



February 6, 2020

## Consolidated Financial Results of the Third Quarter Ended December 31, 2019 (IFRS)

### Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

Representative: Toshikazu Umatate, Representative Director, President and CEO

Contact: Tetsuya Okumura, General Manager of Finance & Accounting Division

Tel: +81-3-6433-3626

URL: <https://www.nikon.com>

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(Amounts are rounded to the nearest millions of yen)

### 1. Consolidated Results of the Third Quarter ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

#### (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, 2019	444,462	(15.5)	21,569	(59.0)	25,918	(54.5)	20,229	(50.4)	22,977	(31.7)
Nine months ended December 31, 2018	526,270	0.2	52,554	26.7	57,014	41.3	40,780	82.8	33,659	(23.2)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Nine months ended December 31, 2019	51.85	51.66
Nine months ended December 31, 2018	102.92	102.58

#### (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, 2019	1,099,186	592,411	591,608	53.8
As of March 31, 2019	1,134,985	616,726	615,920	54.3

### 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, 2019	—	30.00	—	30.00	60.00
Year ending March 31, 2020	—	30.00	—		
Year ending March 31, 2020 (Planned)				30.00	60.00

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

3. Consolidated Financial Forecasts for the Year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)  
(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	620,000	(12.5)	20,000	(75.8)	23,000	(73.8)	17,000	(74.4)	43.79

(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: Yes
2. Changes in accounting policies other than the above: None
3. Changes in accounting estimates: None

(Note) For details, please refer to page 14, "2. Condensed Consolidated Financial Statements (5) Notes to Condensed Consolidated Financial Statements, Changes in Accounting Policies."

(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, 2019	400,878,921 shares
Year ended March 31, 2019	400,878,921 shares

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

Nine months ended December 31, 2019	20,657,405 shares
Year ended March 31, 2019	4,620,047 shares

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

Nine months ended December 31, 2019	390,135,994 shares
Nine months ended December 31, 2018	396,231,080 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, 2019, in the Imaging Products Business, the digital camera-interchangeable lens type market and the compact digital camera market continued to shrink. In the Precision Equipment Business, capital investments for mid-to-small size panels have settled, and capital investments for large-size panels were steady in the FPD-related field. In the semiconductor-related field, the semiconductor market showed signs of bottoming out, and capital investments were on a recovery trend. In the Healthcare Business, performance was solid in both the bioscience field and the ophthalmic diagnosis field.

Under these circumstances, during the nine months ended December 31, 2019, decreases were seen in the following: revenue by 81,808 million yen (15.5%) year on year to 444,462 million yen, operating profit by 30,986 million yen (59.0%) year on year to 21,569 million yen, profit before income taxes by 31,096 million yen (54.5%) year on year to 25,918 million yen, and profit attributable to owners of the parent by 20,551 million yen (50.4%) year on year to 20,229 million yen.

Performance by segment is as follows.

In the Imaging Products Business, the compact, lightweight and high-performance mirrorless camera Z 50 was added to the lineup in November 2019. Despite an increase in unit sales of mirrorless cameras, unit sales of digital cameras overall fell amidst the shrinking market. In addition, changes in product mix led to a decline in revenue and profits.

In the Precision Equipment Business, revenue and profits fell in the FPD lithography system field due to a decrease in overall unit sales, in spite of the growth in unit sales for equipment that supports the Gen 10.5 plate size. In the semiconductor lithography system field, the increase in unit sales of ArF immersion scanners and ArF scanners led to a rise in revenue and profits. However, both revenue and profits decreased in the business as a whole.

In the Healthcare Business, revenue fell in the bioscience field due to a decrease in sales of biological microscopes. For the ophthalmic diagnosis field, revenue rose due to steady sales of ultra-wide field retinal imaging devices. As a result, the business overall saw an increase in revenue, and refined investment targets also contributed to reducing operating loss.

## (2) Qualitative Information regarding Consolidated Financial Position

The balance of total assets as of December 31, 2019 decreased 35,799 million yen from the end of the previous fiscal year to 1,099,186 million yen. This was mainly because while increases were seen in inventories by 13,169 million yen and in right-of-use assets by 16,906 million yen, decreases were seen in cash and cash equivalents by 54,195 million yen and in trade and other receivables by 17,452 million yen.

The balance of total liabilities as of December 31, 2019 decreased 11,485 million yen from the end of the previous fiscal year to 506,774 million yen. This was primarily because while increases were seen in advances received by 7,616 million yen and the total of other current financial liabilities and other non-current financial liabilities by 18,504 million yen mainly due to the increase of lease liabilities, decreases were seen in trade and other payables by 22,450 million yen, income tax payables by 4,428 million yen and other current liabilities by 6,981 million yen mainly due to the decrease of accrued expenses.

The balance of total equity as of December 31, 2019 decreased 24,314 million yen from the end of the previous fiscal year to 592,411 million yen. This was mainly because treasury stock increased 23,959 million yen primarily due to the repurchasing of own shares.

During the nine months ended December 31, 2019, for the cash flows from operating activities, net cash of 20,076 million yen was provided in operating activities, as profit before income taxes of 25,918 million yen and depreciation and amortization of 25,416 million yen were posted, and settlement from legal proceedings over patents was received. However on the contrary, increases were seen in inventories, decreases were seen in trade and other payables and income taxes were paid. (Net cash of 70,922 million yen was provided in the same period the previous fiscal year).

For the cash flows from investing activities, net cash used in investing activities was 15,371 million yen, primarily owing to the purchases of property, plant and equipment and intangible assets, in addition to the purchases of investment securities, in spite of the proceeds from sales of property, plant and equipment of 4,396 million yen and proceeds from sales of investment securities of 5,293 million yen. (Net cash of 22,764 million yen was used in the same period the previous fiscal year).

For the cash flows from financing activities, net cash used in financing activities was 55,083 million yen, mainly due to the payment of dividends and the repurchasing of own shares. (Net cash of 21,141 million yen was used in the same period the previous fiscal year).

In addition, the effect of exchange rate changes on cash and cash equivalents decreased 3,817 million yen.

As a result of the above, the balance of cash and cash equivalents as of December 31, 2019 fell by 54,195 million yen from the end of the previous fiscal year to 356,860 million yen.

(3) Qualitative Information regarding Consolidated Financial Forecasts

Regarding the business environment for the fiscal year ending March 31, 2020, in the Imaging Products Business, both the digital camera-interchangeable lens type market and the compact digital camera market are forecast to continue to shrink. For the Precision Equipment Business, in the FPD-related field, capital investments for mid-to-small size panels are expected to stay stabilized, and some postponements are expected in capital investments for large-size panels. A recovery trend is expected for capital investments in the semiconductor-related field. For the Healthcare Business, market conditions for the bioscience field are expected to remain steady, and sales are expected to grow in new businesses related to contract cell manufacturing and stem cells. In the ophthalmic diagnosis field, the retinal diagnostic imaging equipment market is forecast to remain solid, mainly overseas.

There are no changes to the consolidated financial forecast for the fiscal year ending March 31, 2020 announced on November 7, 2019.

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019	Changes
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	411,055	356,860	(54,195)
Trade and other receivables	115,847	98,395	(17,452)
Inventories	253,336	266,505	13,169
Other current financial assets	3,145	2,858	(287)
Other current assets	15,306	19,539	4,233
Total current assets	798,689	744,157	(54,532)
Non-current assets			
Property, plant and equipment	116,119	112,251	(3,868)
Right-of-use assets	—	16,906	16,906
Goodwill and intangible assets	59,176	56,222	(2,955)
Net defined benefit assets	5,097	5,001	(96)
Investments accounted for using the equity method	9,748	10,833	1,084
Other non-current financial assets	91,263	99,753	8,490
Deferred tax assets	51,383	51,065	(318)
Other non-current assets	3,508	2,999	(510)
Total non-current assets	336,296	355,029	18,733
Total assets	1,134,985	1,099,186	(35,799)

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019	Changes
<b>LIABILITIES / EQUITY</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	96,493	74,043	(22,450)
Bonds and borrowings	14,400	11,950	(2,450)
Income tax payables	8,222	3,793	(4,428)
Advances received	192,862	200,478	7,616
Provisions	5,619	5,260	(359)
Other current financial liabilities	27,006	37,343	10,337
Other current liabilities	38,961	31,980	(6,981)
Total current liabilities	383,564	364,848	(18,716)
Non-current liabilities			
Bonds and borrowings	112,010	111,728	(282)
Net defined benefit liabilities	9,031	8,874	(157)
Provisions	4,944	5,019	75
Deferred tax liabilities	4,063	3,589	(474)
Other non-current financial liabilities	2,140	10,307	8,167
Other non-current liabilities	2,507	2,411	(97)
Total non-current liabilities	134,695	141,927	7,232
Total liabilities	518,259	506,774	(11,485)
<b>EQUITY</b>			
Capital stock	65,476	65,476	—
Capital surplus	81,424	81,676	252
Treasury stock	(13,044)	(37,003)	(23,959)
Other components of equity	(19,992)	(18,944)	1,048
Retained earnings	502,056	500,404	(1,652)
Equity attributable to owners of the parent	615,920	591,608	(24,312)
Non-controlling interests	806	803	(3)
Total equity	616,726	592,411	(24,314)
Total liabilities and equity	1,134,985	1,099,186	(35,799)



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

	Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)		Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)		Changes  (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	526,270	100.0	444,462	100.0	(81,808)
Cost of sales	(296,886)	(56.4)	(270,953)	(61.0)	25,932
Gross profit	229,384	43.6	173,508	39.0	(55,876)
Selling, general and administrative expenses	(176,624)		(154,318)		22,307
Other income	2,431		5,941		3,509
Other expenses	(2,637)		(3,562)		(926)
Operating Profit	52,554	10.0	21,569	4.9	(30,986)
Finance income	5,795		4,508		(1,288)
Finance costs	(2,694)		(1,626)		1,068
Share of the profit of investments accounted for using the equity method	1,359		1,468		109
Profit before income taxes	57,014	10.8	25,918	5.8	(31,096)
Income tax expenses	(16,156)		(5,623)		10,533
Profit for the period	40,859	7.8	20,295	4.6	(20,563)
Attributable to:					
Owners of the parent	40,780	7.7	20,229	4.6	(20,551)
Non-controlling interests	78		66		(12)
Profit for the period	40,859	7.8	20,295	4.6	(20,563)
Earnings per share:					
Basic earnings per share (Yen)	102.92		51.85		
Diluted earnings per share (Yen)	102.58		51.66		

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)	Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)	Changes
Profit for the period	40,859	20,295	(20,563)
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	(7,990)	4,960	12,950
Share of other comprehensive income of investments accounted for using the equity method	(6)	7	13
Total of items that will not be reclassified subsequently to profit or loss	(7,995)	4,967	12,963
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	868	(2,009)	(2,878)
Effective portion of the change in fair value on cash flow hedges	(30)	(229)	(199)
Share of other comprehensive income of investments accounted for using the equity method	(42)	(47)	(5)
Total of items that may be reclassified subsequently to profit or loss	796	(2,285)	(3,082)
Other comprehensive income, net of taxes	(7,199)	2,682	9,881
Total comprehensive income for the period	33,659	22,977	(10,682)
Attributable to:			
Owners of the parent	33,605	22,971	(10,633)
Non-controlling interests	55	6	(49)
Total comprehensive income for the period	33,659	22,977	(10,682)

## (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, 2018	65,476	81,333	(13,152)	12,726	(799)
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	(7,990)	(48)
Total comprehensive income for the period	—	—	—	(7,990)	(48)
Dividends	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(2)	—	—
Share-based payments	—	83	69	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(95)	—
Total transactions with owners	—	83	67	(95)	—
As of December 31, 2018	65,476	81,416	(13,085)	4,641	(846)

As of April 1, 2019	65,476	81,424	(13,044)	8,544	(835)
Profit 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)

(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, 2018	(30,406)	169	(18,310)	457,561	572,908	633	573,541
Profit for the period	—	—	—	40,780	40,780	78	40,859
Other comprehensive income	892	(30)	(7,175)	—	(7,175)	(24)	(7,199)
Total comprehensive income for the period	892	(30)	(7,175)	40,780	33,605	55	33,659
Dividends	—	—	—	(20,634)	(20,634)	(40)	(20,674)
Acquisition and disposal of treasury stock	—	—	—	—	(2)	—	(2)
Share-based payments	—	—	—	—	152	—	152
Changes in the ownership interest in subsidiaries	—	—	—	—	—	102	102
Transfer from other components of equity to retained earnings	—	—	(95)	95	—	—	—
Total transactions with owners	—	—	(95)	(20,539)	(20,484)	62	(20,422)
As of December 31, 2018	(29,514)	139	(25,580)	477,802	586,028	750	586,778

As of April 1, 2019	(27,723)	21	(19,992)	502,056	615,920	806	616,726
Profit 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

## (4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)	Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)
Cash flows from operating activities:		
Profit before income taxes	57,014	25,918
Depreciation and amortization	20,818	25,416
Impairment losses	393	161
Interest and dividend income	(3,897)	(3,258)
Share of the (profit) loss of investments accounted for using the equity method	(1,359)	(1,468)
Losses (gains) on sales of property, plant and equipment	(68)	(4,120)
Interest expenses	1,136	1,332
Decrease (increase) in trade and other receivables	3,804	16,550
Decrease (increase) in inventories	(28,608)	(15,861)
Increase (decrease) in trade and other payables	1,752	(20,966)
Increase (decrease) in advances received	31,624	8,444
Increase (decrease) in provisions	(1,458)	(144)
Others, net	5,119	(528)
Subtotal	86,270	31,477
Interest and dividend income received	4,235	3,778
Interest expenses paid	(711)	(992)
Income taxes (paid) refund	(18,872)	(14,187)
Net cash provided by operating activities	70,922	20,076
Cash flows from investing activities:		
Purchase of property, plant and equipment	(16,435)	(14,693)
Proceeds from sales of property, plant and equipment	162	4,396
Purchase of intangible assets	(5,904)	(4,353)
Payments for acquisition of shares of subsidiaries resulting in changes in the consolidation scope	(2,380)	—
Purchase of investment securities	(5,364)	(6,594)
Proceeds from sales of investment securities	441	5,293
Transfer to time deposits	(1,325)	(743)
Proceeds from withdrawal from time deposits	7,461	745
Others, net	580	579
Net cash used in investing activities	(22,764)	(15,371)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(50)	(2,250)
Repayments of long-term loans payable	—	(200)
Repayments of lease obligations	(616)	(5,341)
Cash dividends paid	(20,380)	(23,307)
Cash dividends paid to non-controlling interests	(40)	(42)
Purchase of treasury shares	(3)	(24,003)
Others, net	(53)	60
Net cash used in financing activities	(21,141)	(55,083)
Effect of exchange rate changes on cash and cash equivalents	166	(3,817)
Net increase (decrease) in cash and cash equivalents	27,184	(54,195)
Cash and cash equivalents at the beginning of the period	388,438	411,055
Cash and cash equivalents at the end of the period	415,622	356,860

(5) Notes to Condensed Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

The Group adopted IFRS 16 “Leases” (hereinafter, “IFRS 16”) from the three months ended June 30, 2019.

		Summaries of new standards and amendments
IFRS 16	Leases	Accounting and relevant disclosure requirements for leases

In transitioning to IFRS 16, the Group chose the practical expedient detailed in IFRS 16 paragraph C3 and grandfathered its assessments of whether contracts are lease contracts or contracts that contain leases based on IAS 17 “Leases” (hereinafter, “IAS 17”) and IFRIC 4 “Determining whether an Arrangement contains a Lease.” For contracts with lease commencement dates after the date of application, assessments have been based on IFRS 16.

For leases that were previously classified as finance leases under IAS 17 and in which the Group was the lessee, the carrying amounts of right-of-use assets and lease liabilities at the date of initial application of IFRS 16 were the carrying amounts of lease assets and lease liabilities based on IAS 17 as of March 31, 2019.

For leases that were previously classified as operating leases under IAS 17 and in which the Group was the lessee, the right-of-use assets and lease liabilities were recognized at the date of initial application in accordance with IFRS 16 paragraph C8. Lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee’s incremental borrowing rate at the date of initial application. The weighted average of the lessee’s incremental borrowing rate was 0.9%. Right-of-use assets were initially measured at the initial measurement amount of the lease liability and were adjusted for factors such as prepaid lease payments. In addition, the Group applied the following practical expedients in the application of IFRS 16.

- As an alternative to performing an impairment review, the Group relied on its assessment of whether leases are onerous in accordance with IAS 37 “Provision, Contingent Liabilities and Contingent Assets” immediately before the date of initial application.
- Leases with lease terms that will end within 12 months of the date of initial application were accounted for in the same way as short-term leases.
- Initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.

Upon the adoption of IFRS 16, the Group retrospectively recognized the cumulative effect of initial application as a transitional measure in accordance with IFRS 16 paragraph C5 (b), which was recognized at the date of initial application (April 1, 2019). The following table is a reconciliation of non-cancellable operating lease contracts under IAS 17 as of March 31, 2019 and lease liabilities recognized in the condensed consolidated statement of financial position at the date of initial application.

		(Millions of yen)
Non-cancellable operating lease contracts		4,523
(a) Finance lease liabilities as of March 31, 2019		2,582
(b) Cancellable operating lease contracts		14,169
(c) Leases accounted as short-term leases or leases of low-value assets		(1,717)
Lease liabilities recognized in the condensed consolidated statement of financial position at the date of initial application		19,557

(Note) Lease liabilities are included in other current financial liabilities and other non-current financial liabilities in the condensed consolidated statement of financial position.

(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.

(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, 2018 (From April 1, 2018 to December 31, 2018)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue								
External customers	241,460	186,337	45,737	52,735	526,270	—	526,270	
Intersegment	928	298	152	46,467	47,845	(47,845)	—	
Total	242,389	186,635	45,889	99,202	574,115	(47,845)	526,270	
Segment profit (loss)	21,830	47,275	(2,580)	4,897	71,422	(18,868)	52,554	
Finance income								5,795
Finance costs								(2,694)
Shares of the profit of investments accounted for using the equity method								1,359
Profit before income taxes								57,014

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 362 million yen and corporate profit (loss) of minus 19,229 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.

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	166,600	46,592	42,208	444,462	—	444,462	
Intersegment	676	288	151	44,784	45,900	(45,900)	—	
Total	189,738	166,888	46,743	86,992	490,361	(45,900)	444,462	
Segment profit (loss)	1,216	35,814	(1,686)	3,675	39,019	(17,450)	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 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 1,826 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.



(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.