



February 9, 2023

## Consolidated Financial Results of the Third Quarter Ended December 31, 2022 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

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Date for the commencement of dividend payments: –

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly 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 Third Quarter ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

#### (1) Consolidated Operating Results

(Percentage represents year-on-year changes)

|                                     | Revenue         |      | Operating Profit |     | Profit before Tax |       | Profit Attributable to Owners of Parent |     | Total Comprehensive Income for the Period |        |
|-------------------------------------|-----------------|------|------------------|-----|-------------------|-------|---|-----|---|--------|
|                                     | Millions of yen | %    | Millions of yen  | %   | Millions of yen   | %     | Millions of yen                         | %   | Millions of yen                           | %      |
| Nine months ended December 31, 2022 | 456,097         | 12.2 | 50,623           | 7.8 | 52,314            | (0.5) | 39,456                                  | 1.0 | 46,922                                    | (17.5) |
| Nine months ended December 31, 2021 | 406,345         | 24.5 | 46,951           | –   | 52,556            | –     | 39,073                                  | –   | 56,881                                    | 472.3  |

|                                     | Basic Earnings per Share | Diluted Earnings per Share |
|-------------------------------------|--------------------------|----------------------------|
|                                     | Yen                      | Yen                        |
| Nine months ended December 31, 2022 | 109.21                   | 108.61                     |
| Nine months ended December 31, 2021 | 106.41                   | 105.82                     |

#### (2) Consolidated Financial Position

|                         | Total Assets    | Total Equity    | Equity Attributable to Owners of Parent | Ratio of Equity Attributable to Owners of Parent to Total Assets |
|-------------------------|-----------------|-----------------|---|--|
|                         | Millions of yen | Millions of yen | Millions of yen                         | %  |
| As of December 31, 2022 | 1,058,720       | 610,390         | 608,789                                 | 57.5   |
| As of March 31, 2022    | 1,039,566       | 599,967         | 597,681                                 | 57.5   |

### 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, 2022            | –                   | 20.00                | –                   | 20.00    | 40.00  |
| Year ending March 31, 2023           | –                   | 20.00                | –                   |          |        |
| Year ending March 31, 2023 (Planned) |                     |                      |                     | 20.00    | 40.00  |

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

3. Consolidated Financial Forecasts for the Year ending March 31, 2023 (From April 1, 2022 to March 31, 2023)  
(Percentage represents year-on-year changes)

|             | Revenue         |      | Operating Profit |      | Profit before Tax |       | Profit Attributable to Owners of Parent |       | Basic Earnings per Share |
|-------------|-----------------|------|------------------|------|-------------------|-------|---|-------|--------------------------|
|             | Millions of yen | %    | Millions of yen  | %    | Millions of yen   | %     | Millions of yen                         | %     | Yen                      |
| Fiscal year | 630,000         | 16.8 | 55,000           | 10.1 | 57,000            | (0.2) | 42,000                                  | (1.6) | 116.71                   |

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

4. Others

(1) Changes in Significant Subsidiaries during the Period: Yes

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

Newly included: 1 company (Nikon AM. AG)

Excluded: –

(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 (Ordinary Shares)

1. Number of shares issued as of the period end (including treasury shares):

As of December 31, 2022 377,928,086 shares

As of March 31, 2022 378,336,521 shares

2. Number of treasury shares as of the period end:

As of December 31, 2022 25,445,409 shares

As of March 31, 2022 11,062,646 shares

3. Average number of shares during the period (cumulative total):

Nine months ended December 31, 2022 361,289,170 shares

Nine months ended December 31, 2021 367,199,869 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.

Attached Material

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## 1. Performance and Financial Position

### (1) Qualitative Information on Consolidated Operating Results

During the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022), in the Imaging Products Business, shipped quantities of products showed a recovery trend as the digital camera market saw an improvement in problems with procurement of components due in part to the shortage of semiconductors. In the Precision Equipment Business, capital investments in the field related to FPDs showed a diminishing trend both for mid-to-small size panels and large-size panels. In addition, capital investments in the fields related to semiconductors started to show signs of being in a correction phase and remained unchanged. In the Healthcare Business, the life science solutions and eye care solutions markets largely remained strong. In the Components Business, the Digital Solutions Business continued a solid trend in the markets related to optical parts & components and encoders. In the Customized Products Business, the EUV-related markets remained solid.

Under these circumstances, during the nine months ended December 31, 2022, revenue increased 49,752 million yen (12.2%) year on year to 456,097 million yen, and operating profit also increased 3,672 million yen (7.8%) year on year to 50,623 million yen. While profit before tax decreased 242 million yen (0.5%) year on year to 52,314 million yen, profit attributable to owners of parent increased 383 million yen (1.0%) year on year to 39,456 million yen.

Performance by segment is as follows.

As stated in “2. Quarterly Condensed Consolidated Financial Statements (5) Notes to Quarterly Condensed Consolidated Financial Statements (Segment Information),” the reportable segments have been changed since the three months ended June 30, 2022. Accordingly, the operating results for the previous fiscal year used in the year-on-year comparisons below have been reclassified in line with the revised business segments.

In the Imaging Products Business, the Group focused on expanding sales of mid- to high-end products and interchangeable lenses to professionals and hobbyists. Sales of the flagship model, Z 9 full-frame mirrorless camera remained strong. As a result, the business segment recorded year-on-year increases in both revenue and profit partly because of higher average unit selling prices and the positive effects of the yen depreciation.

In the Precision Equipment Business, the FPD lithography systems field recorded decreases in both revenue and profit due to decreased unit sales of the systems for both mid-to-small size panels and large-size panels. The semiconductor lithography system field recorded increases in both revenue and profit owing to increased unit sales of new systems, despite deferred sales of some systems. As a result, the business segment as a whole recorded year-on-year decreases in both revenue and profit.

In the Healthcare Business, the life science solutions and eye care solutions fields received strong orders, and there were the positive effects of the yen depreciation. As a result, the business segment as a whole recorded significant year-on-year increases in both revenue and profit.

In the Components Business, the Digital Solutions Business recorded increases in both revenue and profit as sales of optical parts & components and encoders remained brisk. The Customized Products Business recorded increases in both revenue and profit, backed by continuous solid sales of EUV-related components. As a result, the business segment as a whole recorded year-on-year increases in both revenue and profit.

## (2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of December 31, 2022 increased by 19,154 million yen from the end of the previous fiscal year to 1,058,720 million yen. This was mainly due to increases of 41,116 million yen in inventories, 11,978 million yen in property, plant and equipment, right-of-use assets, goodwill and intangible assets, 9,793 million yen in trade and other receivables, and 5,521 million yen in deferred tax assets, despite a decrease of 56,755 million yen in cash and cash equivalents primarily as a result of purchasing treasury shares.

The balance of total liabilities as of December 31, 2022 increased by 8,730 million yen from the end of the previous fiscal year to 448,330 million yen. This was mainly due to increases of 7,687 million yen in income taxes payable, 3,948 million yen in other financial liabilities, 3,029 million yen in trade and other payables, and 3,003 million yen in bonds and borrowings, despite a decrease of 9,480 million yen in advances received.

The balance of total equity as of December 31, 2022 increased by 10,424 million yen from the end of the previous fiscal year to 610,390 million yen. This was mainly due to increases of 8,277 million yen in other components of equity primarily as a result of an increase in exchange differences on translation of foreign operations and 24,590 million yen in retained earnings primarily as a result of the recording of profit attributable to owners of parent, despite an increase of 20,753 million yen in treasury shares primarily as a result of purchasing treasury shares.

During the nine months ended December 31, 2022, for the cash flows from operating activities, net cash of 9,263 million yen was provided (17,467 million yen provided in the same period of the previous fiscal year). This was mainly attributable to the recording of profit before tax of 52,314 million yen, and depreciation and amortization of 20,645 million yen, despite an increase of inventories, a decrease of advances received, and payment of income taxes.

For the cash flows from investing activities, net cash of 31,736 million yen was used (7,025 million yen provided in the same period of the previous fiscal year). This was mainly attributable to purchase of investment securities of 10,653 million yen and purchase of property, plant and equipment and intangible assets of 22,122 million yen.

For the cash flows from financing activities, net cash of 41,704 million yen was used (13,688 million yen used in the same period of the previous fiscal year). This was mainly attributable to purchase of treasury shares of 21,952 million yen and cash dividends paid of 14,364 million yen.

In addition, the effect of exchange rate changes on cash and cash equivalents increased by 7,422 million yen.

As a result of the above, the balance of cash and cash equivalents as of December 31, 2022 decreased by 56,755 million yen from the end of the previous fiscal year to 313,522 million yen.

### (3) Qualitative Information on Consolidated Financial Forecasts

Regarding the business environment for the fiscal year ending March 31, 2023, in the Imaging Products Business, constraints on supply due in part to the shortage of semiconductors are expected to ease, and the digital camera market is expected to remain solid. In the Precision Equipment Business, capital investments in the field related to FPDs, including both mid-to-small size panels and large-size panels, are expected to show a decreasing trend. Capital investments in the fields related to semiconductors are expected to be temporarily in the correction phase and remain unchanged. In the Healthcare Business, although there are concerns over the impact of a tight supply and demand balance for electronic components and others in the fields of life science solutions and eye care solutions, the markets for these fields are expected to largely remain steady. In the Components Business, target markets for the Digital Solutions Business, including semiconductor-related markets and the factory automation market, will be solid, but slightly slowing toward the end of the fiscal year. The Customized Products Business is expected to see growing demand from EUV-related markets.

The consolidated financial forecasts for the fiscal year ending March 31, 2023 announced on November 10, 2022 is revised as below.

#### Revised Consolidated Financial Forecast for the Fiscal Year ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

|   | Revenue         | Operating Profit | Profit before Tax | Profit Attributable to Owners of Parent | Basic Earnings per Share |
|---|-----------------|------------------|-------------------|---|--------------------------|
|   | Millions of yen | Millions of yen  | Millions of yen   | Millions of yen                         | Yen                      |
| Previous Forecast (A)   | 645,000         | 55,000           | 57,000            | 42,000                                  | 115.63                   |
| Revised Forecast (B)  | 630,000         | 55,000           | 57,000            | 42,000                                  | 116.71                   |
| Difference (B-A)  | (15,000)        | –                | –                 | –                                       |                          |
| Change (%)  | (2.3)           | –                | –                 | –                                       |                          |
| (Reference)<br>Results of the Fiscal Year ended<br>March 31, 2022 | 539,612         | 49,934           | 57,096            | 42,679                                  | 116.23                   |

(Note) Foreign exchange rates for the forecast are based on the premise: 1 USD = 135 Yen, 1 EUR = 139 Yen.

## 2. Quarterly Condensed Consolidated Financial Statements

### (1) Quarterly Condensed Consolidated Statements of Financial Position

(Millions of yen)

|   | As of March 31, 2022 | As of December 31, 2022 | Changes  |
|---|----------------------|-------------------------|----------|
| <b>ASSETS</b>                                 |                      |                         |          |
| Current assets                                |                      |                         |          |
| Cash and cash equivalents                     | 370,277              | 313,522                 | (56,755) |
| Trade and other receivables                   | 90,571               | 100,365                 | 9,793    |
| Inventories                                   | 238,950              | 280,066                 | 41,116   |
| Other current financial assets                | 948                  | 1,751                   | 803      |
| Other current assets                          | 13,467               | 15,731                  | 2,264    |
| Total current assets                          | 714,214              | 711,434                 | (2,779)  |
| Non-current assets                            |                      |                         |          |
| Property, plant and equipment                 | 88,956               | 96,021                  | 7,066    |
| Right-of-use assets                           | 22,310               | 23,330                  | 1,020    |
| Goodwill and intangible assets                | 49,379               | 53,271                  | 3,892    |
| Retirement benefit asset                      | 8,685                | 9,041                   | 356      |
| Investments accounted for using equity method | 10,702               | 11,882                  | 1,180    |
| Other non-current financial assets            | 93,308               | 96,083                  | 2,775    |
| Deferred tax assets                           | 51,610               | 57,131                  | 5,521    |
| Other non-current assets                      | 403                  | 526                     | 123      |
| Total non-current assets                      | 325,353              | 347,286                 | 21,933   |
| Total assets                                  | 1,039,566            | 1,058,720               | 19,154   |

(Millions of yen)

|   | As of March 31, 2022 | As of December 31, 2022 | Changes  |
|---|----------------------|-------------------------|----------|
| LIABILITIES / EQUITY                    |                      |                         |          |
| LIABILITIES                             |                      |                         |          |
| Current liabilities                     |                      |                         |          |
| Trade and other payables                | 65,161               | 68,189                  | 3,029    |
| Bonds and borrowings                    | 37,347               | 28,171                  | (9,176)  |
| Income taxes payable                    | 4,770                | 12,457                  | 7,687    |
| Advances received                       | 139,300              | 129,820                 | (9,480)  |
| Provisions                              | 5,403                | 4,923                   | (480)    |
| Other current financial liabilities     | 27,424               | 30,563                  | 3,139    |
| Other current liabilities               | 34,516               | 35,255                  | 740      |
| Total current liabilities               | 313,921              | 309,380                 | (4,541)  |
| Non-current liabilities                 |                      |                         |          |
| Bonds and borrowings                    | 92,715               | 104,894                 | 12,179   |
| Retirement benefit liability            | 5,543                | 6,026                   | 483      |
| Provisions                              | 5,186                | 5,238                   | 53       |
| Deferred tax liabilities                | 3,360                | 3,307                   | (54)     |
| Other non-current financial liabilities | 16,188               | 16,997                  | 809      |
| Other non-current liabilities           | 2,687                | 2,488                   | (198)    |
| Total non-current liabilities           | 125,679              | 138,950                 | 13,271   |
| Total liabilities                       | 439,600              | 448,330                 | 8,730    |
| EQUITY                                  |                      |                         |          |
| Share capital                           | 65,476               | 65,476                  | —        |
| Capital surplus                         | 46,483               | 45,478                  | (1,005)  |
| Treasury shares                         | (17,395)             | (38,149)                | (20,753) |
| Other components of equity              | 2,206                | 10,482                  | 8,277    |
| Retained earnings                       | 500,912              | 525,502                 | 24,590   |
| Equity attributable to owners of parent | 597,681              | 608,789                 | 11,108   |
| Non-controlling interests               | 2,285                | 1,601                   | (685)    |
| Total equity                            | 599,967              | 610,390                 | 10,424   |
| Total liabilities and equity            | 1,039,566            | 1,058,720               | 19,154   |



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

## Quarterly Condensed Consolidated Statements of Profit or Loss

|   | Nine months ended<br>December 31, 2021<br>(from April 1, 2021<br>to December 31, 2021) |                            | Nine months ended<br>December 31, 2022<br>(from April 1, 2022<br>to December 31, 2022) |                            | Changes<br><br>(Millions of yen) |
|---|--|----------------------------|--|----------------------------|----------------------------------|
|   | (Millions of yen)  | Ratio to<br>revenue<br>(%) | (Millions of yen)  | Ratio to<br>revenue<br>(%) |                                  |
| Revenue   | 406,345  | 100.0                      | 456,097  | 100.0                      | 49,752                           |
| Cost of sales   | (224,794)  | (55.3)                     | (240,208)  | (52.7)                     | (15,414)                         |
| Gross profit  | 181,551  | 44.7                       | 215,889  | 47.3                       | 34,338                           |
| Selling, general and administrative expenses                        | (137,689)  |                            | (166,298)  |                            | (28,610)                         |
| Other operating income  | 4,532  |                            | 2,617  |                            | (1,915)                          |
| Other operating expenses  | (1,444)  |                            | (1,585)  |                            | (141)                            |
| Operating profit  | 46,951   | 11.6                       | 50,623   | 11.1                       | 3,672                            |
| Finance income  | 7,009  |                            | 4,555  |                            | (2,453)                          |
| Finance costs   | (2,118)  |                            | (4,827)  |                            | (2,708)                          |
| Share of profit of investments accounted for<br>using equity method | 715  |                            | 1,962  |                            | 1,247                            |
| Profit before tax   | 52,556   | 12.9                       | 52,314   | 11.5                       | (242)                            |
| Income tax expense  | (13,622)   |                            | (13,448)   |                            | 174                              |
| Profit for the period   | 38,934   | 9.6                        | 38,866   | 8.5                        | (68)                             |
| Profit attributable to:   |  |                            |  |                            |                                  |
| Owners of parent  | 39,073   | 9.6                        | 39,456   | 8.7                        | 383                              |
| Non-controlling interests   | (139)  |                            | (590)  |                            | (451)                            |
| Profit for the period   | 38,934   | 9.6                        | 38,866   | 8.5                        | (68)                             |
| Earnings per share:   |  |                            |  |                            |                                  |
| Basic earnings per share (Yen)                                      | 106.41   |                            | 109.21   |                            |                                  |
| Diluted earnings per share (Yen)                                    | 105.82   |                            | 108.61   |                            |                                  |

## Quarterly Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | Nine months ended<br>December 31, 2021<br>(from April 1, 2021<br>to December 31, 2021) | Nine months ended<br>December 31, 2022<br>(from April 1, 2022<br>to December 31, 2022) | Changes  |
|--|--|--|----------|
| Profit for the period  | 38,934   | 38,866   | (68)     |
| Other comprehensive income   |  |  |          |
| Items that will not be reclassified subsequently to profit or loss                           |  |  |          |
| Gain (loss) on financial assets measured at fair value through<br>other comprehensive income | 11,681   | (8,307)  | (19,988) |
| Remeasurements of defined benefit plans  | (389)  | –  | 389      |
| Share of other comprehensive income of investments<br>accounted for using equity method      | (2)  | (1)  | 1        |
| Total of items that will not be reclassified subsequently to<br>profit or loss               | 11,290   | (8,308)  | (19,598) |
| Items that may be reclassified subsequently to profit or loss                                |  |  |          |
| Exchange differences on translation of foreign operations                                    | 6,333  | 15,666   | 9,333    |
| Effective portion of cash flow hedges  | 133  | 534  | 401      |
| Share of other comprehensive income of investments<br>accounted for using equity method      | 190  | 163  | (27)     |
| Total of items that may be reclassified subsequently to<br>profit or loss                    | 6,656  | 16,363   | 9,707    |
| Other comprehensive income, net of taxes   | 17,947   | 8,055  | (9,891)  |
| Total comprehensive income for the period  | 56,881   | 46,922   | (9,959)  |
| Comprehensive income attributable to:  |  |  |          |
| Owners of parent   | 56,960   | 47,430   | (9,531)  |
| Non-controlling interests  | (79)   | (508)  | (428)    |
| Total comprehensive income for the period  | 56,881   | 46,922   | (9,959)  |

## (3) Quarterly Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

|   | Equity attributable to owners of parent |                 |                 |   |   |  |
|---|---|-----------------|-----------------|---|---|--|
|   | Share capital                           | Capital surplus | Treasury shares | Other components of equity  |   |  |
|   |   |                 |                 | Gain (loss) on financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Share of other comprehensive income of investments accounted for using equity method |
| As of April 1, 2021   | 65,476                                  | 46,419          | (17,529)        | 13,172  | –                                       | (873)  |
| Profit for the period   | –                                       | –               | –               | –   | –                                       | –  |
| Other comprehensive income                                    | –                                       | –               | –               | 11,713  | (389)                                   | 187  |
| Total comprehensive income for the period                     | –                                       | –               | –               | 11,713  | (389)                                   | 187  |
| Dividends   | –                                       | –               | –               | –   | –                                       | –  |
| Purchase and disposal of treasury shares                      | –                                       | (0)             | (2)             | –   | –                                       | –  |
| Cancellation of treasury shares                               | –                                       | –               | –               | –   | –                                       | –  |
| Share-based payment transactions                              | –                                       | 115             | 52              | –   | –                                       | –  |
| Increase (decrease) by business combination                   | –                                       | –               | –               | –   | –                                       | –  |
| Changes in ownership interest in subsidiaries                 | –                                       | 3               | –               | –   | –                                       | –  |
| Transfer from other components of equity to retained earnings | –                                       | –               | –               | (11,285)  | 389                                     | –  |
| Total transactions with owners                                | –                                       | 118             | 50              | (11,285)  | 389                                     | –  |
| As of December 31, 2021                                       | 65,476                                  | 46,538          | (17,479)        | 13,600  | –                                       | (685)  |
| As of April 1, 2022   | 65,476                                  | 46,483          | (17,395)        | 9,338   | –                                       | (691)  |
| Profit for the period   | –                                       | –               | –               | –   | –                                       | –  |
| Other comprehensive income                                    | –                                       | –               | –               | (8,294)   | –                                       | 162  |
| Total comprehensive income for the period                     | –                                       | –               | –               | (8,294)   | –                                       | 162  |
| Dividends   | –                                       | –               | –               | –   | –                                       | –  |
| Purchase and disposal of treasury shares                      | –                                       | (23)            | (21,952)        | –   | –                                       | –  |
| Cancellation of treasury shares                               | –                                       | (687)           | 687             | –   | –                                       | –  |
| Share-based payment transactions                              | –                                       | (295)           | 512             | –   | –                                       | –  |
| Increase (decrease) by business combination                   | –                                       | –               | –               | –   | –                                       | –  |
| Changes in ownership interest in subsidiaries                 | –                                       | –               | –               | –   | –                                       | –  |
| Transfer from other components of equity to retained earnings | –                                       | –               | –               | 303   | –                                       | –  |
| Total transactions with owners                                | –                                       | (1,005)         | (20,753)        | 303   | –                                       | –  |
| As of December 31, 2022                                       | 65,476                                  | 45,478          | (38,149)        | 1,347   | –                                       | (529)  |

(Millions of yen)

|   | Equity attributable to owners of parent                   |                                       |          |                   |          | Non-controlling interests | Total equity |
|---|---|---------------------------------------|----------|-------------------|----------|---------------------------|--------------|
|   | Other components of equity                                |                                       |          | Retained earnings | Total    |                           |              |
|   | Exchange differences on translation of foreign operations | Effective portion of cash flow hedges | Total    |                   |          |                           |              |
| As of April 1, 2021   | (26,204)  | (228)                                 | (14,133) | 457,352           | 537,585  | 1,141                     | 538,726      |
| Profit for the period   | –   | –                                     | –        | 39,073            | 39,073   | (139)                     | 38,934       |
| Other comprehensive income                                    | 6,242   | 133                                   | 17,887   | –                 | 17,887   | 59                        | 17,947       |
| Total comprehensive income for the period                     | 6,242   | 133                                   | 17,887   | 39,073            | 56,960   | (79)                      | 56,881       |
| Dividends   | –   | –                                     | –        | (11,016)          | (11,016) | (17)                      | (11,033)     |
| Purchase and disposal of treasury shares                      | –   | –                                     | –        | –                 | (2)      | –                         | (2)          |
| Cancellation of treasury shares                               | –   | –                                     | –        | –                 | –        | –                         | –            |
| Share-based payment transactions                              | –   | –                                     | –        | –                 | 167      | –                         | 167          |
| Increase (decrease) by business combination                   | –   | –                                     | –        | –                 | –        | 1,392                     | 1,392        |
| Changes in ownership interest in subsidiaries                 | –   | –                                     | –        | –                 | 3        | 15                        | 18           |
| Transfer from other components of equity to retained earnings | –   | –                                     | (10,896) | 10,908            | 12       | (12)                      | –            |
| Total transactions with owners                                | –   | –                                     | (10,896) | (107)             | (10,835) | 1,378                     | (9,457)      |
| As of December 31, 2021                                       | (19,962)  | (95)                                  | (7,143)  | 496,318           | 583,710  | 2,440                     | 586,150      |

|   |         |       |        |          |          |       |          |
|---|---------|-------|--------|----------|----------|-------|----------|
| As of April 1, 2022   | (6,073) | (368) | 2,206  | 500,912  | 597,681  | 2,285 | 599,967  |
| Profit for the period   | –       | –     | –      | 39,456   | 39,456   | (590) | 38,866   |
| Other comprehensive income                                    | 15,571  | 534   | 7,974  | –        | 7,974    | 82    | 8,055    |
| Total comprehensive income for the period                     | 15,571  | 534   | 7,974  | 39,456   | 47,430   | (508) | 46,922   |
| Dividends   | –       | –     | –      | (14,529) | (14,529) | (21)  | (14,550) |
| Purchase and disposal of treasury shares                      | –       | –     | –      | –        | (21,975) | –     | (21,975) |
| Cancellation of treasury shares                               | –       | –     | –      | –        | –        | –     | –        |
| Share-based payment transactions                              | –       | –     | –      | –        | 217      | 16    | 233      |
| Increase (decrease) by business combination                   | –       | –     | –      | –        | –        | –     | –        |
| Changes in ownership interest in subsidiaries                 | –       | –     | –      | –        | –        | (206) | (206)    |
| Transfer from other components of equity to retained earnings | –       | –     | 303    | (336)    | (34)     | 34    | –        |
| Total transactions with owners                                | –       | –     | 303    | (14,866) | (36,321) | (177) | (36,498) |
| As of December 31, 2022                                       | 9,498   | 167   | 10,482 | 525,502  | 608,789  | 1,601 | 610,390  |

## (4) Quarterly Condensed Consolidated Statements of Cash Flows

(Millions of yen)

|   | Nine months ended<br>December 31, 2021<br>(from April 1, 2021<br>to December 31, 2021) | Nine months ended<br>December 31, 2022<br>(from April 1, 2022<br>to December 31, 2022) |
|---|--|--|
| Cash flows from operating activities:                                   |  |  |
| Profit before tax   | 52,556   | 52,314   |
| Depreciation and amortization   | 18,366   | 20,645   |
| Impairment losses   | 448  | 364  |
| Interest and dividend income  | (1,819)  | (3,292)  |
| Share of (profit) loss of investments accounted for using equity method | (715)  | (1,962)  |
| Losses (gains) on sale of property, plant and equipment                 | (3,269)  | (238)  |
| Interest expenses   | 959  | 1,252  |
| Decrease (increase) in trade and other receivables                      | (5,598)  | (7,416)  |
| Decrease (increase) in inventories                                      | 4,124  | (38,901)   |
| Increase (decrease) in trade and other payables                         | (1,813)  | 490  |
| Increase (decrease) in advances received                                | (34,352)   | (13,764)   |
| Increase (decrease) in provisions                                       | (2,023)  | (761)  |
| Others, net   | (7,782)  | 6,601  |
| Subtotal  | 19,081   | 15,331   |
| Interest and dividend income received                                   | 2,828  | 4,313  |
| Interest expenses paid  | (918)  | (642)  |
| Income taxes refund (paid)  | (3,524)  | (9,738)  |
| Net cash provided by (used in) operating activities                     | 17,467   | 9,263  |
| Cash flows from investing activities:                                   |  |  |
| Purchase of property, plant and equipment                               | (12,953)   | (15,142)   |
| Proceeds from sale of property, plant and equipment                     | 5,000  | 323  |
| Purchase of intangible assets   | (4,170)  | (6,980)  |
| Purchase of investment securities                                       | (3,358)  | (10,653)   |
| Proceeds from sale of investment securities                             | 20,459   | 3  |
| Acquisition of subsidiaries or other businesses                         | (378)  | —  |
| Proceeds from sale of subsidiaries or other businesses                  | —  | 8  |
| Others, net   | 2,425  | 705  |
| Net cash provided by (used in) investing activities                     | 7,025  | (31,736)   |
| Cash flows from financing activities:                                   |  |  |
| Net increase (decrease) in short-term borrowings                        | 3,444  | (9,180)  |
| Proceeds from long-term borrowings                                      | —  | 9,895  |
| Repayments of long-term borrowings                                      | (803)  | —  |
| Repayments of lease liabilities   | (5,478)  | (6,037)  |
| Cash dividends paid   | (10,821)   | (14,364)   |
| Cash dividends paid to non-controlling interests                        | (17)   | (21)   |
| Purchase of treasury shares   | (2)  | (21,952)   |
| Others, net   | (12)   | (46)   |
| Net cash provided by (used in) financing activities                     | (13,688)   | (41,704)   |
| Effect of exchange rate changes on cash and cash equivalents            | 4,761  | 7,422  |
| Net increase (decrease) in cash and cash equivalents                    | 15,566   | (56,755)   |
| Cash and cash equivalents at beginning of the period                    | 351,798  | 370,277  |
| Cash and cash equivalents at end of the period                          | 367,364  | 313,522  |

(5) Notes to Quarterly Condensed Consolidated Financial Statements  
(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 the distribution of management resources and evaluate the Group's business results.

In consideration of the similarity of economic characteristics, the Group has integrated its business divisions into four reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business and the Components 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 the life science solutions field such as biological microscopes and cell culture observation systems, for the eye care solutions field such as ultra-wide field retinal imaging devices, and for the contract cell development and manufacturing field. The Components Business provides products and services related to the Digital Solutions Business such as optical components, optical parts, encoders, and material processing; related to the Customized Products Business such as EUV-related components and space-related solutions, and related to the Glass Business such as photomask substrates for FPDs.

(Regarding Revision of Reportable Business Segments)

Since the three months ended June 30, 2022, the Company has transferred the Next Generation Project Division, which was previously included in the Precision Equipment Business, to corporate profit (loss) that cannot be attributed to any segments.

The segment information for the nine months ended December 31, 2021 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 segment is as follows.

For the Nine Months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)

(Millions of yen)

|   | Imaging Products | Precision Equipment | Healthcare | Components | Industrial Metrology and Others (Note1) | Total   | Reconciliation (Note2) | Consolidated |         |
|---|------------------|---------------------|------------|------------|---|---------|------------------------|--------------|---------|
| Revenue   |                  |                     |            |            |   |         |                        |              |         |
| External customers  | 136,022          | 162,982             | 53,202     | 30,603     | 23,536                                  | 406,345 | —                      | 406,345      |         |
| Intersegment  | 507              | 128                 | 157        | 8,046      | 46,783                                  | 55,621  | (55,621)               | —            |         |
| Total   | 136,529          | 163,111             | 53,359     | 38,649     | 70,319                                  | 461,967 | (55,621)               | 406,345      |         |
| Segment profit (loss)   | 18,813           | 33,433              | 2,816      | 10,142     | 174                                     | 65,379  | (18,428)               | 46,951       |         |
| Finance income  |                  |                     |            |            |   |         |                        |              | 7,009   |
| Finance costs   |                  |                     |            |            |   |         |                        |              | (2,118) |
| Shares of profit of investments accounted for using equity method |                  |                     |            |            |   |         |                        |              | 715     |
| Profit before tax   |                  |                     |            |            |   |         |                        |              | 52,556  |

Notes: 1. The “Industrial Metrology and Others” category consists of operations not included in the reportable segments.

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the quarterly condensed consolidated statements of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 2,255 million yen, and corporate profit (loss) of (20,683) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (15,850) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (4,833) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments. Out of the expenses for administration department of (4,833) million yen, gains from sale of land of 2,352 million yen are recognized in other operating income reported in the quarterly condensed consolidated statements of profit or loss.

For the Nine Months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(Millions of yen)

|   | Imaging Products | Precision Equipment | Healthcare | Components | Industrial Metrology and Others (Note1) | Total   | Reconciliation (Note2) | Consolidated |         |
|---|------------------|---------------------|------------|------------|---|---------|------------------------|--------------|---------|
| Revenue   |                  |                     |            |            |   |         |                        |              |         |
| External customers  | 184,427          | 133,515             | 72,180     | 38,102     | 27,874                                  | 456,097 | —                      | 456,097      |         |
| Intersegment  | 1,102            | 104                 | 182        | 8,868      | 54,968                                  | 65,224  | (65,224)               | —            |         |
| Total   | 185,529          | 133,619             | 72,362     | 46,969     | 82,842                                  | 521,322 | (65,224)               | 456,097      |         |
| Segment profit (loss)   | 41,283           | 14,602              | 7,261      | 13,399     | 2,469                                   | 79,013  | (28,390)               | 50,623       |         |
| Finance income  |                  |                     |            |            |   |         |                        |              | 4,555   |
| Finance costs   |                  |                     |            |            |   |         |                        |              | (4,827) |
| Shares of profit of investments accounted for using equity method |                  |                     |            |            |   |         |                        |              | 1,962   |
| Profit before tax   |                  |                     |            |            |   |         |                        |              | 52,314  |

Notes: 1. The “Industrial Metrology and Others” category consists of operations not included in the reportable segments.

2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the quarterly condensed consolidated statements of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of (1,002) million yen, and corporate profit (loss) of (27,388) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (16,845) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (10,543) million yen, which add up general and administrative expenses of headquarter functions and other operating 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 (hereinafter referred to as "CESTAT"); 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 (hereinafter referred as the "Supreme Court"). In March 2021, the Supreme Court delivered a judgment revoking the decision of CESTAT and consequently the demand notice by the Indian Tax Authority. Subsequently in April 2021, the Indian Tax Authority filed a request for retrial. As it is currently unable to forecast the outcome of the request for retrial, 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.