



August 8, 2023

## Consolidated Financial Results of the First Quarter Ended June 30, 2023 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

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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 First Quarter ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

#### (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	%
Three months ended June 30, 2023	158,146	8.6	3,290	(78.6)	4,817	(70.8)	2,576	(78.3)	33,886	7.6
Three months ended June 30, 2022	145,648	10.1	15,357	(23.1)	16,507	(21.9)	11,866	(25.2)	31,487	38.0

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Three months ended June 30, 2023	7.44	7.40
Three months ended June 30, 2022	32.38	32.21

#### (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 June 30, 2023	1,101,717	643,617	640,443	58.1
As of March 31, 2023	1,050,267	618,351	614,966	58.6

### 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, 2023	–	20.00	–	25.00	45.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Planned)		25.00	–	25.00	50.00

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

### 3. Consolidated Financial Forecasts for the Year ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(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
First half ending September 30, 2023	325,000	12.7	15,000	(38.6)	17,000	(34.7)	12,000	(36.4)	34.66
Fiscal year	670,000	6.7	43,000	(21.7)	46,000	(19.4)	35,000	(22.1)	101.09

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

#### 4. Others

(1) Changes in Significant Subsidiaries during the period: None

(Note) This refers to the presence or absence of specified subsidiaries, which accompany changes in the 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 (Ordinary Shares)

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

As of June 30, 2023 351,476,686 shares

As of March 31, 2023 351,476,686 shares

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

As of June 30, 2023 5,068,886 shares

As of March 31, 2023 5,303,396 shares

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

Three months ended June 30, 2023 346,233,238 shares

Three months ended June 30, 2022 366,396,485 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023), in the Imaging Products Business, shipped quantities of products in the digital camera market increased due to strong sales of mid- to high-end products. In the Precision Equipment Business, capital investments in the field related to FPDs, including both mid-to-small size panels and large-size panels, remained stagnant. In the fields related to semiconductors, while demand for capital investments in logic semiconductors remained solid, such demand related to memory semiconductors remained weak. In the Healthcare Business, the life science solutions and eye care solutions markets largely remained strong. In the Components Business, the Digital Solutions Business was affected by adjustments to inventory and investments in the markets related to optical parts and encoders. The Customized Products Business was adversely affected by a slowdown in the EUV-related markets, resulting in weak performance. In the Digital Manufacturing Business, the Industrial Metrology Business experienced weak capital investments in the semiconductor and electronic components markets. In contrast, capital investments in the electric vehicle (EV) and automotive battery markets remained strong. Meanwhile, the Advanced Manufacturing Business saw an expansion of the Metal Additive Manufacturing (hereinafter, “AM”) market.

Under these circumstances, during the three months ended June 30, 2023, revenue increased 12,498 million yen (8.6%) year on year to 158,146 million yen, operating profit decreased 12,067 million yen (78.6%) year on year to 3,290 million yen, profit before tax decreased 11,691 million yen (70.8%) year on year to 4,817 million yen, and profit attributable to owners of parent decreased 9,290 million yen (78.3%) year on year to 2,576 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 business segments have been changed since the three months ended June 30, 2023. 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 targeted at professionals and hobbyists, especially those of Z 8 full-frame mirrorless camera released in May 2023. As a result, the business segment recorded year-on-year increases in both revenue and profit because of higher average unit selling prices and the positive effects of the yen depreciation.

In the Precision Equipment Business, unit sales of the systems for both mid-to-small size panels and large-size panels decreased in the FPD lithography systems field. Meanwhile, despite increased unit sales of ArF lithography systems, the semiconductor lithography system field recorded a decrease in revenue from the service business. As a result, the business segment as a whole recorded a year-on-year decrease in revenue and recorded operating loss.

In the Healthcare Business, the life science solutions and eye care solutions fields saw not only strong orders but also product shipments carried forward from the previous fiscal year and the positive effects of the yen depreciation, despite the remaining impact of a tight supply and demand balance for electronic components and others in part of these fields. As a result, the business segment as a whole recorded year-on-year increases in both revenue and profit.

In the Components Business, the Digital Solutions Business recorded decreases in both revenue and profit as sales of optical parts and encoders declined. Likewise, the Customized Products Business, which also belongs to this business segment, recorded decreases in both revenue and profit as sales of EUV-related components were adversely affected by a slowdown in the EUV-related markets. As a result, the business segment as a whole recorded year-on-year decreases in both revenue and profit.

In the Digital Manufacturing Business, the Industrial Metrology Business recorded an increase in revenue due to firm sales of Video Measuring Systems and Industrial Microscopy. On the other hand, however, deficit in the business expanded owing to the impacts of up-front investments and soaring materials prices. While the Advanced Manufacturing Business recorded an increase in revenue as a result of making Nikon SLM Solutions AG (renamed from SLM Solutions Group AG as of July 24, 2023; hereinafter, “SLM”) a consolidated subsidiary, deficit in the business increased because of one-time costs associated with the launch of a business unit and amortization of intangible assets acquired through making SLM a consolidated subsidiary, as well as up-front investments in R&D and other activities. As a result, the business segment as a whole recorded a year-on-year increase in revenue; however, deficit in the business segment increased from the previous fiscal year.

## (2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of June 30, 2023 increased by 51,450 million yen from the end of the previous fiscal year to 1,101,717 million yen. This was mainly due to increases of 15,725 million yen in inventories, 18,873 million yen in property, plant and equipment, right-of-use assets, goodwill and intangible assets, and 8,801 million yen in trade and other receivables.

The balance of total liabilities as of June 30, 2023 increased by 26,184 million yen from the end of the previous fiscal year to 458,101 million yen. This was mainly due to increases of 12,170 million yen in trade and other payables and 10,219 million yen in advances received, as well as to an increase of 5,252 million yen in other financial liabilities included in current and non-current liabilities mainly as a result of an increase in derivative liabilities, despite a decrease of 5,710 million yen in income taxes payable.

The balance of total equity as of June 30, 2023 increased by 25,266 million yen from the end of the previous fiscal year to 643,617 million yen. This was mainly due to an increase of 31,388 million yen in other components of equity primarily as a result of an increase in exchange differences on translation of foreign operations, despite a decrease of 5,993 million yen in retained earnings primarily as a result of the recording of profit attributable to owners of parent and net of appropriation of dividends from retained earnings.

During the three months ended June 30, 2023, for the cash flows from operating activities, net cash of 37 million yen was provided (4,186 million yen provided in the same period of the previous fiscal year). This was mainly attributable to the recording of profit before tax of 4,817 million yen, depreciation and amortization of 8,465 million yen, and an increase of advances received, despite increases of trade and other receivables and inventories and payment of income taxes.

For the cash flows from investing activities, net cash of 638 million yen was used (7,347 million yen used in the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets of 6,693 million yen, despite proceeds from sale of investment securities of 6,132 million yen.

For the cash flows from financing activities, net cash of 10,866 million yen was used (13,736 million yen used in the same period of the previous fiscal year). This was mainly attributable to cash dividends paid of 8,447 million yen and repayments of lease liabilities of 1,967 million yen.

In addition, the effect of exchange rate changes on cash and cash equivalents increased by 10,089 million yen.

As a result of the above, the balance of cash and cash equivalents as of June 30, 2023 decreased by 1,378 million yen from the end of the previous fiscal year to 209,959 million yen.

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

Regarding the business environment for the fiscal year ending March 31, 2024, in the Imaging Products Business, the digital camera market for mid- to high-end products 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 continue to remain weak. In the fields related to semiconductors, while demand for capital investments in logic semiconductors are expected to remain solid, such demand related to memory semiconductors is likely to continue to remain weak. In the Healthcare Business, although there are concerns over the impact of a tight supply and demand balance for electronic components and others in part of the life science solutions and eye care solutions fields, the markets for these fields are expected to largely remain steady. In the Components Business, target markets for the Digital Solutions Business, including the semiconductor-related markets and the factory automation market, are expected to be in the correction phase for a certain period of time. Meanwhile, the Customized Products Business is expected to continue to be affected by a slowdown in EUV-related markets. In the Digital Manufacturing Business, the Industrial Metrology Business is projected to experience weak capital investments in the semiconductor and electronic components markets. On the other hand, capital investments in the electric vehicle (EV) and automotive battery markets are likely to remain strong. Meanwhile, the Metal AM market for the Advanced Manufacturing Business is expected to grow.

The consolidated financial forecast for the fiscal year ending March 31, 2024 announced on May 11, 2023 is revised as below.

#### Revised Consolidated Financial Forecast for the First Half ending September 30, 2023 (From April 1, 2023 to September 30, 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)	335,000	20,000	22,000	17,000	49.11
Revised Forecast (B)	325,000	15,000	17,000	12,000	34.66
Difference (B-A)	(10,000)	(5,000)	(5,000)	(5,000)	
Change (%)	(3.0)	(25.0)	(22.7)	(29.4)	
(Reference) Results of the First Half ended September 30, 2022	288,330	24,419	26,035	18,880	51.85

(Note) Foreign exchange rates for the forecast are based on the premise: 1 USD = 134 Yen, 1 EUR = 147 Yen.

#### Revised Consolidated Financial Forecast for the Fiscal Year ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

	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)	665,000	43,000	46,000	35,000	101.11
Revised Forecast (B)	670,000	43,000	46,000	35,000	101.09
Difference (B-A)	5,000	–	–	–	
Change (%)	0.8	–	–	–	
(Reference) Results of the Fiscal Year ended March 31, 2023	628,105	54,908	57,058	43,284	125.46

(Note) Foreign exchange rates for the forecast are based on the premise: 1 USD = 132 Yen, 1 EUR = 146 Yen.

## 2. Quarterly Condensed Consolidated Financial Statements

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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023	Changes
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	211,337	209,959	(1,378)
Trade and other receivables	114,239	123,040	8,801
Inventories	277,281	293,006	15,725
Other current financial assets	1,242	1,435	193
Other current assets	13,781	18,710	4,929
Total current assets	617,880	646,149	28,269
Non-current assets			
Property, plant and equipment	101,553	109,532	7,979
Right-of-use assets	23,195	23,654	459
Goodwill and intangible assets	139,476	149,911	10,435
Retirement benefit asset	8,474	8,954	479
Investments accounted for using equity method	10,308	10,918	610
Other non-current financial assets	92,200	98,174	5,974
Deferred tax assets	56,654	53,774	(2,879)
Other non-current assets	528	653	125
Total non-current assets	432,387	455,569	23,182
Total assets	1,050,267	1,101,717	51,450

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	68,026	80,197	12,170
Bonds and borrowings	26,395	26,498	103
Income taxes payable	8,845	3,135	(5,710)
Advances received	99,836	110,055	10,219
Provisions	5,872	7,946	2,073
Other current financial liabilities	29,367	34,304	4,937
Other current liabilities	38,962	36,531	(2,431)
Total current liabilities	277,303	298,665	21,362
Non-current liabilities			
Bonds and borrowings	107,625	110,121	2,496
Retirement benefit liability	6,616	7,062	447
Provisions	5,372	5,450	78
Deferred tax liabilities	15,388	16,571	1,183
Other non-current financial liabilities	16,836	17,151	315
Other non-current liabilities	2,777	3,079	303
Total non-current liabilities	154,614	159,435	4,822
Total liabilities	431,917	458,101	26,184
EQUITY			
Share capital	65,476	65,476	—
Capital surplus	7,053	6,793	(260)
Treasury shares	(7,709)	(7,369)	341
Other components of equity	22,999	54,387	31,388
Retained earnings	527,148	521,156	(5,993)
Equity attributable to owners of parent	614,966	640,443	25,477
Non-controlling interests	3,384	3,174	(210)
Total equity	618,351	643,617	25,266
Total liabilities and equity	1,050,267	1,101,717	51,450



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

	Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)		Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)		Changes  (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	145,648	100.0	158,146	100.0	12,498
Cost of sales	(78,926)	(54.2)	(91,797)	(58.0)	(12,871)
Gross profit	66,722	45.8	66,349	42.0	(374)
Selling, general and administrative expenses	(51,781)		(63,381)		(11,600)
Other operating income	704		588		(116)
Other operating expenses	(289)		(267)		22
Operating profit	15,357	10.5	3,290	2.1	(12,067)
Finance income	4,318		4,052		(266)
Finance costs	(3,772)		(3,254)		518
Share of profit of investments accounted for using equity method	604		729		125
Profit before tax	16,507	11.3	4,817	3.0	(11,691)
Income tax expense	(4,713)		(2,576)		2,137
Profit for the period	11,795	8.1	2,241	1.4	(9,553)
Profit attributable to:					
Owners of parent	11,866	8.1	2,576	1.6	(9,290)
Non-controlling interests	(71)		(334)		(263)
Profit for the period	11,795	8.1	2,241	1.4	(9,553)
Earnings per share:					
Basic earnings per share (Yen)	32.38		7.44		
Diluted earnings per share (Yen)	32.21		7.40		

Quarterly Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Changes
Profit for the period	11,795	2,241	(9,553)
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	(4,578)	4,817	9,395
Share of other comprehensive income of investments accounted for using equity method	(1)	(2)	(2)
Total of items that will not be reclassified subsequently to profit or loss	(4,579)	4,814	9,393
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	23,983	27,263	3,280
Effective portion of cash flow hedges	11	(566)	(577)
Share of other comprehensive income of investments accounted for using equity method	278	133	(144)
Total of items that may be reclassified subsequently to profit or loss	24,271	26,830	2,559
Other comprehensive income, net of taxes	19,692	31,644	11,952
Total comprehensive income for the period	31,487	33,886	2,399
Comprehensive income attributable to:			
Owners of parent	31,401	34,050	2,649
Non-controlling interests	86	(165)	(251)
Total comprehensive income for the period	31,487	33,886	2,399

## (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	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2022	65,476	46,483	(17,395)	9,338	(691)
Profit for the period	–	–	–	–	–
Other comprehensive income	–	–	–	(4,586)	277
Total comprehensive income for the period	–	–	–	(4,586)	277
Dividends	–	–	–	–	–
Purchase and disposal of treasury shares	–	(5)	(4,613)	–	–
Share-based payment transactions	–	(197)	294	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–
Total transactions with owners	–	(201)	(4,319)	–	–
As of June 30, 2022	65,476	46,281	(21,715)	4,751	(414)

As of April 1, 2023	65,476	7,053	(7,709)	8,305	(1,110)
Profit for the period	–	–	–	–	–
Other comprehensive income	–	–	–	4,831	131
Total comprehensive income for the period	–	–	–	4,831	131
Dividends	–	–	–	–	–
Purchase and disposal of treasury shares	–	(0)	(0)	–	–
Share-based payment transactions	–	(261)	341	–	–
Changes in ownership interest in subsidiaries	–	1	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(86)	–
Total transactions with owners	–	(260)	341	(86)	–
As of June 30, 2023	65,476	6,793	(7,369)	13,050	(979)

(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, 2022	(6,073)	(368)	2,206	500,912	597,681	2,285	599,967
Profit for the period	–	–	–	11,866	11,866	(71)	11,795
Other comprehensive income	23,834	11	19,535	–	19,535	157	19,692
Total comprehensive income for the period	23,834	11	19,535	11,866	31,401	86	31,487
Dividends	–	–	–	(7,345)	(7,345)	(21)	(7,366)
Purchase and disposal of treasury shares	–	–	–	–	(4,618)	–	(4,618)
Share-based payment transactions	–	–	–	–	98	11	109
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	–
Total transactions with owners	–	–	–	(7,345)	(11,866)	(10)	(11,876)
As of June 30, 2022	17,761	(357)	21,741	505,432	617,216	2,362	619,578

As of April 1, 2023	15,928	(125)	22,999	527,148	614,966	3,384	618,351
Profit for the period	–	–	–	2,576	2,576	(334)	2,241
Other comprehensive income	27,079	(566)	31,475	–	31,475	170	31,644
Total comprehensive income for the period	27,079	(566)	31,475	2,576	34,050	(165)	33,886
Dividends	–	–	–	(8,654)	(8,654)	(56)	(8,711)
Purchase and disposal of treasury shares	–	–	–	–	(0)	–	(0)
Share-based payment transactions	–	–	–	–	80	11	91
Changes in ownership interest in subsidiaries	–	–	–	–	1	0	1
Transfer from other components of equity to retained earnings	–	–	(86)	86	–	–	–
Total transactions with owners	–	–	(86)	(8,568)	(8,574)	(46)	(8,619)
As of June 30, 2023	43,007	(691)	54,387	521,156	640,443	3,174	643,617

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

(Millions of yen)

	Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)
Cash flows from operating activities:		
Profit before tax	16,507	4,817
Depreciation and amortization	6,650	8,465
Interest and dividend income	(1,196)	(1,771)
Share of (profit) loss of investments accounted for using equity method	(604)	(729)
Losses (gains) on sale of property, plant and equipment	(28)	(3)
Interest expenses	279	709
Decrease (increase) in trade and other receivables	48	(3,427)
Decrease (increase) in inventories	(14,665)	(6,965)
Increase (decrease) in trade and other payables	3,941	3,230
Increase (decrease) in advances received	(2,349)	6,202
Increase (decrease) in provisions	(359)	1,834
Others, net	(2,312)	(6,431)
Subtotal	5,913	5,929
Interest and dividend income received	1,180	1,752
Interest expenses paid	(127)	(171)
Income taxes refund (paid)	(2,779)	(7,473)
Net cash provided by (used in) operating activities	4,186	37
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,024)	(3,022)
Proceeds from sale of property, plant and equipment	53	10
Purchase of intangible assets	(1,349)	(3,671)
Purchase of investment securities	(1,148)	(346)
Proceeds from sale of investment securities	–	6,132
Others, net	122	259
Net cash provided by (used in) investing activities	(7,347)	(638)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	–	9
Repayments of long-term borrowings	–	(51)
Redemption of bonds	–	(331)
Repayments of lease liabilities	(1,955)	(1,967)
Cash dividends paid	(7,172)	(8,447)
Purchase of treasury shares	(4,613)	(0)
Others, net	5	(79)
Net cash provided by (used in) financing activities	(13,736)	(10,866)
Effect of exchange rate changes on cash and cash equivalents	14,060	10,089
Net increase (decrease) in cash and cash equivalents	(2,837)	(1,378)
Cash and cash equivalents at beginning of the period	370,277	211,337
Cash and cash equivalents at end of the period	367,440	209,959

(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 five reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business, the Components Business, and the Digital Manufacturing Business.

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital camera-interchangeable lens type, compact DSC and interchangeable lens. 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, related to the Glass Business such as photomask substrates for FPDs; and related to the Digital Manufacturing Business such as industrial microscopes, measuring instruments, X-ray and CT inspections systems, and metal 3D printers (additive manufacturing).

(Regarding Revision of Reportable Business Segments)

During the three months ended June 30, 2023, the Company newly established the Advanced Manufacturing Business Unit to strengthen the Additive Manufacturing Business. The Company has transferred the Material Processing Business, which was previously included in part of the Components Business, the Industrial Metrology and Others, and corporate profit (loss) that cannot be attributed to any segments, to the Advanced Manufacturing Business Unit. Also, the Advanced Manufacturing Business Unit and the Industrial Metrology Business Unit, which was previously included in the Industrial Metrology and Others segment, have been disclosed as a new reportable segment, the Digital Manufacturing Business. Disclosure segments not included in the reportable segments were previously disclosed under the name of the Industrial Metrology and Others. In line with the transfer of the Industrial Metrology Business Unit, the name of the said segment has been changed to Others.

In addition, the Company has transferred some production subsidiaries under the Precision Equipment Business to the Others segment.

The segment information for the three months ended June 30, 2022 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 Three Months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	61,269	41,463	21,747	12,817	7,434	918	145,648	–	145,648
Intersegment	255	23	71	2,874	160	20,313	23,696	(23,696)	–
Total	61,524	41,486	21,818	15,691	7,594	21,231	169,344	(23,696)	145,648
Segment profit (loss)	13,620	3,911	881	5,921	(940)	751	24,145	(8,788)	15,357
Finance income									4,318
Finance costs									(3,772)
Shares of profit of investments accounted for using equity method									604
Profit before tax									16,507

- Notes: 1. The “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 (949) million yen, and corporate profit (loss) of (7,839) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (5,056) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (2,783) 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.

For the Three Months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	74,408	37,346	25,270	8,484	11,962	676	158,146	–	158,146
Intersegment	489	26	89	1,586	48	18,980	21,218	(21,218)	–
Total	74,897	37,372	25,359	10,070	12,010	19,656	179,364	(21,218)	158,146
Segment profit (loss)	15,306	(3,645)	1,881	2,430	(4,785)	(53)	11,134	(7,844)	3,290
Finance income									4,052
Finance costs									(3,254)
Shares of profit of investments accounted for using equity method									729
Profit before tax									4,817

- Notes: 1. The “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 785 million yen, and corporate profit (loss) of (8,629) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (5,145) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (3,485) 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.