

November 6, 2015

## Consolidated Financial Results of the First Half ended September 30, 2015 (Japanese Standards)

### Company name: NIKON CORPORATION

Code number: 7731; Stock listings: Tokyo Stock Exchange

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Date of first-half dividend payout: December 1, 2015

Preparation of supplementary materials for quarterly financial results: Yes

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

Note: Amounts less than 1 million yen are omitted.

### 1. Consolidated Results of the First Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

#### (1) Financial Results (Percentage represents comparison change to the corresponding previous quarterly period)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half ended September 30, 2015	392,677	4.7	14,537	11.0	20,273	37.3	11,254	11.8
First Half ended September 30, 2014	374,965	(20.3)	13,099	(40.2)	14,760	(26.3)	10,070	(26.0)

(Note) Comprehensive Income: First Half ended September 30, 2015: (1,808) million yen; — %  
 First Half ended September 30, 2014: 26,138 million yen; 2.0 %

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
First Half ended September 30, 2015	28.38	28.31
First Half ended September 30, 2014	25.39	25.34

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
First Half ended September 30, 2015	984,287	560,824	56.8
Year ended March 31, 2015	972,945	572,200	58.6

(Reference) Equity: First Half ended September 30, 2015: 559,068 million yen  
 Year ended March 31, 2015: 570,560 million yen

### 2. Dividends

	Dividend per Share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	—	10.00	—	22.00	32.00
Year ending March 31, 2016	—	8.00			
Year ending March 31, 2016 (Planned)			—	8.00	16.00

(Note) Revision of cash dividend forecast for this period: None

### 3. Forecasts for Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Percentage represents comparison to previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share of Common Stock
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	855,000	(0.3)	34,000	(21.7)	41,000	(11.6)	22,000	19.8	55.47

(Note) Revision of forecast for this period: None

#### 4. Others

(1) Changes of significant subsidiaries during the current fiscal year: None

(Note) This refers to presence/absence of changes to specified subsidiaries accompanying changes in scope of consolidation in the period under review.

(2) Adoption of special accounting methods: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1) Changes in accounting policies with revision of accounting standards: None

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimate: None

4) Revision restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued as of the term end (including treasury stocks):

First Half ended September 30, 2015      400,878,921 shares

Year ended March 31, 2015                      400,878,921 shares

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

First Half ended September 30, 2015      4,686,220 shares

Year ended March 31, 2015                      4,152,366 shares

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

First Half ended September 30, 2015      396,626,303 shares

First Half ended September 30, 2014      396,683,302 shares

(Note) The Company introduced BIP trust with respect to its executive compensation; the Company's stocks that the pertinent trust possesses are included in the number of treasury stock.

(※Indication of quarterly review procedures implementation status)

This quarterly financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

(※Appropriate use of business forecasts; other special items)

Performance forecasts and other forward-looking statements contained 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 the Consolidated Operating Results

During the first half ended September 30, 2015, the economic situation in Japan saw a recovery trend through an improvement in corporate earnings amid strong consumer spending. As for the worldwide economy, although the US and European economies followed a mild recovery trend, the Chinese economy showed signs of a slowdown.

Looking at performance by business segment, in the Precision Equipment Business, capital investments in the semiconductor-related field were consistently firm. In the FPD (Flat Panel Display)-related field, capital investments for mid-to-small size panels were on a recovery track, and capital investments for large panels stayed firm. In the Imaging Products Business, the Digital Camera—Interchangeable Lens Type market and the compact digital camera market remained sluggish. In the Instruments Business, the microscope-related field remained stable mainly in the Americas, and in the industrial metrology-related field, steady capital investments related to semiconductors and electronic components continued.

Under such business environment, the Group worked to improve operational efficiency by seeking to reduce cost and lead time. Furthermore, the Group made efforts to expand the scale of its sales by providing products and services that meet changing needs.

Also, the Company made Optos Plc, a leading UK-based company in the retinal diagnostic imaging equipment market, into a wholly-owned subsidiary for a full-scale entry into the Medical Business to undertake the Group's important aim to rebuild the business portfolio. Moreover, the Company entered the contract manufacturing business of cells for regenerative medicine therapeutics by signing a strategic collaboration agreement (Facility Support and License Agreement) concerning contract manufacturing of such cells in Japan, with Swiss-based Lonza, the world's leading company of the field.

As a result of the foregoing, net sales for the first half ended September 30, 2015 increased by 17,712 million yen (4.7%) year on year to 392,677 million yen, operating income increased by 1,438 million yen (11.0%) year on year to 14,537 million yen, ordinary income was up by 5,512 million yen (37.3%) year on year to 20,273 million yen, resulting in net income attributable to owners of parent of 11,254 million yen, an increase of 1,183 million yen (11.8%) year on year.

Performance by business segment is as follows.

#### 1) Precision Equipment Business

In the Semiconductor Lithography System field, the Group focused on expanding sales of the NSR-S630D, an ArF immersion scanner which realizes an extremely high degree of overlay accuracy and productivity. In addition, based on the milestone of G450C (Global 450 Consortium), the Group sold the NSR-S650D, a 450mm ArF immersion scanner to SUNY Polytechnic Institute's Colleges of Nanoscale Science and Engineering of the US. In the FPD Lithography System field, the Group smoothly expanded sales of FX-66S and FX-67S that are optimized for producing high-definition, mid-to-small size panels thanks to a recovery in capital investments. Also, sales of FX-86S2 that is optimal for producing high-definition large panels were firm.

As a result, net sales for the Precision Equipment Business increased by 43.6% year on year to 78,945 million yen, and operating income amounted to 4,045 million yen (compared with operating loss of 3,261 million yen in the same period last year).

#### 2) Imaging Products Business

For the Digital camera—Interchangeable Lens Type, mid-class/high-end models, such as the digital SLR camera D750 with full-scale specifications comparable to those of professional models and the mid-class model D7200, saw an upswing in sales. As for the compact digital cameras, models such as the multi-functional model COOLPIX P900 which provides consumers with an enjoyment of super-telephoto shooting at the equivalent of 2000 mm with superior image quality and COOLPIX P610 equipped with a 60x optical zoom lens in its compact body showed stable sales.

However, owing to the impact of the shrinking market, net sales for the Imaging Products Business dropped by 5.0% year on year to 263,649 million yen. Although operating income was higher than initially projected, amounting to 24,276 million yen due to the improvement in the product mix, and cost reduction, it declined 11.9% year on year.

#### 3) Instruments Business

In the Microscope field, sales of confocal microscopes in the Americas and inverted research microscopes drove the entire business, and sales grew also with a favorable effect from the depreciation of Japanese yen.

In the Industrial Metrology field, sales rose due to an increase in capital investments related to semiconductors and electronic components, and an increase in sales volume of semiconductor inspection equipment.

As a result, net sales for the Instruments Business increased by 16.6% year on year to 33,241 million yen, and operating loss amounted to 544 million yen (compared with operating loss of 2,144 million yen in the same period last year).

#### 4) Medical Business

In the Medical Business, as a result of including UK-based Optos Plc in the scope of consolidation, for which procedures to make it a wholly-owned subsidiary were completed in May of this year, net sales of Optos' products, such as the retinal diagnostic imaging equipment, "Daytona", were reported in net sales for the Medical Business.

In a consequence, net sales for the Medical Business amounted to 5,354 million yen, whereas operating loss of 2,583 million yen was recorded primarily due to factors such as upfront investment in new medical-related businesses.

#### 5) Other Businesses

In the Customized Products Business, sales of solid-state lasers significantly increased, while sales of space-related products declined. In the Glass Business, the Group made efforts to expand sales of optical components despite sluggish sales of FPD photomask substrates.

As a result, net sales of these businesses decreased by 18.2% year on year to 11,487 million yen, and operating income decreased by 57.2% year on year to 1,447 million yen.

### (2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of September 30, 2015 increased 11,342 million yen from the end of the previous fiscal year to 984,287 million yen. This is mainly due to an increase in inventories by 25,843 million yen; and an increase in intangible assets by 42,535 million yen principally through the business combination with Optos Plc as making it a wholly-owned subsidiary; despite a decrease in cash and deposits by 32,896 million yen due to a payment to acquire shares of Optos Plc; and decreases in notes and accounts receivable-trade by 22,043 million yen.

The balance of total liabilities as of September 30, 2015 increased 22,718 million yen from the end of the previous fiscal year to 423,463 million yen. This is primarily attributable to an increase in advances received by 23,975 million yen, which is included in "Other," the account of current liabilities.

The balance of total net assets as of September 30, 2015 decreased 11,376 million yen from the end of the previous fiscal year to 560,824 million yen. This is mainly because of a decrease in the foreign currency translation adjustment by 10,330 million yen, as the value of Japanese yen increased mainly against the currencies of emerging economies; and a decrease in valuation difference on available-for-sale securities by 4,162 million yen; in spite of an increase in retained earnings by 2,451 million yen mainly as a result of posting quarterly net income.

During the First Half ended September 30, 2015, net cash provided by operating activities amounted to 48,290 million yen (net cash of 19,923 million yen was provided in the same period last year). This is mainly due to inflows from posting 20,394 million yen of income before income taxes; from a decrease in notes and accounts receivable-trade by 24,998 million yen; and from an increase in advances received by 22,139 million yen; and an outflow from an increase in inventories by 25,775 million yen.

Net cash used in investing activities amounted to 82,212 million yen (net cash of 15,995 million yen was used in the same period last year) primarily attributable to an expenditure of 13,178 million yen for purchase of property, plant and equipment; a payment of 43,562 million yen, which was associated with the acquisition of shares of Optos Plc at the time of making it a wholly-owned subsidiary; and an outflow from an increase in time deposit over 3 months by 18,491 million yen.

Net cash used in financing activities amounted to 10,826 million yen (net cash of 19,319 million yen was used in the same period last year). This is mainly because of a payment of cash dividends by 8,725 million yen.

(3) Qualitative Information regarding the Consolidated Financial Forecasts

In the Precision Equipment Business, capital investments in the semiconductor-related field remain uncertain. Meanwhile in the FPD-related field, capital investments for mid-to-small size panels are continuously on a recovery track, and capital investments for large panels are estimated to be steady. In the Imaging Products Business, although the compact digital camera market continues to shrink, the decline of the Digital Camera—Interchangeable Lens Type market is predicted to be mitigated. In the Instruments Business, stable performances are anticipated for microscope-related field mainly in the Americas, and the Group expects to expand its shares in China. In the industrial metrology-related field, although there are concerns about a slowdown related to semiconductors and electronic components in Asia, robust capital investments are expected in the automobile-related field. In the Medical Business, even though weak demand for retinal diagnostic imaging equipment is anticipated in Europe and Asia, solid demand is expected in the US.

The consolidated financial forecasts for the first half ended September 30, 2015 and the year ending March 31, 2016 are as stated in the “Revision of the Financial Forecast for the Fiscal Year Ending March 31, 2016,” announced on October 30, 2015.

2. Notes Regarding Summary Information (Others)

(1) Changes in Significant Consolidated Subsidiaries

Not applicable

(2) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

Not applicable

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	262,501	229,605
Notes and accounts receivable-trade	131,554	109,510
Merchandise and finished goods	88,072	106,327
Work in process	121,929	130,319
Raw materials and supplies	29,980	29,178
Other	55,637	67,006
Allowance for doubtful accounts	(4,159)	(4,069)
Total current assets	685,516	667,879
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	53,094	50,123
Machinery, equipment and vehicles, net	48,072	42,236
Land	16,142	16,054
Construction in progress	4,393	6,160
Other, net	26,383	24,517
Total property, plant and equipment	148,085	139,092
Intangible assets		
Goodwill	3,076	23,762
Other	25,294	47,143
Total intangible assets	28,370	70,905
Investments and other assets		
Investment securities	80,860	78,058
Other	30,398	28,649
Allowance for doubtful accounts	(285)	(298)
Total investments and other assets	110,973	106,409
Total non-current assets	287,429	316,408
Total assets	972,945	984,287

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	113,724	118,169
Short-term loans payable	28,600	31,500
Current portion of bonds	—	10,000
Income taxes payable	5,038	5,722
Provision for product warranties	9,165	7,994
Other	130,737	143,703
<b>Total current liabilities</b>	<b>287,265</b>	<b>317,090</b>
<b>Non-current liabilities</b>		
Bonds payable	50,000	40,000
Long-term loans payable	34,600	31,700
Net defined benefit liability	8,477	8,189
Asset retirement obligations	3,623	3,659
Other	16,777	22,822
<b>Total non-current liabilities</b>	<b>113,479</b>	<b>106,372</b>
<b>Total liabilities</b>	<b>400,744</b>	<b>423,463</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	378,515	380,966
Treasury stock	(12,412)	(13,252)
<b>Total shareholders' equity</b>	<b>512,290</b>	<b>513,901</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	20,775	16,612
Deferred gains or losses on hedges	(1,200)	(61)
Foreign currency translation adjustment	40,517	30,187
Remeasurements of defined benefit plans	(1,821)	(1,571)
<b>Total accumulated other comprehensive income</b>	<b>58,270</b>	<b>45,166</b>
Subscription rights to shares	1,132	1,231
Non-controlling interests	507	524
<b>Total net assets</b>	<b>572,200</b>	<b>560,824</b>
<b>Total liabilities and net assets</b>	<b>972,945</b>	<b>984,287</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## ① Consolidated Statement of Income

First Half ended September 30, 2015

(Millions of yen)

	First Half ended September 30, 2014 (from April 1, 2014 to September 30, 2014)	First Half ended September 30, 2015 (from April 1, 2015 to September 30, 2015)
Net sales	374,965	392,677
Cost of sales	228,788	243,050
Gross profit	146,177	149,627
Selling, general and administrative expenses	133,078	135,090
Operating income	13,099	14,537
Non-operating income		
Interest income	636	921
Dividends income	702	743
Equity in earnings of affiliates	729	949
Other	2,210	4,973
Total non-operating income	4,279	7,588
Non-operating expenses		
Interest expenses	738	680
Foreign exchange losses	498	—
Other	1,380	1,172
Total non-operating expenses	2,617	1,852
Ordinary income	14,760	20,273
Extraordinary income		
Gain on sales of non-current assets	24	28
Gain on sales of investment securities	46	102
Total extraordinary income	71	130
Extraordinary loss		
Loss on sales of noncurrent assets	52	9
Loss on evaluation of investment securities	0	—
Total extraordinary losses	52	9
Income before income taxes	14,779	20,394
Income taxes	4,676	9,084
Net income	10,103	11,309
Net income attributable to non-controlling interests	32	55
Net income attributable to owners of parent	10,070	11,254

② Consolidated Statement of Comprehensive Income  
 First Half ended September 30, 2015

(Millions of yen)

	First Half ended September 30, 2014 (from April 1, 2014 to September 30, 2014)	First Half ended September 30, 2015 (from April 1, 2015 to September 30, 2015)
Net income	10,103	11,309
Other comprehensive income		
Valuation difference on available-for-sale securities	5,046	(4,163)
Deferred gains or losses on hedges	190	1,139
Foreign currency translation adjustment	10,585	(10,344)
Remeasurements of defined benefit plans	211	249
Share of other comprehensive income of associates accounted for using equity method	1	0
Total other comprehensive income	16,035	(13,117)
Comprehensive income	26,138	(1,808)
(Breakdown)		
Comprehensive income attributable to owners of parent	26,036	(1,849)
Comprehensive income attributable to non-controlling interests	102	41

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

	First Half ended September 30, 2014 (from April 1, 2014 to September 30, 2014)	First Half ended September 30, 2015 (from April 1, 2015 to September 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	14,779	20,394
Depreciation and amortization	18,551	18,884
Increase (decrease) in allowance for doubtful accounts	273	(427)
Increase (decrease) in provision for product warranties	(2,403)	(1,143)
Increase (decrease) in net defined benefit liability	(1,015)	(195)
Interest and dividends income	(1,339)	(1,665)
Equity in (earnings) losses of affiliates	(729)	(949)
Interest expenses	738	680
Loss (gain) on sales of noncurrent assets	27	(18)
Loss (gain) on sales of investment securities	(46)	(102)
Loss (gain) on evaluation of investment securities	0	—
Decrease (increase) in notes and accounts receivable-trade	15,845	24,998
Decrease (increase) in inventories	(20,395)	(25,775)
Increase (decrease) in notes and accounts payable-trade	7,119	4,969
Increase (decrease) in advances received	5,477	22,139
Increase (decrease) in accrued expenses	(3,574)	(5,010)
Other, net	(7,043)	(1,429)
Subtotal	26,265	55,349
Interest and dividends income received	1,720	1,988
Interest expenses paid	(785)	(683)
Income taxes (paid) refund	(7,277)	(8,364)
Net cash provided by (used in) operating activities	19,923	48,290
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(12,979)	(13,178)
Proceeds from sales of property, plant and equipment	97	228
Purchase of investment securities	(105)	(2,642)
Proceeds from sales of investment securities	346	112
Purchase of ownership interests in subsidiaries with a change in consolidation scope	—	(43,562)
Net decrease (increase) in loans receivable	3	(165)
Other, net	(3,359)	(23,002)
Net cash provided by (used in) investing activities	(15,995)	(82,212)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	136	(0)
Redemption of bonds	(10,000)	—
Cash dividends paid	(8,721)	(8,725)
Cash dividends paid to non-controlling interests	(35)	(24)
Other, net	(699)	(2,076)
Net cash provided by (used in) financing activities	(19,319)	(10,826)
Effect of exchange rate change on cash and cash equivalents	6,782	(5,003)
Net increase (decrease) in cash and cash equivalents	(8,608)	(49,751)
Cash and cash equivalents at beginning of period	221,367	259,625
Increase in cash and cash equivalents from newly consolidated subsidiaries	2,652	—
Cash and cash equivalents at end of period	215,411	209,873

(4) Note regarding Going Concern Assumption  
Not applicable

(5) Segment Information

1. Information on Sales and Profit (Loss) by Reportable Segment

For the First Half ended September 30, 2014 (From April 1, 2014 to September 30, 2014)

(Millions of yen)

	Reportable Segments				Other <sup>1</sup>	Total	Reconciliation <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	54,978	277,429	28,519	360,927	14,038	374,965	—	374,965
Intersegment sales or transfer	203	203	341	748	10,531	11,280	(11,280)	—
Total	55,182	277,632	28,861	361,676	24,569	386,245	(11,280)	374,965
Operating income (loss)	(3,261)	27,570	(2,144)	22,165	3,378	25,543	(12,444)	13,099

Notes: 1. The “Other” category is composed of operations not included in the reportable segments, such as the Glass-Related Business, the Customized Products Business, etc.

2. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 167 million yen and corporate expenses of minus 12,612 million yen.

3. Reconciliation is made between segment profit (loss) and operating income reported in the consolidated financial statements.

For the First Half ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

(Millions of yen)

	Reportable Segments					Other <sup>1</sup>	Total	Reconciliation <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Medical	Total				
Sales									
Outside customers	78,945	263,649	33,241	5,354	381,190	11,487	392,677	—	392,677
Intersegment sales or transfer	138	216	432	—	788	10,126	10,915	(10,915)	—
Total	79,084	263,865	33,674	5,354	381,979	21,613	403,593	(10,915)	392,677
Operating income (loss)	4,045	24,276	(544)	(2,583)	25,194	1,447	26,642	(12,105)	14,537

Notes: 1. The “Other” category is composed of operations not included in the reportable segments, such as the Glass-Related Business, the Customized Products Business, etc.

2. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 248 million yen and corporate expenses of minus 12,353 million yen.

3. Reconciliation is made between segment profit (loss) and operating income reported in the consolidated financial statements.

## 2. Information on Changes in the Reportable Segments

From the first quarter ended June 30, 2015, the reportable segments were changed from prior "Precision Equipment," "Imaging Products," and "Instruments" to "Precision Equipment," "Imaging Products," "Instruments," and "Medical" by adding "Medical" segment.

Under the Midterm Management Plan, "Next 100 - Transform to Grow," announced in June, 2014, the Group added the Medical Business to its main operations and fully entered the business through an acquisition of Optos Plc in the first quarter ended June 30, 2015. Based on this situation, the Group came to a conclusion that it is reasonable to disclose "Medical" segment as a discrete reportable segment.

## 3. Information on Goodwill by Reportable Segment

### (Material Change in the Amount of Goodwill)

For the reportable segment of "Medical," although 35,751 million yen of goodwill, which was computed tentatively in accordance with the acquisition of shares of Optos Plc, was recorded in the first quarter ended June 30, 2015, the amount of goodwill is revised to 22,009 million yen, as the allocation of purchase price is finalized.

### (6) Note in Event of Significant Change in Shareholders' Equity

Not applicable

(7) Business Combinations and Others  
(Business Combination by Acquisition)

1. Details and Amounts of Revision in Case of Significant Changes to the Prior Purchase Price Allocation

Since the allocation of purchase price of Optos Plc, which was acquired on May 22, 2015, was not finalized in the first quarter ended June 30, 2015, it was performed tentatively based on the reasonable information available at the time the consolidated financial statements were prepared.

The allocation of purchase price was completed in the first half ended September 30, 2015, and the amounts of revision to the goodwill in regard to the adjustment of purchase price allocation are as follows:

Account	Amount	
Goodwill (Prior)	35,751 million yen	288 million U.S. dollar
Intangible Assets	(19,631) million yen	
Deferred Tax Liabilities	5,889 million yen	
Total Amount of Revisions	(13,742) million yen	
Goodwill (Revised)	22,009 million yen	177 million U.S. dollar

2. Amount, Reason for Recognition, Amortization Method, and Amortization Period of Goodwill

1) Amount of Goodwill Recognized

22,009 million yen / 177 million U.S. dollar

2) Reason for Recognition of Goodwill

Excess earnings power which is expected from the development of the business in the future

3) Method and Period of Amortization

Straight-line method over 10 years