



May 28, 2020

## Consolidated Financial Results of the Year Ended March 31, 2020 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

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Date for the annual shareholders' meeting: June 26, 2020

Date for the filing of the Annual Securities Report: June 26, 2020

Date of year-end dividend payout: June 29, 2020

Preparation of supplementary materials for financial results: Yes

Information meeting for financial results to be held: Yes (for institutional investors and analysts)

(Amounts are rounded to the nearest millions of yen)

### 1. Consolidated Results of the Year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

#### (1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Income Taxes		Profit for the Year		Profit Attributable to Owners of the Parent		Total Comprehensive Income for the Year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	591,012	(16.6)	6,751	(91.8)	11,864	(86.5)	7,842	(88.2)	7,693	(88.4)	(11,969)	—
Year ended March 31, 2019	708,660	(1.2)	82,653	47.0	87,915	56.3	66,597	91.2	66,513	91.3	63,520	49.9

	Basic Earnings per Share	Diluted Earnings per Share	Ratio of Profit to Equity Attributable to Owners of the Parent	Ratio of Profit before Income Taxes to Total Assets	Ratio of Operating Profit to Revenue
	Yen	Yen	%	%	%
Year ended March 31, 2020	19.93	19.85	1.3	1.1	1.1
Year ended March 31, 2019	167.86	167.30	11.2	7.9	11.7

(Notes) Share of the profit of investments accounted for using the equity method :

Year ended March 31, 2020

1,816 million yen

Year ended March 31, 2019

1,762 million yen

#### (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	Equity per Share Attributable to Owners of the Parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	1,005,881	541,760	540,652	53.7	1,472.69
As of March 31, 2019	1,134,985	616,726	615,920	54.3	1,554.34

#### (3) Consolidated Cash Flows

	Cash flows from Operating Activities	Cash flows from Investing Activities	Cash flows from Financing Activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	16,419	(21,281)	(72,739)	324,034
Year ended March 31, 2019	68,901	(25,304)	(21,583)	411,055

### 2. Dividends

	Dividend per Share					Total Cash Dividend (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividend to Equity Attributable to Owners of the Parent (Consolidated)
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	30.00	—	30.00	60.00	23,809	35.7	4.0
Year ended March 31, 2020	—	30.00	—	10.00	40.00	15,382	200.7	2.6
Year ending March 31, 2021 (Planned)	—	—	—	—	—		—	

(Note) The dividends for the fiscal year ending March 31, 2021 are yet to be determined.

### 3. Consolidated Financial Forecasts for the Year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

The consolidated financial forecast for the fiscal year ending March 31, 2021 has yet to be determined, as it is difficult to make reasonable calculations at this time due to the spread of COVID-19. The Group will make disclosures as soon as it is possible to calculate the consolidated financial forecast.

### 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 20, "4. Consolidated Financial Statements (5) Notes to 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):

Year ended March 31, 2020	378,336,521	shares
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Year ended March 31, 2019	400,878,921	shares
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##### 2. Number of treasury stock as of the term end:

Year ended March 31, 2020	11,216,862	shares
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Year ended March 31, 2019	4,620,047	shares
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##### 3. Average number of shares during the term:

Year ended March 31, 2020	386,016,388	shares
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Year ended March 31, 2019	396,235,346	shares
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(Note) The Company's shares held by the Executive Compensation BIP trust are included in the number of treasury stock.

(Reference)

1. Non-Consolidated Results of the Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Financial Results

(Percentage represents year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	406,194	(20.3)	(9,697)	—	27,332	(41.0)	(9,662)	—
Year ended March 31, 2019	509,530	5.7	29,443	14.1	46,335	4.0	51,616	51.5

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Year ended March 31, 2020	(25.03)	—
Year ended March 31, 2019	130.27	129.83

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share of Common Stock
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2020	679,431	276,848	40.5	748.84
Year ended March 31, 2019	795,991	356,323	44.5	894.61

(Reference) Equity:      Year ended March 31, 2020                      274,915    million yen  
   Year ended March 31, 2019                      354,498    million yen

※ This report is out of scope of audit by certified public accountants or auditing firms.

※ Appropriate use of business forecasts; other special items

Performance forecasts and other forward-looking statements contained in this report are based on information and assumptions at the time of this report's release such as most recent market forecasts and exchange rates. Actual results may differ materially from the forecast due to a variety of risk factors, including, but not limited to the above assumptions. For more information about the Company's business forecasts, please refer to page 8.

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## 1. Overview of the Consolidated Operating Results and Others

### (1) Overview of the Consolidated Operating Results

Despite the global economy in the fiscal year ended March 31, 2020 being steady overall, the future of the global economy has suddenly become uncertain due to the spread of COVID-19 that broke out from 2020.

Looking at conditions by business segment, 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 while some capital investments for large size panels have been postponed in the FPD-related field, capital investments for the semiconductor-related field were on a recovery trend. In the Healthcare Business, performance was solid in both the bioscience field and the ophthalmic diagnosis field.

In such circumstances, market conditions deteriorated rapidly in the fourth quarter due to the spread of COVID-19.

Under the medium-term management plan announced in May 2019, the Group has carried out various measures with the aim of establishing a foundation for sustainable growth in enterprise value.

First, as part of generating new core pillars of profit, the Group focused on launching the Material Processing Business by measures such as introducing optical processing machine series to the market, and forming a comprehensive business alliance with DMG MORI CO., LTD. In addition, in order to improve the profitability of existing businesses, the Group took measures such as conducting fundamental reforms to the business structure of the Imaging Products Business, as well as reducing costs through optimization of the supply chain of core businesses and streamlining of management and back-office departments. Furthermore, as part of the governance reform, the Group took initiatives such as the establishment of a Nominating Committee and the diversification of its external directors.

Under these circumstances, for the fiscal year ended March 31, 2020, decreases were seen in revenue by 117,648 million yen (16.6%) year on year to 591,012 million yen, operating profit by 75,902 million yen (91.8%) year on year to 6,751 million yen, profit before income taxes by 76,051 million yen (86.5%) year on year to 11,864 million yen, and profit attributable to owners of the parent by 58,820 million yen (88.4%) year on year to 7,693 million yen.

Performance by segment is as follows.

#### [ Imaging Products Business ]

For the digital camera-interchangeable lens type, the Group made efforts to expand sales of mid- to high-end products for the professional and hobbyist segments by launching Z 50, a compact, lightweight and high-performance mirrorless camera, and D780, a high performance and multifunctional digital SLR camera, as well as by expanding the product line-up of interchangeable lenses for mirrorless cameras.

For the compact digital cameras, the Group focused on sales of high value-added products, with the launch of COOLPIX P950, which is equipped with an 83x optical zoom lens.

However, unit sales decreased due to the shrinking market, in addition to the decline in demand and the postponement of new product launches caused by the spread of COVID-19.

As a result, revenue for the Imaging Products Business decreased by 23.7% year on year to 225,894 million yen, and restructuring costs and impairment losses on non-current assets were recorded, resulting in the operating loss of 17,153 million yen (operating profit of 22,069 million yen was recorded in the previous fiscal year).

#### [ Precision Equipment Business ]

In the FPD lithography system field, unit sales fell overall despite steady sales of equipment that supports the Gen 10.5 plate size. Furthermore, sales of some equipment were postponed to the next fiscal year due to the spread of

COVID-19, resulting in a significant decline in revenue and profits.

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.

As a result, revenue for the Precision Equipment Business decreased by 12.7% year on year to 239,728 million yen, and operating profit decreased by 42.8% year on year to 46,774 million yen.

[ Healthcare Business ]

The bioscience field and the ophthalmic diagnosis field had been performing steadily toward an increase in sales of biological microscopes and ultra-wide field retinal imaging devices, respectively. However, growth slowed sharply in both fields due to the spread of COVID-19, resulting in reduced revenue.

As a result, revenue for the Healthcare Business decreased by 5.2% year on year to 62,024 million yen. Despite making efforts to minimize losses such as through cost reduction, operating loss grew to 2,455 million yen (as compared to an operating loss of 1,937 million yen in the previous fiscal year).

[ Industrial Metrology and Others ]

In the Industrial Metrology Business, revenue decreased due to sluggish market conditions mainly in China and the rest of Asia, as well as a cutback in investment caused by the spread of COVID-19. Although profitability increased as a result of efforts such as reducing costs, factors such as impairment of goodwill led to a decrease in profits.

In the Customized Products Business, revenue for solid-state lasers and optical components increased.

In the Glass Business, revenue decreased due to deteriorating market conditions caused by the spread of COVID-19, in spite of efforts to expand sales of photomask substrates for FPD.

As a result, revenue for the Industrial Metrology and Others decreased by 12.6% year on year to 63,366 million yen, and operating profit decreased by 54.1% year on year to 3,185 million yen.

## (2) Overview of Financial Position

The balance of total assets as of March 31, 2020 decreased 129,104 million yen from the end of the previous fiscal year to 1,005,881 million yen. This was mainly due to the decrease of cash and cash equivalents by 87,021 million yen and trade and other receivables by 28,068 million yen.

The balance of total liabilities as of March 31, 2020 decreased 54,138 million yen from the end of the previous fiscal year to 464,121 million yen. This was primarily because trade and other payables decreased by 27,638 million yen and advances received decreased by 16,968 million yen.

The balance of total equity as of March 31, 2020 decreased 74,966 million yen from the end of the previous fiscal year to 541,760 million yen. This was mainly because while 40,002 million yen of own shares were repurchased, other components of equity fell by 19,510 million yen due to factors such as decreases in exchange differences on translation of foreign operations and in fair value of investment securities, and retained earnings also decreased by 16,108 million yen, primarily as a result of dividends paid.

In addition, treasury stock of 35,279 million yen was cancelled in the year ended March 31, 2020.

## (3) Overview of Cash Flows

During the fiscal year ended March 31, 2020, for the cash flows from operating activities, net cash of 16,419 million yen was provided in operating activities, as profit before income taxes of 11,864 million yen and depreciation and amortization of 34,105 million yen were posted, and settlement from legal proceedings over patents was received. However on the contrary, decreases were seen in trade and other payables and advances received, and also income taxes were paid. (Net cash of 68,901 million yen was provided in the previous fiscal year).

For the cash flows from investing activities, the net cash used in investing activities was 21,281 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 4,505 million yen and proceeds from sales of investment securities of 5,870 million yen. (Net cash of 25,304 million yen was used in the previous fiscal year).

For the cash flows from financing activities, net cash used in financing activities was 72,739 million yen, mainly due to the payment of dividends and the repurchasing of own shares. (Net cash of 21,583 million yen was used in the previous fiscal year).

In addition, the effect of exchange rate change on cash and cash equivalents decreased 9,421 million yen.

As a result of the above, the balance of cash and cash equivalents at March 31, 2020 fell by 87,021 million yen from the end of the previous fiscal year to 324,034 million yen.

#### (4) Future Outlook

The consolidated financial forecast for the fiscal year ending March 31, 2021 has yet to be determined, as it is difficult to make reasonable calculations at this time due to the spread of COVID-19.

The Group will make disclosures as soon as it is possible to calculate the consolidated financial forecast.

#### (5) Shareholder Returns Policy and Dividends

The Company's fundamental policy on shareholder returns is to distribute a steady dividend that reflects the perspective of shareholders, and simultaneously realizing appropriate capital allocation flexibly from a mid to long-term perspective, while expanding investment (in capital and in development) in business and technology development to ensure future growth and enhance competitiveness. Based on this policy, during the cumulative period of the current medium-term management plan for the year ended March 31, 2020 to the year ending March 31, 2022, the Company will return to shareholders targeting a total return ratio of 40% or more.

For the year ended March 31, 2020, the year-end dividend is 10 yen per share, and the full year dividend will be 40 yen per share, including the interim dividend of 30 yen.

The full year dividend for the year ending March 31, 2021, is yet to be determined.

#### (6) Business and Other Risks

Following are principal matters that are considered likely to have a significant impact on decisions made by investors regarding risks involved in executing strategy, business, and other concerns of the Group.

The Group organizes and manages risks through a Risk Management Committee, which identifies and prioritizes potential risks to management of the Group in general, then deliberates and decides on risk response policies.

In response to the spread of COVID-19 that broke out towards the end of the fiscal year ended March 31, 2020, the Group established an Emergency Response Headquarters on February 25, 2020 based on the Pandemic Initial Response Manual and BCM Standards, which are part of the Group's risk management system. The initial response team of the Emergency Response Headquarters was established with the purpose of carrying out initial response to the outbreak. The team's main mission is to ensure the safety of employees and promote associated personnel and IT measures, collect information regarding the current impact on business (sales, supply chain, and others), organize the issues, and implement initial response actions. The Group has also set up a Management Policy Team whose mission is to examine a business recovery plan. While the spread of COVID-19 is severely affecting social activities on a global scale, the Management Policy Team is thoroughly organizing risks and opportunities in order for the Group to implement management measures from a medium- to long-term perspective, primarily focusing on the early recovery of business.

Matters concerning the future as stated herein are based on the Group's estimations as of March 31, 2020.

##### 1) Rapid changes in the business environment

The market for digital cameras, the leading products of the Imaging Products Business, continues to shrink overall. In response to the shrinkage of the market that was larger than expected and the intensified competition which were both seen from the middle of the fiscal year ended March 31, 2020, the Group has implemented business structure reforms, such as optimizing production and sales bases and thoroughly reducing cost, as well as various reforms to SCM, logistics, and others, to convert to a structure that can generate a certain level of profit. However, as the global spread of COVID-19 has resulted in tighter regulations in various countries, it is expected that consumer behavior will be restrained or diminished due to stay-at-home orders, suspension of business at retail stores, cancellation of events, and other measures. As a consequence, there is a possibility of the market shrinking more than expected, especially in the targeted professional and hobbyist segments, and may lead to an even more severe situation. It is difficult to make concrete predictions regarding the possibility and timing that such risks will materialize, as it greatly depends on consumer trends and social conditions.

The demand for FPD lithography systems handled by the Precision Equipment Business is expected to be stable in the display market. However, if there is over-supply as a reaction to large-scale capital investment or current curbing of consumption, demand for lithography systems may also experience a decline. In response to this, the Group is working to secure a certain level of profit in the business under such a business environment through new lithography systems and service business, in addition to reducing total costs.



Although the semiconductor market, the target market for semiconductor lithography systems, is expected to grow significantly over the medium- to long-term, demand for immersion lithography systems may drop sharply depending on the degree of the shift in the cutting-edge process development to EUVL. In response to this, the Group will work to seek new customers other than existing users and expand its service business, in accordance with the business strategy that prioritizes profitability.

Looking at the Precision Equipment Business as a whole, tighter regulations enforced by various countries in response to the global spread of COVID-19 are expected to result in the loss of trust from customers due to delay or suspension of shipments, an investment freeze due to decline in demand, as well as a sharp decline in sales. In response, the Group will further strengthen communication with customers, as well as promoting local support for installation and service personnel.

Overall, while some risks related to the spread of COVID-19 are materializing, the scale and timing of those risks are both greatly affected by social conditions. For this reason, the Emergency Response Headquarters has simulated the scale and timing of the risks on multiple recovery timelines, with each business examining and implementing countermeasures.

## 2) Launch of new business areas

The Group has positioned the Material Processing Business as new core pillars of profit, with the aim of establishing a foundation for growing enterprise value sustainably during the period of the medium-term management plan, and continues to actively make investments, however the business may not grow to the expected scale by the end of the medium-term management plan, which is the fiscal year ending March 31, 2022.

In order to minimize the possibility of this risk materializing, the Group has given its top priority to the launch of the Material Processing Business, and is shifting its internal resources. With regard to strategic investment, various measures to expand the business are being taken, such as establishing relationships in multiple forms such as business alliances with other companies and strategic investments, without limiting to acquisitions and mergers.

## 3) Ability to develop new products and investment in development to maintain and enhance competitiveness

Being subject to intense competition, the Group's core businesses are constantly required to develop new products by continuing to engage in highly advanced research and development. Therefore, it is necessary to continue to invest in product development, regardless of the fluctuation in the Group's profit. Enterprise value may decline and profit may decrease if in the event of investments do not produce adequate results and new products or next-generation technology cannot be developed or introduced to the market in a timely manner, the technology developed by the Group is not accepted by the market, or if the Company's technology becomes unnecessary due to drastic changes such as game changing developments. In order to minimize the possibility of such risks materializing, based on future social and market trends, the Group's Technology Strategy Committee is exploring new areas that Nikon should focus on, formulating a technology strategy that will lead to improved competitiveness of the existing businesses, in addition to a research and development plan to realize this strategy, and also working to visualize and optimize the technology of the Group.

## 4) Procurement

In each business, the Group ensures stable procurement of supply such as raw materials, key components, and finished products, while maintaining close relationships with suppliers. The Group's profit and financial position may be adversely affected in the event of social turmoil due to natural disasters such as earthquakes, riots, terrorism, wars, or pandemics, quality problems, policy changes made by suppliers, procurement of supply being significantly affected by bankruptcy or business failure on the part of a specific supplier, or a steep increase in purchase price. Specifically, some delays in procurement of supply are already materializing due to the consequences of the global spread of COVID-19, such as tighter regulations on suppliers and regions, suspension of operations, and bankruptcy. It is difficult to make concrete predictions regarding the scale and timing of these risks, as it depends greatly on the social conditions in the future.

In response to this, the Group conducts multiple purchases as much as possible and assesses alternative supplier candidates. The Group also collects information regarding the procurement status of all business divisions in the event of a natural disaster or other such disruption, and promptly reports the status to management. In addition, the Group implements measures from multiple perspectives, such as considering the availability of alternative supply and alternative measures such as design changes.

## 5) Outflow of human resources and information

The Group is supported by its employees, who possess advanced technical expertise and other abilities, and securing such human resources is becoming increasingly more crucial in order to overcome intense competition in the market. There is a possibility that such key personnel will resign, resulting in an outflow of their expertise and know-how. In order to minimize the effect of such outflow of expertise and know-how, the Group has established a specific study curriculum and is promoting to standardize, share and hand on proprietary technologies and skills within the company.

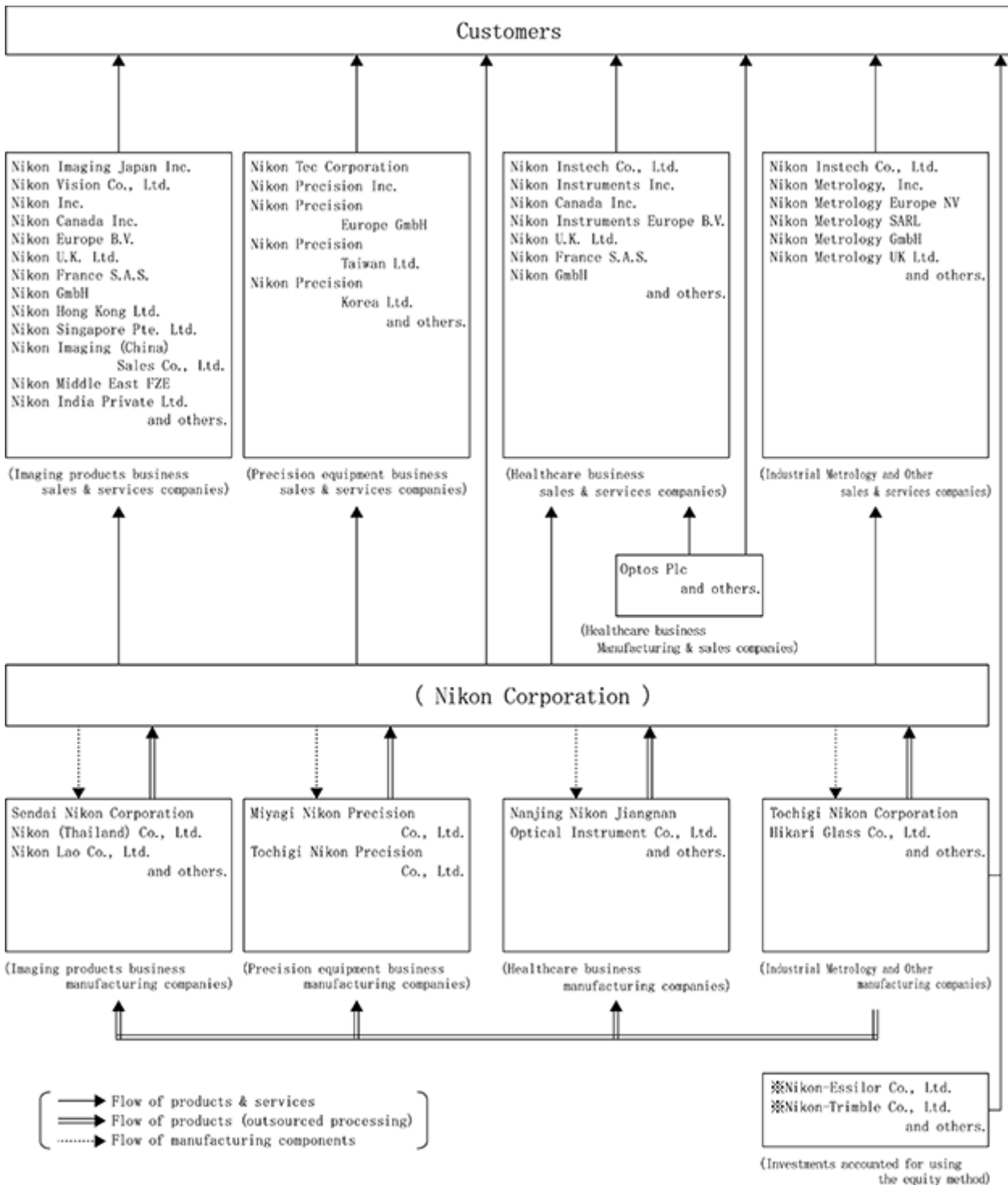
The Group also retains crucial information such as technical information, corporate information

concerning business partners, and personal information of its customers and other persons concerned. In order to prevent the risk of information leakage from materializing, the Group is taking measures such as enhancing its internal regulations regarding the handling of information and educating its employees, while thoroughly controlling external access to such information and improving the level of storage security.

## 2. Status of Nikon Group

The Nikon Group is comprised of NIKON CORPORATION (the "Company"), its 82 consolidated subsidiaries, and 16 investments accounted for using the equity method, running the Imaging Products Business, Precision Equipment Business, Healthcare Business, and businesses such as Industrial Metrology.

The structure of the Group is shown as below:



(Note) Only principal subsidiaries, associated companies, and joint ventures are listed.

No symbol: Subsidiary, ※: Investments accounted for using the equity method

### **3. Basic Policy on the Adoption of Accounting Standards**

The Group has voluntarily adopted the International Financial Reporting Standards (IFRS) from the consolidated financial statements in the Annual Securities Report from the year ended March 31, 2017 to improve international comparability of financial information disclosed to the capital market and to strengthen the management foundation by unification of accounting standards within its group companies.

#### 4. Consolidated Financial Statements

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

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020	Changes
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	411,055	324,034	(87,021)
Trade and other receivables	115,847	87,779	(28,068)
Inventories	253,336	246,530	(6,806)
Other current financial assets	3,145	2,901	(244)
Other current assets	15,306	15,960	654
Total current assets	798,689	677,203	(121,485)
Non-current assets			
Property, plant and equipment	116,119	106,369	(9,750)
Right-of-use assets	—	15,265	15,265
Goodwill and intangible assets	59,176	46,895	(12,282)
Net defined benefit assets	5,097	4,624	(473)
Investments accounted for using the equity method	9,748	10,002	253
Other non-current financial assets	91,263	84,068	(7,195)
Deferred tax assets	51,383	58,890	7,506
Other non-current assets	3,508	2,564	(944)
Total non-current assets	336,296	328,677	(7,619)
Total assets	1,134,985	1,005,881	(129,104)

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020	Changes
<b>LIABILITIES/ EQUITY</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	96,493	68,856	(27,638)
Bonds and borrowings	14,400	20,950	6,550
Income tax payables	8,222	1,845	(6,376)
Advances received	192,862	175,894	(16,968)
Provisions	5,619	5,161	(458)
Other current financial liabilities	27,006	27,210	204
Other current liabilities	38,961	30,238	(8,724)
Total current liabilities	383,564	330,154	(53,410)
Non-current liabilities			
Bonds and borrowings	112,010	102,778	(9,231)
Net defined benefit liabilities	9,031	11,047	2,016
Provisions	4,944	4,989	45
Deferred tax liabilities	4,063	3,589	(474)
Other non-current financial liabilities	2,140	9,232	7,092
Other non-current liabilities	2,507	2,332	(176)
Total non-current liabilities	134,695	133,966	(729)
Total liabilities	518,259	464,121	(54,138)
<b>EQUITY</b>			
Capital stock	65,476	65,476	—
Capital surplus	81,424	46,369	(35,055)
Treasury stock	(13,044)	(17,639)	(4,594)
Other components of equity	(19,992)	(39,502)	(19,510)
Retained earnings	502,056	485,948	(16,108)
Equity attributable to owners of the parent	615,920	540,652	(75,268)
Non-controlling interests	806	1,108	302
Total equity	616,726	541,760	(74,966)
Total liabilities and equity	1,134,985	1,005,881	(129,104)

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

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)		For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)		Changes  (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	708,660	100.0	591,012	100.0	(117,648)
Cost of sales	(405,250)	(57.2)	(368,978)	(62.4)	36,272
Gross profit	303,410	42.8	222,034	37.6	(81,376)
Selling, general and administrative expenses	(238,561)		(205,698)		32,863
Other income	21,912		6,447		(15,465)
Other expenses	(4,107)		(16,032)		(11,924)
Operating Profit	82,653	11.7	6,751	1.1	(75,902)
Finance income	7,333		5,204		(2,129)
Finance costs	(3,833)		(1,908)		1,925
Share of the profit of investments accounted for using the equity method	1,762		1,816		54
Profit before income taxes	87,915	12.4	11,864	2.0	(76,051)
Income tax expenses	(21,318)		(4,022)		17,297
Profit for the year	66,597	9.4	7,842	1.3	(58,754)
Attributable to:					
Owners of the parent	66,513	9.4	7,693	1.3	(58,820)
Non-controlling interests	84		149		66
Profit for the year	66,597	9.4	7,842	1.3	(58,754)
Earnings per share:					
Basic earnings per share (Yen)	167.86		19.93		
Diluted earnings per share (Yen)	167.30		19.85		

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Changes
Profit for the year	66,597	7,842	(58,754)
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	(4,591)	(5,699)	(1,108)
Remeasurement of defined benefit pension plans	(999)	(1,998)	(1,000)
Share of other comprehensive income of investments accounted for using the equity method	24	2	(22)
Total of items that will not be reclassified subsequently to profit or loss	(5,566)	(7,695)	(2,129)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	2,669	(12,019)	(14,688)
Effective portion of the change in fair value on cash flow hedges	(147)	32	179
Share of other comprehensive income of investments accounted for using the equity method	(32)	(129)	(97)
Total of items that may be reclassified subsequently to profit or loss	2,490	(12,116)	(14,605)
Other comprehensive income, net of taxes	(3,076)	(19,811)	(16,735)
Total comprehensive income for the year	63,520	(11,969)	(75,489)
Attributable to:			
Owners of the parent	63,447	(12,043)	(75,490)
Non-controlling interests	73	74	1
Total comprehensive income for the year	63,520	(11,969)	(75,489)



## (3) 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, 2018	65,476	81,333	(13,152)	12,726	—	(799)
Profit for the year	—	—	—	—	—	—
Other comprehensive income	—	—	—	(4,594)	(999)	(9)
Total comprehensive income for the year	—	—	—	(4,594)	(999)	(9)
Dividends	—	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(3)	—	—	—
Share-based payments	—	91	111	—	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	413	999	(27)
Total transactions with owners	—	91	108	413	999	(27)
As of March 31, 2019	65,476	81,424	(13,044)	8,544	—	(835)

As of April 1, 2019	65,476	81,424	(13,044)	8,544	—	(835)
Profit for the year	—	—	—	—	—	—
Other comprehensive income	—	—	—	(5,666)	(1,998)	(127)
Total comprehensive income for the year	—	—	—	(5,666)	(1,998)	(127)
Dividends	—	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(42)	(40,002)	—	—	—
Cancellation of treasury stock	—	(35,279)	35,279	—	—	—
Share-based payments	—	266	128	—	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(1,770)	1,998	(3)
Total transactions with owners	—	(35,055)	(4,594)	(1,770)	1,998	(3)
As of March 31, 2020	65,476	46,369	(17,639)	1,108	—	(964)

(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 year	—	—	—	66,513	66,513	84	66,597
Other comprehensive income	2,683	(147)	(3,066)	—	(3,066)	(10)	(3,076)
Total comprehensive income for the year	2,683	(147)	(3,066)	66,513	63,447	73	63,520
Dividends	—	—	—	(20,634)	(20,634)	(40)	(20,674)
Acquisition and disposal of treasury stock	—	—	—	—	(3)	—	(3)
Share-based payments	—	—	—	—	202	—	202
Changes in the ownership interest in subsidiaries	—	—	—	—	—	139	139
Transfer from other components of equity to retained earnings	—	—	1,384	(1,384)	—	—	—
Total transactions with owners	—	—	1,384	(22,018)	(20,435)	99	(20,336)
As of March 31, 2019	(27,723)	21	(19,992)	502,056	615,920	806	616,726

As of April 1, 2019	(27,723)	21	(19,992)	502,056	615,920	806	616,726
Profit for the year	—	—	—	7,693	7,693	149	7,842
Other comprehensive income	(11,976)	32	(19,736)	—	(19,736)	(75)	(19,811)
Total comprehensive income for the year	(11,976)	32	(19,736)	7,693	(12,043)	74	(11,969)
Dividends	—	—	—	(23,576)	(23,576)	(42)	(23,618)
Acquisition and disposal of treasury stock	—	—	—	—	(40,043)	—	(40,043)
Cancellation of treasury stock	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	394	—	394
Changes in the ownership interest in subsidiaries	—	—	—	—	—	270	270
Transfer from other components of equity to retained earnings	—	—	225	(225)	—	—	—
Total transactions with owners	—	—	225	(23,801)	(63,225)	228	(62,997)
As of March 31, 2020	(39,699)	53	(39,502)	485,948	540,652	1,108	541,760

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the year ended March 31 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31 2020 (from April 1, 2019 to March 31, 2020)
Cash flows from operating activities:		
Profit before income taxes	87,915	11,864
Depreciation and amortization	27,805	34,105
Impairment losses	1,023	11,275
Interest and dividend income	(5,086)	(3,911)
Share of the (profit) loss of investments accounted for using the equity method	(1,762)	(1,816)
Losses (gains) on sale of property, plant and equipment	(109)	(4,123)
Interest expenses	1,515	1,721
Decrease (increase) in trade and other receivables	(12,077)	25,788
Decrease (increase) in inventories	(18,185)	1,034
Increase (decrease) in trade and other payables	(18,739)	(24,533)
Increase (decrease) in advances received	15,149	(15,561)
Increase (decrease) in provisions	(1,173)	(224)
Others, net	7,375	(7,949)
Subtotal	83,651	27,668
Interest and dividend income received	6,321	5,498
Interest expenses paid	(1,409)	(1,693)
Income taxes (paid) refund	(19,662)	(15,054)
Net cash provided by operating activities	68,901	16,419
Cash flows from investing activities:		
Purchase of property, plant and equipment	(20,827)	(19,463)
Proceeds from sales of property, plant and equipment	2,807	4,505
Purchase of intangible assets	(7,566)	(5,968)
Payments for acquisition of shares of subsidiaries resulting in changes in the consolidation scope	(2,380)	—
Purchase of investment securities	(6,281)	(7,802)
Proceeds from sales of investment securities	651	5,870
Transfer to term deposits	(1,327)	(370)
Proceeds from withdrawal of term deposits	8,403	481
Others, net	1,216	1,467
Net cash used in investing activities	(25,304)	(21,281)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(50)	(2,250)
Repayments of lease obligations	(798)	(7,194)
Cash dividends paid	(20,621)	(23,552)
Cash dividends paid to non-controlling interests	(40)	(42)
Purchase of treasury shares	(3)	(40,002)
Others, net	(71)	301
Net cash used in financing activities	(21,583)	(72,739)
Effect of exchange rate changes on cash and cash equivalents	603	(9,421)
Net increase (decrease) in cash and cash equivalents	22,617	(87,021)
Cash and cash equivalents at the beginning of the year	388,438	411,055
Cash and cash equivalents at the end of the year	411,055	324,034

(5) Notes to Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable

(Basis for Preparation of the Consolidated Financial Statements)

(a) Scope of Consolidation

Number of consolidated subsidiaries: 82 companies

Principal subsidiaries:

Tochigi Nikon Corporation, Tochigi Nikon Precision Co., Ltd., Sendai Nikon Corporation, Miyagi Nikon Precision Co., Ltd., Nikon Imaging Japan Inc., Nikon Instech Co., Ltd., Nikon (Thailand) Co., Ltd., Nikon Imaging (China) Sales Co., Ltd., Nikon Inc., Nikon Precision Inc., Nikon Instruments Inc., Nikon Europe B.V., Optos Plc and others

The increase and decrease of the number of consolidated subsidiaries is as follows.

Increase: 2 companies (Incorporation-type company split, other)

Decrease: 1 company (Liquidation)

(b) Scope of Equity Method

Number of investments accounted for using the equity method: 16 companies

Principal company names: Nikon-Essilor Co., Ltd., Nikon-Trimble Co., Ltd. and others

(c) Accounting Policies

The disclosure of the accounting policies has been omitted as there are no significant changes from the previous Annual Securities Report (submitted on June 27, 2019) aside from IFRS 16 “Leases.”

(Changes in Accounting Policies)

The Group adopted IFRS 16 “Leases” (hereinafter, “IFRS 16”) from the year ended March 31, 2020.

		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 consolidated statement of financial position at the date of initial application.

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 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 consolidated statement of financial position.

(Additional Information)

1. Accounting Estimates that take into consideration the impact of the spread of COVID-19

The Group's consolidated financial results for the year ended March 31, 2020 were affected by the consequences of the spread of COVID-19, such as the decline in demand and delays in parts supply in the Imaging Products Business, in addition to the delay in installations of FPD lithography system in the Precision Equipment Business. The impact of the business environment due to the spread of COVID-19 is also expected to affect the Group's consolidated financial results for the succeeding fiscal years.

Under these circumstances, future plans and assumptions that are used for accounting estimates for the year ended March 31, 2020 take into consideration factors such as the economy, market, and consumption trends, in addition to the changes in demand and supply in the industries each business of the Group belongs to. Although it is uncertain when the spread of COVID-19 will come to an end, the accounting estimates are based on the assumption that economic activity will recover from the latter half of the fiscal year ending March 31, 2021.

The group has estimated future cash flow and future profit based on the above future plans and assumptions, and has determined the impairment of non-financial assets and the collectability of deferred tax assets. As a result, for the year ended March 31, 2020, impairment losses related to property, plant and equipment, right-of-use assets, intangible assets, goodwill and other non-current assets are recognized. For more information about the recognized segments and impacts of the loss, please refer to "Consolidated Statement of Profit or Loss, (c) Impairment Losses."

(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 year ended March 31, 2019 (From April 1, 2018 to March 31, 2019) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated
Revenue							
External customers	296,169	274,540	65,434	72,518	708,660	—	708,660
Intersegment	1,215	398	204	61,268	63,085	(63,085)	—
Total	297,383	274,938	65,638	133,786	771,745	(63,085)	708,660
Segment profit (loss) (Note3)	22,069	81,730	(1,937)	6,937	108,799	(26,146)	82,653
Finance income							7,333
Finance costs							(3,833)
Shares of the profit of investments accounted for using the equity method							1,762
Profit before income taxes							87,915
Segment assets	139,673	198,591	101,948	132,792	573,005	561,980	1,134,985
Other items:							
Impairment losses (Note4)	365	—	—	657	1,023	—	1,023
Depreciation and amortization	9,745	2,714	3,539	6,526	22,524	5,281	27,805
Increase in property, plant and equipment, goodwill and intangible assets	6,426	4,171	3,244	9,391	23,232	4,378	27,610

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 consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 668 million yen, cumulative translation differences of minus 545 million yen reclassified to profit or loss due to the liquidation of a foreign subsidiary, and corporate profit (loss) of minus 26,269 million yen that cannot be attributed to any segments. 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. Regarding segment assets, reconciliation is made between segment assets and assets reported in the consolidated statement of financial position. In addition, reconciliation of segment assets includes corporate assets of 573,888 million yen that is not attributed to any segments, and elimination of intersegment transactions of minus 11,908 million yen. Principal components of corporate assets are surplus funds (cash and cash equivalents) held by the Company and its consolidated subsidiaries; long-term investments (shares); deferred tax assets; and some non-current assets used in common.

3. Out of the total restructuring costs of minus 1,841 million yen recognized in "Other expenses" reported in the consolidated statement of profit or loss, minus 605 million yen and minus 691 million yen are recognized in the segment profit (loss) for the Imaging Products Business and the Industrial Metrology and Others, respectively. Restructuring costs of minus 545 million yen for the cumulative translation differences due to the liquidation of a foreign subsidiary are recognized in reconciliation of segment profit (loss).

4. The main components of the impairment losses are described in "Consolidated Statement of Profit or Loss, (c) Impairment Losses."

For the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue								
External customers	225,894	239,728	62,024	63,366	591,012	—	591,012	
Intersegment	902	378	269	58,773	60,322	(60,322)	—	
Total	226,796	240,106	62,293	122,139	651,334	(60,322)	591,012	
Segment profit (loss) (Note3)	(17,153)	46,774	(2,455)	3,185	30,351	(23,600)	6,751	
Finance income								5,204
Finance costs								(1,908)
Shares of the profit of investments accounted for using the equity method								1,816
Profit before income taxes								11,864
Segment assets	105,285	200,767	102,941	109,089	518,082	487,798	1,005,881	
Other items:								
Impairment losses (Note4)	7,458	—	—	3,816	11,275	—	11,275	
Depreciation and amortization	11,556	4,323	4,401	7,391	27,671	6,434	34,105	
Increase in property, plant and equipment, right-of-use assets, goodwill and intangible assets	13,629	7,875	4,523	7,197	33,224	14,007	47,231	

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 consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of minus 2,134 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 19,713 million yen. Out of the corporate profit (loss) of minus 19,713 million yen, gains from sales of land of 3,888 million yen are recognized in "Other income" reported in the 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. Regarding segment assets, reconciliation is made between segment assets and assets reported in the consolidated statement of financial position. In addition, reconciliation of segment assets includes corporate assets of 499,356 million yen that is not attributed to any segments, and elimination of intersegment transactions of minus 11,557 million yen. Principal components of corporate assets are surplus funds (cash and cash equivalents) held by the Company and its consolidated subsidiaries; long-term investments (shares); deferred tax assets; and some non-current assets used in common.

3. Out of the total restructuring costs of minus 4,573 million yen recognized in "Other expenses" reported in the consolidated statement of profit or loss, minus 2,737 million yen and minus 83 million yen are recognized in the segment profit (loss) for the Imaging Products Business and the Industrial Metrology and Others, respectively. Restructuring costs of minus 1,753 million yen for the cumulative translation differences due to the liquidation of a foreign subsidiary are recognized in reconciliation of segment profit (loss).

4. The main components of the impairment losses are described in "Consolidated Statement of Profit or Loss, (c) Impairment Losses."



### (3) Geographic Information

Revenue to external customers

(Millions of yen)

	For the year ended March 31, 2019 (from April, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Japan	92,270	87,819
United States	172,125	200,745
Europe	118,183	87,553
China	199,508	115,222
Others	126,575	99,672
Total	708,660	591,012

(Note) Revenue is based on the geographic locations of customers which are categorized either by country or region.

Except for Japan, the United States and China, the countries or regions are primarily categorized as follows:

1. Europe: the United Kingdom, France and Germany
2. Others: Canada, Asia other than Japan and China, Middle East, Oceania and Latin-America

Non-current assets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Japan	102,841	97,775
North America	4,786	5,606
Europe	48,290	44,637
China	1,169	1,516
Thailand	19,818	18,253
Others	1,900	3,307
Total	178,804	171,094

(Note) Non-current assets are based on the geographic locations of assets which are categorized either by country or region.

Except for Japan, China and Thailand, the countries or regions are primarily categorized as follows:

1. North America: the United States and Canada
2. Europe: the United Kingdom, France and Germany
3. Others: Asia other than Japan, China and Thailand, Middle East, Oceania and Latin-America

Financial instruments, deferred tax assets and net defined benefit assets are not included in the above.

### (4) Information about Major Customers

There is a customer group who contributed 10% or more to the consolidated revenue for the year ended March 31, 2020. The revenue recognized from this customer group for the year ended March 31, 2019 was 80,602 million yen (Precision Equipment Business and Industrial Metrology and Others), and 107,347 million yen (Precision Equipment Business and Industrial Metrology and Others) for the year ended March 31, 2020.

(Consolidated Statement of Profit or Loss)

(a) Selling, General and Administrative Expenses

Selling, general and administrative expenses mainly consist of the following items.

(Millions of yen)

	For the year ended March 31, 2019 (From April 1 2018 to March 31, 2019)	For the year ended March 31, 2020 (From April 1 2019 to March 31, 2020)
Depreciation and amortization	11,638	14,190
Research and development expenses	62,424	61,052
Employee benefit expenses	59,003	55,700
Advertising and sales promotion expenses	30,049	19,868
Others	75,447	54,888
Total	238,561	205,698

(b) Gains from Sales of Land

[For the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)]

Gains from sales of land of 3,929 million yen, mainly from the sales of idle land located in Takatsu-ku, Kawasaki, Kanagawa, Japan by the Company is recorded in "Other income."

(c) Impairment Losses

Impairment losses of non-financial assets

The Group determines the impairment of assets by cash-generating units based on the business segments, in which the assets are grouped by the minimum unit that generate largely independent cash inflows. In regard to idle assets, the future prospects or sales expectations are considered when determining impairment by cash-generating units, in which the assets are grouped by the individual asset or multiple assets. As a result of impairment determination, if the recoverable amount is lower than the carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognized as impairment loss. The measurement of the recoverable amount of an asset or cash-generating unit is by the higher of its fair value less costs of disposal and its value in use. The impairment losses are recognized in "Other expenses."

[For the year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)]

For the year ended March 31, 2019, as a result of investigating the utilization status and future prospects for the non-current assets held by the Group, the Group recognized impairment losses for idle assets and non-current assets held for sale in which the recoverable amount is lower than the carrying amount mainly located in Japan, Thailand and Europe that did not have an expected specific use in the future.

Out of the total impairment losses of 1,023 million yen, the impairment loss of 31 million yen is recognized as restructuring costs in the consolidated statement of profit or loss. For more information about restructuring costs, please refer to "Consolidated Statement of Profit or Loss, (d) Restructuring Costs."

[For the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)]

For the year ended March 31, 2020, the Group determined impairment of assets based on future cash flow forecasts that take into consideration the future trends of the medium- to long-term business environment and the impact of the spread of COVID-19 on business operations. As a result of impairment determination, impairment losses of 11,275 million yen are recognized. Impairment losses by asset are as follows.

(Millions of yen)

	For the year ended March 31, 2019 (From April 1 2018 to March 31, 2019)	For the year ended March 31, 2020 (From April 1 2019 to March 31, 2020)
Property, plant and equipment	746	2,579
Right-of-use assets	—	326
Intangible assets	276	5,159
Goodwill	—	3,076
Others	—	135
Total	1,023	11,275

For the Imaging Products business, impairment losses of 7,458 million yen are recognized. As a result of impairment determination based on future cash flow forecasts that take into consideration the rapid shrinkage of the digital camera market and the impact of the spread of COVID-19 on business operations, the recoverable amount of the cash-generating unit is lower than the carrying amount in the Company and in a consolidated subsidiary located in Japan. Therefore, impairment losses of 6,621 million yen are recognized. In addition, as a result of investigating the future prospects of non-current assets, the Company and a manufacturing subsidiary located in Thailand have reduced the carrying amount of idle assets that did not have an expected specific use in the future to its recoverable amount and recognized impairment losses of 837 million yen.

For the Industrial Metrology and Others, impairment losses of 3,816 million yen are recognized. In the Industrial Metrology Business of the Industrial Metrology and Others, the Group determined impairment of assets based on future cash flow forecasts that take into consideration the impact of the spread of COVID-19 on business operations, in spite of the initially forecasted profits not being expected due to the deterioration of market conditions and business environment. As the result of impairment determination, impairment losses of 3,635 million yen are recognized, as the recoverable amount of the cash-generating unit including goodwill is lower than the carrying amount. The impairment losses of 3,076 million yen are allocated to goodwill, which are related to the Company's consolidated subsidiary, Nikon Metrology NV, and impairment losses of 559 million yen are allocated to non-current assets other than goodwill. In addition, impairment losses of 181 million yen are recognized in businesses other than the Industrial Metrology Business in the Industrial Metrology and Others. This is mainly because the Company has reduced the carrying amount of idle assets that did not have an expected specific use in the future to its recoverable amount as a result of investigating the future prospects of non-current assets.

Out of the total impairment losses of 11,275 million yen, the impairment loss of 862 million yen is recognized as restructuring costs in the consolidated statement of profit or loss. Out of the impairment losses recognized as restructuring costs, 830 million yen and 32 million yen are recognized for the Imaging Products Business, and the Industrial Metrology and Others, respectively. For more information about restructuring costs, please refer to "Consolidated Statement of Profit or Loss, (d) Restructuring Costs." For more information about impairment losses included in segment profit (loss), please refer to "Segment information, (2) Information on Reportable Business Segments."

(d) Restructuring Costs

[For the year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)]

As the final year of the restructuring announced in November 2016, the Group has been carrying out measures to promote portfolio based management and to enhance management DNA such as reducing fixed costs, in order to create corporate value consistently.

For the year ended March 31, 2019, the Group has decided to withdraw from products with low profitability in the Industrial Metrology Business and has completed the liquidation of NIKON DO BRASIL LTDA., a sales subsidiary in Brazil. As a result, the following costs related to restructuring are recorded in "Other expenses."

Details	Amount (Millions of yen)
Inventory write-downs	583
Cumulative translation differences reclassified to profit or loss due to the liquidation of a foreign subsidiary	545
Expenses of transferring manufacturing equipment	507
Others	206
Total	1,841

[For the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)]

For the year ended March 31, 2020, restructuring costs of 4,573 million yen are recognized under "Other expenses" as the below table.

For the Imaging Products Business, restructuring costs of 2,737 million yen are recognized due to factors such as additional retirement benefits and impairment losses related to reforms to production and sales bases, in order to shift to a business structure that can secure a certain amount of profit even in a shrinking market.

For the Industrial Metrology and Others, restructuring costs of 83 million yen are recognized, due to factors such as reforms to the function of overseas bases.

In addition, as a result of completing the liquidation of the manufacturing subsidiary, Nikon Imaging (China) Co., Ltd. whose operations were discontinued in 2017, restructuring costs of 1,753 million yen are recognized related to the cumulative translation differences reclassified to profit or loss due to the liquidation of a foreign subsidiary.

Details	Amount (Millions of yen)
Cumulative translation differences reclassified to profit or loss due to the liquidation of a foreign subsidiary	1,753
Additional retirement benefits	1,140
Impairment losses	862
Others	818
Total	4,573

(Earnings Per Share)

The basis for the calculation of basic earnings per share and diluted earnings per share attributable to owners of the parent is as follows:

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Basis for the calculation of basic earnings per share		
Profit for the year attributable to owners of the parent (millions of yen)	66,513	7,693
Profit not attributable to ordinary equity holders of the parent (millions of yen)	—	—
Profit for the year used in the calculation of basic earnings per share (millions of yen)	66,513	7,693
Weighted average number of ordinary shares outstanding during the period (thousands of shares)	396,235	386,016
Basic earnings per share (yen)	167.86	19.93
Basis for the calculation of diluted earnings per share		
Profit for the year used in the calculation of basic earnings per share (millions of yen)	66,513	7,693
Adjustments to profit for the year (millions of yen)	—	—
Profit for the year used in the calculation of diluted earnings per share (millions of yen)	66,513	7,693
Weighted average number of ordinary shares outstanding during the period (thousands of shares)	396,235	386,016
Increase in number of ordinary shares in respect of stock options (thousands of shares)	1,325	1,506
Weighted average number of dilutive ordinary shares outstanding during the period (thousands of shares)	397,561	387,522
Diluted earnings per share (yen)	167.30	19.85
Summary of dilutive potential ordinary shares that are antidilutive and excluded from the weighted average number of dilutive ordinary shares	—	—

(Note) In the computation of basic earnings per share and diluted earnings per share, the number of the Company's shares held by the executive compensation BIP trust is included in the number of treasury stock that are deducted from the weighted average number of ordinary shares outstanding during the period. For the years ended March 31, 2019 and March 31, 2020, the number of shares was 576,900.

(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.

(Significant Subsequent Event)

Not applicable