)	2,682
Total comprehensive income for the period	(1,982)	(229)	2,742	20,229	22,971	6	22,977
Dividends	–	–	–	(23,576)	(23,576)	(42)	(23,618)
Acquisition and disposal of treasury stock	–	–	–	–	(24,003)	–	(24,003)
Share-based payments	–	–	–	–	295	–	295
Changes in the ownership interest in subsidiaries	–	–	–	–	–	34	34
Transfer from other components of equity to retained earnings	–	–	(1,695)	1,695	–	–	–
Total transactions with owners	–	–	(1,695)	(21,881)	(47,283)	(8)	(47,291)
As of December 31, 2019	(29,705)	(207)	(18,944)	500,404	591,608	803	592,411

As of April 1, 2020	(39,699)	53	(39,502)	485,948	540,652	1,108	541,760
Profit (Loss) for the period	–	–	–	(23,434)	(23,434)	(26)	(23,460)
Other comprehensive income	1,196	(205)	33,412	–	33,412	(14)	33,398
Total comprehensive income for the period	1,196	(205)	33,412	(23,434)	9,978	(40)	9,938
Dividends	–	–	–	(7,343)	(7,343)	(43)	(7,386)
Acquisition and disposal of treasury stock	–	–	–	–	(1)	–	(1)
Share-based payments	–	–	–	–	208	–	208
Changes in the ownership interest in subsidiaries	–	–	–	–	–	10	10
Transfer from other components of equity to retained earnings	–	–	(3,316)	3,316	–	–	–
Total transactions with owners	–	–	(3,316)	(4,027)	(7,135)	(33)	(7,168)
As of December 31, 2020	(38,503)	(151)	(9,406)	458,487	543,495	1,035	544,530

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)
Cash flows from operating activities:		
Profit before (loss) income taxes	25,918	(27,931)
Depreciation and amortization	25,416	20,997
Impairment losses	161	18,868
Interest and dividend income	(3,258)	(2,386)
Share of the (profit) loss of investments accounted for using the equity method	(1,468)	(1,411)
Losses (gains) on sales of property, plant and equipment	(4,120)	(135)
Interest expenses	1,332	978
Decrease (increase) in trade and other receivables	16,550	9,326
Decrease (increase) in inventories	(15,861)	418
Increase (decrease) in trade and other payables	(20,966)	(11,850)
Increase (decrease) in advances received	8,444	7,271
Increase (decrease) in provisions	(144)	(706)
Others, net	(528)	(1,867)
Subtotal	31,477	11,571
Interest and dividend income received	3,778	2,554
Interest expenses paid	(992)	(781)
Income taxes (paid) refund	(14,187)	(1,790)
Net cash provided (used) by operating activities	20,076	11,554
Cash flows from investing activities:		
Purchase of property, plant and equipment	(14,693)	(12,169)
Proceeds from sales of property, plant and equipment	4,396	546
Purchase of intangible assets	(4,353)	(4,045)
Purchase of investment securities	(6,594)	(842)
Proceeds from sales of investment securities	5,293	13,459
Transfer to time deposits	(743)	–
Proceeds from withdrawal from time deposits	745	1,857
Others, net	579	116
Net cash provided (used) in investing activities	(15,371)	(1,078)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(2,250)	–
Repayments of long-term loans payable	(200)	–
Repayments of lease liabilities	(5,341)	(5,543)
Proceeds from issuance of bonds	–	19,894
Cash dividends paid	(23,307)	(7,242)
Cash dividends paid to non-controlling interests	(42)	(43)
Purchase of treasury shares	(24,003)	(1)
Others, net	60	(21)
Net cash provided (used) in financing activities	(55,083)	7,044
Effect of exchange rate changes on cash and cash equivalents	(3,817)	831
Net increase (decrease) in cash and cash equivalents	(54,195)	18,351
Cash and cash equivalents at the beginning of the period	411,055	324,034
Cash and cash equivalents at the end of the period	356,860	342,385

(5) Notes to Condensed Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable

(Segment Information)

(1) Outline of Reportable Business Segments

The business segments that the Group reports are the business units for which the Company is able to obtain respective financial information separately for the Board of Directors to conduct periodic investigations to determine distribution of management resources and evaluate the Group's business results.

In consideration of the similarity of economic characteristics, the Group integrated its business divisions into three reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, and the Healthcare Business.

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital SLR cameras, compact digital cameras and interchangeable camera 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 bioscience and ophthalmic diagnosis fields, such as biological microscopes, cell culture observation systems, and ultra-wide field retinal imaging devices.

(Regarding Revision of Reportable Business Segments)

Since April 1, 2020, there has been a business transfer in order to expand the business related to semiconductor lithography. In accordance with this business transfer, the business for semiconductor-related products within Industrial Metrology and Others, which are operations not included in the reportable segments, has been integrated to the Precision Equipment Business from the quarter ended June 30, 2020.

The segment information for the nine months ended December 31, 2019 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 current market prices.

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

For the Nine Months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue								
External customers	189,062	170,248	46,592	38,560	444,462	—	444,462	
Intersegment	676	583	151	44,545	45,956	(45,956)	—	
Total	189,738	170,831	46,743	83,105	490,417	(45,956)	444,462	
Segment profit (loss)	1,216	36,704	(1,686)	2,772	39,006	(17,438)	21,569	
Finance income								4,508
Finance costs								(1,626)
Shares of the profit of investments accounted for using the equity method								1,468
Profit (loss) before income taxes								25,918

Notes: 1. The "Industrial Metrology and Others" category consists of operations not included in the reportable segments such as the Industrial Metrology Business, the Glass Business, and the Customized Products Business.

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of minus 1,814 million yen, cumulative translation differences of minus 1,753 million yen reclassified to profit or loss due to the liquidation of a foreign subsidiary, and corporate profit (loss) of minus 13,871 million yen. Out of the corporate profit (loss) of minus 13,871 million yen, gains from sales of land of 3,888 million yen are recognized in "Other income" reported in the condensed consolidated statement of profit or loss. The main components of corporate profit (loss) are fundamental research expenses, general and administrative expenses of headquarter functions, expenses incurred to establish new business, and other income or expenses that cannot be attributed to any segments.

For the Nine Months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue								
External customers	116,770	130,433	42,809	36,247	326,258	—	326,258	
Intersegment	467	540	110	39,097	40,214	(40,214)	—	
Total	117,237	130,973	42,919	75,344	366,473	(40,214)	326,258	
Segment profit (loss)	(28,031)	6,117	(1,669)	(1,532)	(25,114)	(11,648)	(36,762)	
Finance income								10,036
Finance costs								(2,616)
Shares of the profit of investments accounted for using the equity method								1,411
Profit (loss) before income taxes								(27,931)
Other items:								
Impairment losses (Note3)	15,621	—	—	3,247	18,868	—	18,868	

Notes: 1. The "Industrial Metrology and Others" category consists of operations not included in the reportable segments such as the Industrial Metrology Business, the Glass Business, and the Customized Products Business.

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 1,525 million yen and corporate profit (loss) of minus 13,173 million yen. The main components of corporate profit (loss) are fundamental research expenses, general and administrative expenses of headquarter functions, expenses incurred to establish new business, and other income or expenses that cannot be attributed to any segments.

3. The main components of the impairment losses are described in "Impairment Losses."

(Impairment Losses)

Impairment Losses of Non-financial Assets

For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets of 18,868 million yen are recognized in total for the nine months ended December 31, 2020.

Impairment losses of 15,498 million yen for the Imaging Products Business and 2,603 million yen for the Industrial Metrology and Others are recognized, as some of the manufacturing subsidiaries located mainly in Thailand and Japan recognize impairment losses. The Group reviewed the future plan for the Imaging Products Business that took into consideration the acceleration of the shrinking trend of the digital camera market due to the impact of the spread of COVID-19. Due to the change of the plan, as a result of measuring the recoverable amount of the cash-generating units in which impairment was indicated, the recoverable amount is lower than the carrying amount of non-current assets, and impairment losses are recognized.

In addition, as a result of investigating the future prospects of non-current assets, the Company and consolidated subsidiaries located in Japan have reduced the carrying amount of idle assets that did not have an expected specific use in the future to its recoverable amount and recognize impairment losses of 123 million yen for the Imaging Products Business and 644 million yen for the Industrial Metrology and Others.

The recoverable amount is mainly based on the fair value less costs of disposal.

Impairment losses are recognized in "Other expenses" in the condensed consolidated statement of profit or loss.

(Contingent Liabilities)

(Litigation)

The Company and its group companies are exposed throughout their 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 Company and its group companies examine the possibility of recognizing a provision for the obligation arising from a contentious case or a lawsuit, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Company's subsidiary in India (hereinafter referred as "Subsidiary in India") was inquired by the Indian Tax Authority regarding the import of the Company's digital cameras, and in October 2016, the imposition was confirmed in relation to the customs duty, interest, and penalty concerning those products. In January 2017, the Subsidiary in India appealed to the Customs, Excise and Service Tax Appellate Tribunal; 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, which was admitted in March 2018 for the final hearing and decision. As it is currently unable to forecast the final decision, the provision is not recognized in accordance with the aforementioned accounting policy.

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.