



August 6, 2020

Consolidated Financial Results of the First Quarter Ended June 30, 2020 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

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(Amounts are rounded to the nearest millions of yen)

1. Consolidated Results of the First Quarter ended June 30, 2020 (From April 1, 2020 to June 30, 2020)

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

	Revenue		Operating Profit		Profit before Income Taxes		Profit Attributable to Owners of the Parent		Total Comprehensive Income for the Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	64,723	(54.7)	(20,536)	—	(19,275)	—	(13,594)	—	(7,201)	—
Three months ended June 30, 2019	142,952	(14.4)	9,302	(51.1)	10,707	(51.2)	8,200	(49.8)	1,846	(89.0)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Three months ended June 30, 2020	(37.03)	(37.03)
Three months ended June 30, 2019	20.80	20.72

(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 June 30, 2020	996,993	530,935	529,890	53.1
As of March 31, 2020	1,005,881	541,760	540,652	53.7

2. Dividends

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

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

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

	Revenue		Operating Profit		Profit before Income Taxes		Profit Attributable to Owners of the Parent		Basic Earnings per Share Attributable to Owners of the Parent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First Half ending September 30, 2020	165,000	(43.3)	(40,000)	—	(35,000)	—	(25,000)	—	(68.10)
Full year	420,000	(28.9)	(75,000)	—	(70,000)	—	(50,000)	—	(136.19)

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

4. Others

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

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

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than the above: None
3. Changes in accounting estimates: None

(3) Number of shares issued (Common stock)

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

Three months ended June 30, 2020	378,336,521 shares
Year ended March 31, 2020	378,336,521 shares

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

Three months ended June 30, 2020	11,212,361 shares
Year ended March 31, 2020	11,216,862 shares

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

Three months ended June 30, 2020	367,122,506 shares
Three months ended June 30, 2019	394,293,907 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 three months ended June 30, 2020, in the Imaging Products Business, the market remained sluggish due to the spread of COVID-19, in addition to the continuous shrinkage of the digital camera-interchangeable lens type market and the compact digital camera market. In the Precision Equipment Business, while capital investments for mid-to-small size panels were on a recovery trend and capital investments for large-size panels were steady in the FPD-related field, postponements were seen in sales of equipment due to the spread of COVID-19. For the semiconductor-related field, capital investments were on a recovery trend. In the Healthcare Business, market conditions remained dull in both the bioscience field and the ophthalmic diagnosis field, greatly affected by the spread of COVID-19 continuing from the fourth quarter of the fiscal year ended March 31, 2020.

Under these circumstances, during the three months ended June 30, 2020, revenue decreased by 78,229 million yen (54.7%) year on year to 64,723 million yen. The Group recorded operating loss of 20,536 million yen (operating profit of 9,302 million yen was recorded in the same period of the previous fiscal year), loss before income taxes of 19,275 million yen (profit before income taxes of 10,707 million yen in the same period of the previous fiscal year), and loss attributable to owners of the parent of 13,594 million yen (profit attributable to owners of the parent of 8,200 million yen in the same period of the previous fiscal year).

Performance by segment is as follows.

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

In the Imaging Products Business, despite efforts made to sell mid- to high-end products for the professional and hobbyist segments, a drop in demand caused by the spread of COVID-19 resulted in decreased revenue, and the recording of operating loss. In this difficult business environment as the shrinkage of the market is accelerating, the Group is conducting further restructuring to rebuild the business.

In the Precision Equipment Business, for the FPD lithography system field, factors such as travel restrictions caused by the spread of COVID-19 resulted in not being able to sell equipment. For the semiconductor lithography system field, in addition to the effect of the spread of COVID-19, some equipment was sold in advance in the previous fiscal year, which led to a decline in unit sales. As a result, a significant decline was seen in revenue in the Precision Equipment Business as a whole, and operating loss was recorded.

In the Healthcare Business, while there was some progress in sales of products that had been postponed from the fourth quarter of the fiscal year ended March 31, 2020 due to the spread of COVID-19 in both the bioscience field and the ophthalmic diagnosis field, operations such as sales activities were limited. As a result, the business overall saw a decline in revenue, and despite making efforts for cost reduction, operating loss grew further.

(2) Qualitative Information regarding Consolidated Financial Position

The balance of total assets as of June 30, 2020 decreased 8,888 million yen from the end of the previous fiscal year to 996,993 million yen. This was mainly because while increases were seen in inventories by 24,613 million yen and in deferred tax assets by 4,077 million yen, decreases were seen in cash and cash equivalents by 22,656 million yen and in trade and other receivables by 14,291 million yen.

The balance of total liabilities as of June 30, 2020 increased 1,937 million yen from the end of the previous fiscal year to 466,058 million yen. This was primarily because while increases were seen in advances received by 13,733 million yen, trade and other payables fell by 6,682 million yen and decreases in accounts such as accrued expenses led to the decrease of other current liabilities by 3,509 million yen.

The balance of total equity as of June 30, 2020 decreased 10,825 million yen from the end of the previous fiscal year to 530,935 million yen. This was mainly because while other components of equity rose by 4,563 million yen due to factors such as increases in exchange differences on translation of foreign operations and in fair value of investment securities, retained earnings fell by 15,406 million yen, primarily as a result of posting loss attributable to owners of the parent and also dividends paid.

During the three months ended June 30, 2020, for the cash flows from operating activities, net cash of 22,743 million yen was used in operating activities, as loss before income taxes were posted, increases were seen in inventories, and decreases were seen in trade and other payables. However on the contrary, depreciation and amortization of 7,417 million yen was posted and advances received increased by 14,050 million yen. (Net cash of 3,425 million yen was provided in the same period the previous fiscal year).

For the cash flows from investing activities, net cash provided in investing activities was 4,497 million yen, primarily owing to the proceeds from sales of investment securities of 9,096 million yen in spite of the purchases of property, plant and equipment and intangible assets, in addition to the purchases of investment securities. (Net cash of 4,214 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 5,447 million yen, mainly due to the repayments of lease obligations and payment of dividends. (Net cash of 25,620 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 increased 1,038 million yen.

As a result of the above, the balance of cash and cash equivalents as of June 30, 2020 fell by 22,656 million yen from the end of the previous fiscal year to 301,378 million yen.

(3) Qualitative Information regarding Consolidated Financial Forecasts

Regarding the business environment for the fiscal year ending March 31, 2021, in the Imaging Products Business, both the digital camera-interchangeable lens type market and the compact digital camera market are forecast to continue to shrink. The global market deterioration caused by COVID-19 is expected to continue at least until the end of the current fiscal year. For the Precision Equipment Business, while capital investments are forecast to remain solid in both the FPD-related field and the semiconductor-related field, future conditions remain uncertain due to the spread of COVID-19. In the Healthcare Business, market conditions are expected to remain stagnant in both the bioscience field and the ophthalmic diagnosis field due to the spread of COVID-19.

The consolidated financial forecast for the fiscal year ending March 31, 2021 is as stated in the "Notice Regarding the Consolidated Financial Forecast, Dividend Forecast for the Fiscal Year ending March 31, 2021 and Reduction in Compensation for Directors and Officers" announced on August 6, 2020.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020	Changes
ASSETS			
Current assets			
Cash and cash equivalents	324,034	301,378	(22,656)
Trade and other receivables	87,779	73,488	(14,291)
Inventories	246,530	271,143	24,613
Other current financial assets	2,901	2,485	(416)
Other current assets	15,960	18,547	2,587
Total current assets	677,203	667,041	(10,162)
Non-current assets			
Property, plant and equipment	106,369	106,379	9
Right-of-use assets	15,265	15,834	568
Goodwill and intangible assets	46,895	46,039	(856)
Net defined benefit assets	4,624	4,599	(25)
Investments accounted for using the equity method	10,002	9,879	(122)
Other non-current financial assets	84,068	81,966	(2,102)
Deferred tax assets	58,890	62,967	4,077
Other non-current assets	2,564	2,290	(275)
Total non-current assets	328,677	329,952	1,274
Total assets	1,005,881	996,993	(8,888)

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	68,856	62,174	(6,682)
Bonds and borrowings	20,950	20,947	(3)
Income tax payables	1,845	2,019	174
Advances received	175,894	189,627	13,733
Provisions	5,161	4,827	(334)
Other current financial liabilities	27,210	25,532	(1,678)
Other current liabilities	30,238	26,729	(3,509)
Total current liabilities	330,154	331,854	1,700
Non-current liabilities			
Bonds and borrowings	102,778	102,554	(224)
Net defined benefit liabilities	11,047	11,332	285
Provisions	4,989	5,001	12
Deferred tax liabilities	3,589	3,448	(141)
Other non-current financial liabilities	9,232	9,564	333
Other non-current liabilities	2,332	2,304	(27)
Total non-current liabilities	133,966	134,203	237
Total liabilities	464,121	466,058	1,937
EQUITY			
Capital stock	65,476	65,476	—
Capital surplus	46,369	46,443	75
Treasury stock	(17,639)	(17,631)	7
Other components of equity	(39,502)	(34,940)	4,563
Retained earnings	485,948	470,542	(15,406)
Equity attributable to owners of the parent	540,652	529,890	(10,761)
Non-controlling interests	1,108	1,045	(63)
Total equity	541,760	530,935	(10,825)
Total liabilities and equity	1,005,881	996,993	(8,888)

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

	Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)		Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)		Changes (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	142,952	100.0	64,723	100.0	(78,229)
Cost of sales	(86,291)	(60.4)	(43,891)	(67.8)	42,400
Gross profit	56,661	39.6	20,832	32.2	(35,828)
Selling, general and administrative expenses	(52,063)		(41,643)		10,420
Other income	4,885		877		(4,008)
Other expenses	(181)		(603)		(422)
Operating profit (loss)	9,302	6.5	(20,536)	(31.7)	(29,839)
Finance income	1,956		1,496		(460)
Finance costs	(1,120)		(396)		724
Share of the profit of investments accounted for using the equity method	569		161		(408)
Profit (loss) before income taxes	10,707	7.5	(19,275)	(29.8)	(29,982)
Income tax expenses	(2,483)		5,666		8,149
Profit (loss) for the period	8,224	5.8	(13,609)	(21.0)	(21,833)
Attributable to:					
Owners of the parent	8,200	5.7	(13,594)	(21.0)	(21,794)
Non-controlling interests	25		(15)		(39)
Profit (loss) for the period	8,224	5.8	(13,609)	(21.0)	(21,833)
Earnings (loss) per share:					
Basic earnings (loss) per share (Yen)	20.80		(37.03)		
Diluted earnings (loss) per share (Yen)	20.72		(37.03)		

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)	Changes
Profit (loss) for the period	8,224	(13,609)	(21,833)
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	(18)	4,058	4,076
Share of other comprehensive income of investments accounted for using the equity method	(3)	2	5
Total of items that will not be reclassified subsequently to profit or loss	(21)	4,060	4,081
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(6,272)	2,520	8,792
Effective portion of the change in fair value on cash flow hedges	(56)	(189)	(133)
Share of other comprehensive income of investments accounted for using the equity method	(29)	17	46
Total of items that may be reclassified subsequently to profit or loss	(6,357)	2,348	8,705
Other comprehensive income, net of taxes	(6,378)	6,408	12,786
Total comprehensive income for the period	1,846	(7,201)	(9,047)
Attributable to:			
Owners of the parent	1,858	(7,172)	(9,030)
Non-controlling interests	(11)	(29)	(17)
Total comprehensive income for the period	1,846	(7,201)	(9,047)

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent				
	Capital stock	Capital surplus	Treasury stock	Other components of equity	
				Gain (loss) on financial assets measured at fair value through other comprehensive income	Share of other comprehensive income of investments accounted for using the equity method
As of April 1, 2019	65,476	81,424	(13,044)	8,544	(835)
Profit (loss) for the period	—	—	—	—	—
Other comprehensive income	—	—	—	(10)	(32)
Total comprehensive income for the period	—	—	—	(10)	(32)
Dividends	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	(10,000)	—	—
Share-based payments	—	30	23	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—
Total transactions with owners	—	30	(9,977)	—	—
As of June 30, 2019	65,476	81,453	(23,022)	8,535	(867)

As of April 1, 2020	65,476	46,369	(17,639)	1,108	(964)
Profit (loss) for the period	—	—	—	—	—
Other comprehensive income	—	—	—	4,071	19
Total comprehensive income for the period	—	—	—	4,071	19
Dividends	—	—	—	—	—
Acquisition and disposal of treasury stock	—	(0)	0	—	—
Share-based payments	—	75	7	—	—
Changes in the ownership interest in subsidiaries	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(1,859)	—
Total transactions with owners	—	75	7	(1,859)	—
As of June 30, 2020	65,476	46,443	(17,631)	3,319	(945)

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Exchange differences on translation of foreign operations	Effective portion of the change in fair value on cash flow hedges	Total				
As of April 1, 2019	(27,723)	21	(19,992)	502,056	615,920	806	616,726
Profit (loss) for the period	—	—	—	8,200	8,200	25	8,224
Other comprehensive income	(6,244)	(56)	(6,342)	—	(6,342)	(36)	(6,378)
Total comprehensive income for the period	(6,244)	(56)	(6,342)	8,200	1,858	(11)	1,846
Dividends	—	—	—	(11,905)	(11,905)	(38)	(11,943)
Acquisition and disposal of treasury stock	—	—	—	—	(10,001)	—	(10,001)
Share-based payments	—	—	—	—	53	—	53
Changes in the ownership interest in subsidiaries	—	—	—	—	—	20	20
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	—
Total transactions with owners	—	—	—	(11,905)	(21,853)	(18)	(21,871)
As of June 30, 2019	(33,967)	(35)	(26,334)	498,351	595,924	776	596,701

As of April 1, 2020	(39,699)	53	(39,502)	485,948	540,652	1,108	541,760
Profit (loss) for the period	—	—	—	(13,594)	(13,594)	(15)	(13,609)
Other comprehensive income	2,522	(189)	6,422	—	6,422	(14)	6,408
Total comprehensive income for the period	2,522	(189)	6,422	(13,594)	(7,172)	(29)	(7,201)
Dividends	—	—	—	(3,671)	(3,671)	(38)	(3,709)
Acquisition and disposal of treasury stock	—	—	—	—	(0)	—	(0)
Share-based payments	—	—	—	—	82	—	82
Changes in the ownership interest in subsidiaries	—	—	—	—	—	3	3
Transfer from other components of equity to retained earnings	—	—	(1,859)	1,859	—	—	—
Total transactions with owners	—	—	(1,859)	(1,812)	(3,589)	(35)	(3,624)
As of June 30, 2020	(37,178)	(136)	(34,940)	470,542	529,890	1,045	530,935

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Cash flows from operating activities:		
Profit (loss) before income taxes	10,707	(19,275)
Depreciation and amortization	8,294	7,417
Interest and dividend income	(1,399)	(1,075)
Share of the (profit) loss of investments accounted for using the equity method	(569)	(161)
Losses (gains) on sales of property, plant and equipment	(3,970)	(6)
Interest expenses	479	379
Decrease (increase) in trade and other receivables	21,791	14,685
Decrease (increase) in inventories	(13,356)	(24,269)
Increase (decrease) in trade and other payables	(11,956)	(8,184)
Increase (decrease) in advances received	4,491	14,050
Increase (decrease) in provisions	(80)	(315)
Others, net	(5,249)	(5,802)
Subtotal	9,183	(22,557)
Interest and dividend income received	1,538	1,090
Interest expenses paid	(100)	(73)
Income taxes (paid) refund	(7,195)	(1,203)
Net cash provided (used) by operating activities	3,425	(22,743)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,242)	(2,915)
Proceeds from sales of property, plant and equipment	4,013	27
Purchase of intangible assets	(1,743)	(990)
Purchase of investment securities	(1,368)	(573)
Proceeds from sales of investment securities	—	9,096
Transfer to time deposits	(653)	—
Proceeds from withdrawal of time deposits	283	—
Others, net	495	(149)
Net cash provided (used) in investing activities	(4,214)	4,497
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(2,250)	(0)
Repayments of lease liabilities	(1,717)	(1,831)
Cash dividends paid	(11,607)	(3,574)
Cash dividends paid to non-controlling interests	(38)	(38)
Purchase of treasury shares	(10,001)	(0)
Others, net	(7)	(3)
Net cash provided (used) in financing activities	(25,620)	(5,447)
Effect of exchange rate changes on cash and cash equivalents	(4,501)	1,038
Net increase (decrease) in cash and cash equivalents	(30,910)	(22,656)
Cash and cash equivalents at the beginning of the period	411,055	324,034
Cash and cash equivalents at the end of the period	380,144	301,378

(5) Notes to Condensed Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable

(Segment Information)

(1) Outline of Reportable Business Segments

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

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

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital SLR cameras, compact digital cameras and interchangeable camera lenses. The Precision Equipment Business provides products and services with regard to the FPD lithography system and semiconductor lithography system. The Healthcare Business provides products and services for bioscience and ophthalmic diagnosis fields, such as biological microscopes, cell culture observation systems, and ultra-wide field retinal imaging devices.

(Regarding Revision of Reportable Business Segments)

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

The segment information for the three months ended June 30, 2019 has been prepared based on the revised business segments.

(2) Information on Reportable Business Segments

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

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

For the Three Months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue								
External customers	67,308	51,832	12,931	10,881	142,952	—	142,952	
Intersegment	173	169	54	14,892	15,288	(15,288)	—	
Total	67,481	52,001	12,985	25,773	158,240	(15,288)	142,952	
Segment profit (loss)	3,589	10,319	(1,945)	275	12,238	(2,936)	9,302	
Finance income								1,956
Finance costs								(1,120)
Shares of the profit of investments accounted for using the equity method								569
Profit (loss) before income taxes								10,707

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 (loss) reported in the condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of minus 987 million yen and corporate profit (loss) of minus 1,949 million yen. Out of the corporate profit (loss) of minus 1,949 million yen, gains from sales of land of 3,888 million yen are recognized in other income reported in the condensed consolidated statement of profit or loss. The main components of corporate profit (loss) are fundamental research expenses, general and administrative expenses of headquarter functions, expenses incurred to establish new business, and other income or expenses that cannot be attributed to any segments.

For the Three Months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue								
External customers	25,123	19,650	10,352	9,598	64,723	—	64,723	
Intersegment	168	123	37	12,506	12,834	(12,834)	—	
Total	25,292	19,773	10,389	22,105	77,558	(12,834)	64,723	
Segment profit (loss)	(8,101)	(5,155)	(2,435)	(445)	(16,134)	(4,402)	(20,536)	
Finance income								1,496
Finance costs								(396)
Shares of the profit of investments accounted for using the equity method								161
Profit (loss) before income taxes								(19,275)

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

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit (loss) reported in the condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of minus 296 million yen and corporate profit (loss) of minus 4,106 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.

(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.