



February 8, 2018

Consolidated Financial Results of the Third Quarter ended December 31, 2017 (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, 2017 (From April 1, 2017 to December 31, 2017)

(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, 2017	525,262	(7.2)	41,491	123.2	40,337	88.1	22,309	56.7	43,853	93.5
Nine months ended December 31, 2016	566,125	—	18,589	—	21,441	—	14,240	—	22,662	—

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Nine months ended December 31, 2017	56.31	56.13
Nine months ended December 31, 2016	35.94	35.84

(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, 2017	1,132,033	575,004	574,290	50.7
As of March 31, 2017	1,018,351	538,150	537,524	52.8

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, 2017	—	12.00	—	4.00	16.00
Year ending March 31, 2018	—	14.00	—		
Year ending March 31, 2018 (Planned)				17.00	31.00

(Note) Revision of cash dividend forecast from the latest announcement: Yes

3. Consolidated Financial Forecasts for the Year ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(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	720,000	(3.9)	53,000	—	52,000	—	30,000	656.3	75.72

(Note) Revision of forecast from the latest announcement: Yes

4. Others

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

(Note) This refers to presence/absence of changes to specified subsidiaries accompanying 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 estimate: None

(3) Number of shares issued (Common stock)

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

Third quarter ended December 31, 2017	400,878,921 shares
Year ended March 31, 2017	400,878,921 shares

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

Third quarter ended December 31, 2017	4,661,805 shares
Year ended March 31, 2017	4,675,654 shares

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

Third quarter ended December 31, 2017	396,211,617 shares
Third quarter ended December 31, 2016	396,194,486 shares

※This report is out of scope of the quarterly review procedure under Japanese Financial Instruments and Exchange Law.

※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, 2017 (from April 1, 2017 to December 31, 2017), in the Imaging Products Business, the digital camera-interchangeable lens type market continued to shrink and the compact digital camera market was also sluggish. In the Precision Equipment Business, capital investments were strong both in the FPD-related field and in the semiconductor-related field. In the Healthcare Business, while the bioscience field was sluggish due to factors including delays in government budget execution overseas, the retinal diagnostic imaging equipment market was robust in the ophthalmic diagnosis field.

Under these circumstances, although revenue for the nine months ended December 31, 2017 decreased by 40,862 million yen (7.2%) year on year to 525,262 million yen, profit grew in the Imaging Products Business and the Precision Equipment Business, which led to increases in: operating profit by 22,902 million yen (123.2%) year on year to 41,491 million yen, profit before income taxes by 18,897 million yen (88.1%) year on year to 40,337 million yen, and profit attributable to owners of the parent by 8,069 million yen (56.7%) year on year to 22,309 million yen.

Performance by segment is as follows.

As stated in "3. Condensed Consolidated Financial Statements (5) Notes to Condensed Consolidated Financial Statements (Segment Information)," the categories of reportable segments were changed from the first half ended September 30, 2017. The following year-on-year comparisons are made with the figures prepared with new categories for the same period of the previous year.

In the Imaging Products Business, revenue fell year on year due to a decrease in unit sales of digital camera-interchangeable lens type and compact digital cameras. Operating profit, however, increased significantly as a result of the favorable response to the D850, a digital SLR camera launched in September 2017, which optimizes the combination of high resolution and high-speed performance.

In the Precision Equipment Business, although revenue and profits declined in the FPD lithography system field due to a decrease in unit sales of equipment for mid-to-small size panels, the first system for ultra-large panels supporting the Gen 10.5 plate size was sold as planned. In the semiconductor lithography system field, profits improved significantly compared with the same period the previous year when restructuring expenses were recorded. As a result, operating profit rose despite the decrease in revenue for the Precision Equipment Business as a whole.

In the Healthcare Business, overall sales in the bioscience field remained at the level of the same period of the previous year due to delays in government budget execution overseas. In the ophthalmic diagnosis field, sales of the ultra-wide field retinal imaging device were robust mainly in Europe and the U.S., leading to revenue growth. As a result, while overall revenue for the Healthcare Business increased, operating loss widened primarily due to upfront investment in new businesses.

(2) Qualitative Information regarding Consolidated Financial Position

The balance of total assets as of December 31, 2017 increased 113,682 million yen from the end of the previous fiscal year to 1,132,033 million yen. This was mainly due to the increase of the following: cash and cash equivalents by 67,609 million yen, trade and other receivables by 12,242 million yen, inventories by 28,742 million yen, and other non-current financial assets by 10,203 million yen, which resulted from the increase in fair value of investment securities.

The balance of total liabilities as of December 31, 2017 increased 76,827 million yen from the end of the previous fiscal year to 557,029 million yen. The increase was primarily driven by trade and other payables as well as income tax payables, and also advances received, which rose by 7,800 million yen, 9,311 million yen and by 72,699 million yen, respectively, although other current liabilities declined by 16,808 million yen mainly due to the additional benefits paid for the voluntary retirement, which were recorded as accrued expenses at the end of the previous fiscal year.

The balance of total equity as of December 31, 2017 increased 36,854 million yen from the end of the previous fiscal year to 575,004 million yen. This was mainly because retained earnings increased by 13,903 million yen as a result of posting profit attributable to owners of the parent, and other components of equity rose by 22,710 million yen due to the increases in exchange differences on translation of foreign operations and fair value of investment securities.

During the nine months ended December 31, 2017, for the cash flows from operating activities, although there were payments of additional retirement benefits related to the discontinuation of operations in a Chinese manufacturing subsidiary, as well as payments of additional benefits for voluntary retirement related to the restructuring implemented in the previous year, profit before income taxes of 40,337 million yen was posted, and the advances received increased by 72,416 million yen as the number of orders received for FPD Lithography system remained high. As a result, net cash of 92,750 million yen was provided in operating activities. (Net cash of 89,114 million yen was provided in the same period the previous year).

For the cash flows from investing activities, the net cash used in investing activities was 23,487 million yen primarily due to the acquisition of property, plant and equipment. (Net cash of 37,698 million yen was used in the same period the previous fiscal year).

For the cash flows from financing activities, due to the repayment of short-term borrowings as well as the payment of dividends, 9,501 million yen of net cash was used. (Net cash of 16,006 million yen was provided in the same period the previous fiscal year).

In addition, the effect of exchange rate change on cash and cash equivalents increased 7,847 million yen.

As a result of the above, the balance of cash and cash equivalents as of December 31, 2017 increased 67,609 million yen from the end of the previous fiscal year to 386,655 million yen.

(3) Qualitative Information regarding Consolidated Financial Forecast

Regarding the consolidated financial forecast for the year ending March 31, 2018, in the Imaging Products Business, revenue and profit are expected to exceed the previous forecast, as the business is ahead of the plan by focusing on high value-added products and by spending sales expenses efficiently, in addition to the yen depreciation trend. In the Precision Equipment Business, profit is expected to increase both in FPD lithography system field and semiconductor lithography system field due to cost reductions and improvement in service profitability. In the Industrial Metrology and Others, profit is expected to fall by posting restructuring expenses arising from the selection and concentration of the product portfolio.

Based on these situations, the consolidated financial forecast announced on November 7, 2017 has been revised as follows:

Revised Consolidated Financial Forecast for the Year Ending March 31, 2018

(From April 1, 2017 to March 31, 2018)

	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
Previous Forecast (A)	710,000	45,000	45,000	30,000	75.72
Revised Forecast (B)	720,000	53,000	52,000	30,000	75.72
Difference (B-A)	10,000	8,000	7,000	-	
Changes (%)	1.4	17.8	15.6	-	
(Reference) Year ended March 31, 2017	749,273	774	3,068	3,967	10.01

(Note) Foreign exchange rates for the forecasts for the fourth quarter of the year ending March 31, 2018, is based on the premise: 1 USD = 110 Yen, 1 EUR = 130 Yen.

2. Notes regarding Summary Information (Others)

(1) Changes in Significant Subsidiaries
Not applicable

(2) Changes in Accounting Policies and Changes in Accounting Estimates
Not applicable

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017	Changes
ASSETS			
Current assets			
Cash and cash equivalents	319,046	386,655	67,609
Trade and other receivables	96,221	108,464	12,242
Inventories	220,400	249,142	28,742
Other current financial assets	9,163	11,003	1,840
Other current assets	14,183	16,572	2,390
Total current assets	659,013	771,836	112,823
Non-current assets			
Property, plant and equipment	121,827	123,057	1,231
Goodwill and intangible assets	67,752	65,793	(1,959)
Net defined benefit assets	5,489	5,412	(77)
Investments accounted for using the equity method	11,696	10,137	(1,558)
Other non-current financial assets	85,343	95,546	10,203
Deferred tax assets	62,883	56,235	(6,648)
Other non-current assets	4,349	4,016	(333)
Total non-current assets	359,338	360,196	859
Total assets	1,018,351	1,132,033	113,682

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017	Changes
LIABILITIES/ EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	112,870	120,669	7,800
Bonds and borrowings	23,601	22,194	(1,407)
Income tax payables	3,567	12,877	9,311
Advances received	111,395	184,093	72,699
Provisions	6,926	7,562	636
Other current financial liabilities	31,213	36,046	4,833
Other current liabilities	52,347	35,539	(16,808)
Total current liabilities	341,918	418,981	77,063
Non-current liabilities			
Bonds and borrowings	114,477	114,605	128
Net defined benefit liabilities	8,624	8,094	(530)
Provisions	4,131	4,927	796
Deferred tax liabilities	5,193	5,060	(134)
Other non-current financial liabilities	2,991	2,579	(411)
Other non-current liabilities	2,868	2,783	(85)
Total non-current liabilities	138,283	138,048	(236)
Total liabilities	480,201	557,029	76,827
EQUITY			
Capital stock	65,476	65,476	—
Capital surplus	81,163	81,273	110
Treasury stock	(13,215)	(13,172)	44
Other components of equity	(25,381)	(2,671)	22,710
Retained earnings	429,481	443,383	13,903
Equity attributable to owners of the parent	537,524	574,290	36,766
Non-controlling interests	626	714	88
Total equity	538,150	575,004	36,854
Total liabilities and equity	1,018,351	1,132,033	113,682

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

	Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)		Nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)		Changes (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	566,125	100.0	525,262	100.0	(40,862)
Cost of sales	(330,163)	(58.3)	(296,597)	(56.5)	33,566
Gross profit	235,961	41.7	228,665	43.5	(7,296)
Selling, general and administrative expenses	(187,380)		(182,507)		4,873
Other income	2,506		2,409		(97)
Other expenses	(32,499)		(7,076)		25,422
Operating Profit	18,589	3.3	41,491	7.9	22,902
Finance income	4,714		4,949		235
Finance costs	(2,709)		(5,403)		(2,694)
Share of the profit (loss) of investments accounted for using the equity method	846		(700)		(1,546)
Profit before income taxes	21,441	3.8	40,337	7.7	18,897
Income tax expenses	(7,134)		(17,961)		(10,827)
Profit for the period	14,306	2.5	22,376	4.3	8,070
Attributable to:					
Owners of the parent	14,240	2.5	22,309	4.2	8,069
Non-controlling interests	67		67		1
Profit for the period	14,306	2.5	22,376	4.3	8,070
Earnings per share:					
Basic earnings per share (Yen)	35.94		56.31		
Diluted earnings per share (Yen)	35.84		56.13		

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)	Changes
Profit for the period	14,306	22,376	8,070
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	8,495	8,406	(89)
Remeasurement of defined benefit pension plans	—	(606)	(606)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(1)	12	13
Total of items that will not be reclassified subsequently to profit or loss	8,493	7,811	(683)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	1,268	13,933	12,665
Effective portion of the change in fair value on cash flow hedges	(1,118)	(130)	988
Share of other comprehensive income (loss) of investments accounted for using the equity method	(288)	(136)	152
Total of items that may be reclassified subsequently to profit or loss	(138)	13,666	13,804
Other comprehensive income, net of taxes	8,355	21,477	13,122
Total comprehensive income for the period	22,662	43,853	21,192
Attributable to:			
Owners of the parent	22,611	43,755	21,144
Non-controlling interests	51	98	47
Total comprehensive income for the period	22,662	43,853	21,192

(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	Remeasurement of defined benefit pension plans	Share of other comprehensive income of investments accounted for using the equity method
As of April 1, 2016	65,476	81,234	(13,255)	2,300	—	(218)
Profit for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	8,495	—	(289)
Total comprehensive income for the period	—	—	—	8,495	—	(289)
Dividends	—	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(3)	—	—	—
Share-based payments	—	(69)	24	—	—	—
Incorporation of new subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(63)	—	—
Total transactions with the owners	—	(69)	21	(63)	—	—
As of December 31, 2016	65,476	81,165	(13,234)	10,731	—	(508)
As of April 1, 2017	65,476	81,163	(13,215)	7,360	—	(557)
Profit for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	8,406	(606)	(125)
Total comprehensive income for the period	—	—	—	8,406	(606)	(125)
Dividends	—	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(4)	—	—	—
Share-based payments	—	110	48	—	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	658	606	—
Total transactions with the owners	—	110	44	658	606	—
As of December 31, 2017	65,476	81,273	(13,172)	16,423	—	(682)

(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, 2016	(27,804)	201	(25,522)	428,622	536,555	523	537,078
Profit for the period	—	—	—	14,240	14,240	67	14,306
Other comprehensive income	1,284	(1,118)	8,371	—	8,371	(16)	8,355
Total comprehensive income for the period	1,284	(1,118)	8,371	14,240	22,611	51	22,662
Dividends	—	—	—	(8,729)	(8,729)	(45)	(8,774)
Acquisition and disposal of treasury stock	—	—	—	—	(3)	—	(3)
Share-based payments	—	—	—	10	(35)	—	(35)
Incorporation of new subsidiaries	—	—	—	—	—	32	32
Transfer from other components of equity to retained earnings	—	—	(63)	63	—	—	—
Total transactions with the owners	—	—	(63)	(8,656)	(8,766)	(13)	(8,780)
As of December 31, 2016	(26,520)	(917)	(17,213)	434,206	550,400	560	550,959
As of April 1, 2017	(32,022)	(162)	(25,381)	429,481	537,524	626	538,150
Profit for the period	—	—	—	22,309	22,309	67	22,376
Other comprehensive income	13,902	(130)	21,446	—	21,446	31	21,477
Total comprehensive income for the period	13,902	(130)	21,446	22,309	43,755	98	43,853
Dividends	—	—	—	(7,142)	(7,142)	(57)	(7,199)
Acquisition and disposal of treasury stock	—	—	—	—	(4)	—	(4)
Share-based payments	—	—	—	—	157	—	157
Changes in the ownership interest in subsidiaries	—	—	—	—	—	47	47
Transfer from other components of equity to retained earnings	—	—	1,264	(1,264)	—	—	—
Total transactions with the owners	—	—	1,264	(8,406)	(6,989)	(10)	(6,999)
As of December 31, 2017	(18,120)	(292)	(2,671)	443,383	574,290	714	575,004

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)
Cash flows from operating activities:		
Profit before income taxes	21,441	40,337
Depreciation and amortization	25,428	23,046
Impairment losses	365	995
Interest and dividend income	(2,591)	(3,203)
Share of the (profit) loss of investments accounted for using the equity method	(846)	700
Losses (gains) on sales of property, plant and equipment	(55)	(60)
Interest expenses	902	1,081
Decrease (increase) in trade and other receivables	(8,259)	(9,026)
Decrease (increase) in inventories	24,346	(24,198)
Increase (decrease) in trade and other payables	3,177	7,533
Increase (decrease) in advances received	16,611	72,416
Increase (decrease) in provisions	(1,133)	64
Increase (decrease) in net defined benefit assets and liabilities	117	(704)
Others, net	15,858	7,233
Subtotal	95,361	116,215
Interest and dividend income received	3,764	4,174
Interest paid	(590)	(719)
Additional retirement benefits paid (Note)	—	(19,856)
Payment for loss on Competition Law	(1,307)	—
Income taxes (paid) refund	(8,114)	(7,063)
Net cash provided by operating activities	89,114	92,750
Cash flows from investing activities:		
Purchases of property, plant and equipment	(16,758)	(18,582)
Proceeds from sales of property, plant and equipment	186	271
Purchases of intangible assets	(7,139)	(6,008)
Purchases of investment securities	(6,167)	(2,943)
Proceeds from sales of investment securities	236	5,319
Transfer to time deposits	(7,055)	(5,163)
Proceeds from withdrawal of time deposits	3,796	3,264
Payments for acquisition of shares of subsidiaries resulting in changes in the consolidation scope	(1,100)	—
Others, net	(3,696)	354
Net cash used in investing activities	(37,698)	(23,487)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	—	(1,400)
Proceeds from long-term borrowings	38,780	—
Repayment of long-term borrowings and bonds	(12,901)	(95)
Cash dividends paid	(8,594)	(7,027)
Cash dividends paid to non-controlling interests	(45)	(57)
Others, net	(1,234)	(923)
Net cash provided by (used in) financing activities	16,006	(9,501)
Effect of exchange rate changes on cash and cash equivalents	(1,885)	7,847
Net increase (decrease) in cash and cash equivalents	65,537	67,609
Cash and cash equivalents at the beginning of the period	251,210	319,046
Cash and cash equivalents at the end of the period	316,747	386,655

(Note) "Additional retirement benefits paid" includes the payments related to the voluntary retirement in Japan and the payments related to the discontinuation of operations in a Chinese manufacturing subsidiary.

(5) Notes to Condensed Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable

(Segment Information)

(a) 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 in order 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)

Until the three months ended June 30, 2017, the Group had four reportable segments: the Precision Equipment Business, the Imaging Products Business, the Instruments Business, and the Medical Business. However, from the first half ended September 30, 2017, the Group has abolished the Instruments Business and the Medical Business, and integrated its business divisions into three reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, and the newly established Healthcare Business.

Since June 29, 2017, the Microscope Solutions Business Unit that was formerly included in the Instruments Business and the Medical Business Development Division has been integrated into the newly established Healthcare Business Unit in order to enable the Company to integrate and optimize organizations and functions rapidly. In addition, the Company will be able to create business synergy, and boost existing businesses as well as accelerate the creation and nurturing of new businesses in the healthcare, medical and biological fields, which are anticipated to grow in the future. In relation to this reorganization, the Healthcare Business has newly been established as a reportable business segment from the first half ended September 30, 2017.

In addition, the Industrial Metrology Business Unit formerly included in the Instruments Business has been included in the Industrial Metrology and Others, by taking into consideration its business scale against the Group.

The segment information for the nine months ended December 31, 2016, has been prepared based on the revised business segments.

(b) Segment Information

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

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

For the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated (Note3)
Revenue							
External customers	300,817	187,717	37,296	40,294	566,125	—	566,125
Intersegment	518	205	478	15,884	17,085	(17,085)	—
Total	301,336	187,922	37,774	56,179	583,210	(17,085)	566,125
Segment profit (loss)	23,181	14,573	(1,387)	2,243	38,609	(20,020)	18,589
Finance income							4,714
Finance costs							(2,709)
Shares of the profit (loss) of investments accounted for using the equity method							846
Profit before income taxes							21,441

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. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 5 million yen and corporate profit (loss) of minus 20,026 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. Reconciliation is made between segment profit (loss) and operating profit reported in the condensed consolidated statement of profit or loss.

For the nine months ended December 31, 2017 (From April 1, 2017 to December 31, 2017) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated (Note3)
Revenue							
External customers	291,221	146,151	39,264	48,626	525,262	—	525,262
Intersegment	622	186	208	42,609	43,625	(43,625)	—
Total	291,843	146,337	39,472	91,235	568,887	(43,625)	525,262
Segment profit (loss)	31,618	28,595	(3,147)	3,187	60,253	(18,762)	41,491
Financial income							4,949
Financial costs							(5,403)
Shares of the profit (loss) of investments accounted for using the equity method							(700)
Profit before income taxes							40,337

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. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 361 million yen and corporate profit (loss) of minus 19,123 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. Reconciliation is made between segment profit (loss) and operating profit reported in the condensed consolidated statement of profit or loss.

(Condensed Consolidated Statement of Profit or Loss)

Nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)

(Restructuring Expenses)

The Group is currently under a fundamental restructuring to improve its corporate value by shifting from a strategy pursuing revenue growth to one pursuing profit enhancement. In accordance with this restructuring, losses from inventory write-downs and write-offs in the Semiconductor Lithography Business were recorded as "Other expenses" by the amount of 29,790 million yen for the nine months ended December 31, 2016.

Nine months ended December 31, 2017 (From April 1, 2017 to December 31, 2017)

(Restructuring Expenses)

Since the announcement of restructuring in November 2016, the Group has been carrying out measures to improve its corporate value by optimizing the manufacturing and sales structure, and by improving the efficiency as well as strengthening the headquarter initiatives. As part of such measures, the Group has decided to discontinue operations of Nikon Imaging (China) Co., Ltd., a manufacturing consolidated subsidiary of the Imaging Products Business.

Resulting from the aforementioned series of measures, restructurings expenses including additional retirement benefits, expenses incurred from integrating the manufacturing functions, and impairment losses were recorded as "Other expenses" by the amount of 5,933 million yen for the nine months ended December 31, 2017. This includes 3,209 million yen of additional retirement benefits.

(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 (CESTAT); however, the appeal was dismissed in December 2017. To object to this adjudication, in January 2018, the Subsidiary in India has filed an appeal to the Supreme Court of India. 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.