

1. Financial results for the 3rd Quarter of the year ending March 31, 2018
2. Forecast for the year ending March 31, 2018

# Highlights for the 3rd Quarter of the year ending March 31, 2018



|                 |   |   |
|-----------------|---|---|
| Q3<br>Actual    | Revenue                                     | <ul style="list-style-type: none"><li>- YoY Change: <b>¥25.5 billion decrease</b> (-11%)</li><li>- Decrease due to declined digital cameras unit sales in Imaging products business</li><li>- Decrease due to declined unit sales in FPD and Semiconductor lithography business</li></ul>   |
|                 | Operating Profit                            | <ul style="list-style-type: none"><li>- YoY Change: <b>¥27.0 billion increase</b></li><li>- Significant increase by focusing on high value products for Imaging products business</li><li>- Significant improvement without restructuring relevant expenses, which was posted previous year, for Precision Equipment business</li></ul> |
|                 | Profit attributable to owners of the parent | <ul style="list-style-type: none"><li>- YoY Change: <b>¥16.3 billion increase</b></li></ul>   |
| Q1~Q3<br>Actual | Revenue                                     | <ul style="list-style-type: none"><li>- YoY Change: <b>¥40.9 billion decrease</b> (-7%)</li><li>- Consistent with Q3 result, largely affected by declined unit sales in FPD lithography business</li></ul>  |
|                 | Operating Profit                            | <ul style="list-style-type: none"><li>- YoY Change: <b>¥22.9 billion increase</b> (+124%)</li><li>- Improved profit in Q3 by Imaging products and Semiconductor lithography business helped turn around positively while H1 showed reduction mainly due to declined unit sales in FPD lithography business</li></ul>                    |
|                 | Profit attributable to owners of the parent | <ul style="list-style-type: none"><li>- YoY Change: <b>¥8.1 billion increase</b> (+57%)</li></ul>   |

# 3rd Quarter of the year ending March 31, 2018: Financial Highlights



| Billions of yen                                    | FY2017/3<br>Q3 (A) | FY2018/3<br>Q3 (B) | Change<br>(B)-(A)    |
|--|--------------------|--------------------|----------------------|
| <b>Revenue</b>                                     | <b>222.3</b>       | <b>196.8</b>       | <b>-25.5</b>         |
| <b>Operating Profit</b>                            | <b>-8.6</b>        | <b>18.4</b>        | <b>+27.0</b>         |
| % vs. Revenue                                      | -3.9%              | 9.3%               |                      |
| <b>Profit before income taxes</b>                  | <b>-8.1</b>        | <b>18.9</b>        | <b>+27.0</b>         |
| % vs. Revenue                                      | -3.6%              | 9.6%               |                      |
| <b>Profit attributable to owners of the parent</b> | <b>-7.9</b>        | <b>8.4</b>         | <b>+16.3</b>         |
| % vs. Revenue                                      | -3.6%              | 4.3%               |                      |
| <b>FCF</b>   | <b>34.0</b>        | <b>62.2</b>        | <b>+28.2</b>         |
| Exchange Rate                                      |                    |                    | Impact on Revenue    |
| US \$  | <b>¥109</b>        | <b>¥113</b>        | <b>+8.7</b>          |
| EURO   | <b>¥118</b>        | <b>¥133</b>        | Impact on Op. Profit |
|  |                    |                    | <b>+1.6</b>          |

Note: The financial results for FY2017/3 were adjusted retrospectively according a change in the accounting policy for the revenue recognition of the Precision Equipment Business.

# 3rd Quarter of the year ending March 31, 2018: Financial Highlights by Segments



| Billions of yen   |                     | FY2017/3<br>Q3  | FY2018/3<br>Q3               | YoY<br>Change |
|---|---------------------|-----------------|------------------------------|---------------|
| <b>Imaging Products<br/>Business</b>  | Revenue             | 122.5           | <b>116.0</b>                 | -5%           |
|   | Operating<br>Profit | 8.3<br>(8.3)    | <b>16.2</b><br><b>(21.6)</b> | + ¥ 7.9B      |
| <b>Precision Equipment<br/>Business</b>   | Revenue             | 72.4            | <b>48.1</b>                  | -34%          |
|   | Operating<br>Profit | -10.6<br>(19.2) | <b>8.4</b><br><b>(8.4)</b>   | + ¥ 19.0B     |
| <b>Healthcare<br/>Business</b>  | Revenue             | 13.2            | <b>14.0</b>                  | +6%           |
|   | Operating<br>Profit | -0.7<br>(-0.7)  | <b>-1.0</b><br><b>(-1.0)</b> | - ¥ 0.3B      |
| <b>Industrial Metrology<br/>and Others</b>  | Revenue             | 14.2            | <b>18.8</b>                  | +32%          |
|   | Operating<br>Profit | 1.0<br>(1.0)    | <b>1.6</b><br><b>(2.1)</b>   | + ¥ 0.6B      |
| <b>Corporate Profit/Loss non-<br/>attributable to any reportable<br/>segments</b> | Revenue             | —               | —                            | —             |
|   | Operating<br>Profit | -6.7<br>(-6.7)  | <b>-6.8</b><br><b>(-6.8)</b> | - ¥ 0.1B      |
| <b>Consolidated</b>   | Revenue             | 222.3           | <b>196.8</b>                 | -11%          |
|   | Operating<br>Profit | -8.6<br>(21.2)  | <b>18.4</b><br><b>(24.3)</b> | + ¥ 27.0B     |

Note: Figures of Operating Profit in parentheses shows those excluding the restructuring relevant expenses  
Corporate Profit (Loss) non-attributable to any reportable segment includes intersegment eliminations

# 1st to 3rd Quarter of the year ending March 31, 2018: Financial Highlights



| Billions of yen                                    | FY2017/3<br>Q1~Q3(A) | FY2018/3<br>Q1~Q3(B) | Change<br>(B)-(A)    |
|--|----------------------|----------------------|----------------------|
| <b>Revenue</b>                                     | <b>566.1</b>         | <b>525.2</b>         | <b>-40.9</b>         |
| <b>Operating Profit</b>                            | <b>18.5</b>          | <b>41.4</b>          | <b>+22.9</b>         |
| % vs. Revenue                                      | 3.3%                 | 7.9%                 |                      |
| <b>Profit before<br/>Income Taxes</b>              | <b>21.4</b>          | <b>40.3</b>          | <b>+18.9</b>         |
| % vs. Revenue                                      | 3.8%                 | 7.7%                 |                      |
| <b>Profit attributable<br/>to owners of parent</b> | <b>14.2</b>          | <b>22.3</b>          | <b>+8.1</b>          |
| % vs. Revenue                                      | 2.5%                 | 4.2%                 |                      |
| <b>FCF</b>   | <b>51.4</b>          | <b>69.2</b>          | <b>+17.8</b>         |
| Exchange Rate :                                    |                      |                      | Impact on Revenue    |
| US \$  | <b>¥107</b>          | <b>¥112</b>          | <b>+19.9</b>         |
| EURO   | <b>¥118</b>          | <b>¥129</b>          | Impact on Op. Profit |
|  |                      |                      | <b>+4.7</b>          |

# 1st to 3rd Quarter of the year ending March 31, 2018: Financial Highlights by Segments



| Billions of yen   |                     | FY2017/3<br>Q1~Q3 | FY2018/3<br>Q1~Q3              | YoY<br>Change |
|---|---------------------|-------------------|--------------------------------|---------------|
| <b>Imaging Products<br/>Business</b>  | Revenue             | 300.8             | <b>291.2</b>                   | -3%           |
|   | Operating<br>Profit | 23.1<br>(23.1)    | <b>31.6</b><br><b>(37.0)</b>   | +8.5          |
| <b>Precision Equipment<br/>Business</b>   | Revenue             | 187.7             | <b>146.1</b>                   | -22%          |
|   | Operating<br>Profit | 14.5<br>(44.3)    | <b>28.5</b><br><b>(28.5)</b>   | +14.0         |
| <b>Healthcare<br/>Business</b>  | Revenue             | 37.2              | <b>39.2</b>                    | +5%           |
|   | Operating<br>Profit | -1.3<br>(-1.3)    | <b>-3.1</b><br><b>(-3.1)</b>   | -1.8          |
| <b>Industrial Metrology<br/>and Others</b>  | Revenue             | 40.2              | <b>48.6</b>                    | +21%          |
|   | Operating<br>Profit | 2.2<br>(2.2)      | <b>3.1</b><br><b>(3.6)</b>     | +0.9          |
| <b>Corporate Profit/Loss non-<br/>attributable to any reportable<br/>segments</b> | Revenue             | —                 | —                              | —             |
|   | Operating<br>Profit | -20.0<br>(-20.0)  | <b>-18.7</b><br><b>(-18.7)</b> | +1.3          |
| <b>Consolidated</b>   | Revenue             | 566.1             | <b>525.2</b>                   | -7%           |
|   | Operating<br>Profit | 18.5<br>(48.3)    | <b>41.4</b><br><b>(47.3)</b>   | +22.9         |

Note: Figures of Operating Profit in parentheses shows those excluding the restructuring relevant expenses  
Corporate profit (loss) non-attributable to any reportable segment includes intersegment eliminations

# 3rd Quarter of the year ending March 31, 2018: Imaging Products Business



|   | FY2017/3 (A) |              | FY2018/3 (B) |              | Change (B)-(A) |             |
|---|--------------|--------------|--------------|--------------|----------------|-------------|
|   | Q3           | Q1~Q3        | Q3           | Q1~Q3        | Q3             | Q1~Q3       |
| Billions of yen   |              |              |              |              |                |             |
| <b>Revenue</b>  | <b>122.5</b> | <b>300.8</b> | <b>116.0</b> | <b>291.2</b> | <b>-6.5</b>    | <b>-9.6</b> |
| <b>Operating Profit</b>   | <b>8.3</b>   | <b>23.1</b>  | <b>16.2</b>  | <b>31.6</b>  | <b>+7.9</b>    | <b>+8.5</b> |
| % vs. Revenue   | 6.8%         | 7.7%         | 14.0%        | 10.9%        |                |             |
| <b>Digital camera – Interchangeable Lens Type</b><br>(1,000 units sold) | <b>1,050</b> | <b>2,470</b> | <b>850</b>   | <b>2,160</b> | <b>-200</b>    | <b>-310</b> |
| <b>Interchangeable Lens</b> (1,000 units sold)                          | <b>1,640</b> | <b>3,690</b> | <b>1,300</b> | <b>3,320</b> | <b>-340</b>    | <b>-370</b> |
| <b>Compact DSC</b><br>(1,000 units sold)                                | <b>990</b>   | <b>2,420</b> | <b>720</b>   | <b>2,110</b> | <b>-270</b>    | <b>-310</b> |

- **Q3 YoY Change:** Impact of D850 launch in Sept. maximized sales during the year-end sales season accompanied by replacement demand while the projected marketing expenses were suppressed, resulting in significant increase in Operating Profit.

# 3rd Quarter of the year ending March 31, 2018: Precision Equipment Business



|  | FY2017/3 (A) |              | FY2018/3 (B) |              | Change (B)-(A) |              |
|--|--------------|--------------|--------------|--------------|----------------|--------------|
|  | Q3           | Q1~Q3        | Q3           | Q1~Q3        | Q3             | Q1~Q3        |
| Billions of yen  |              |              |              |              |                |              |
| <b>Revenue</b>   | <b>72.4</b>  | <b>187.7</b> | <b>48.1</b>  | <b>146.1</b> | <b>-24.3</b>   | <b>-41.6</b> |
| <b>Operating Profit</b>  | <b>-10.6</b> | <b>14.5</b>  | <b>8.4</b>   | <b>28.5</b>  | <b>+19.0</b>   | <b>+14.0</b> |
| % vs. Revenue  | -14.6%       | 7.7%         | 17.5%        | 19.5%        |                |              |
| <b>Semiconductor Lithography systems New/Refurbished (units)</b> | <b>7/1</b>   | <b>18/7</b>  | <b>3/3</b>   | <b>10/7</b>  | <b>-4/+2</b>   | <b>-8/±0</b> |
| <b>FPD Lithography Systems (units)</b>                           | <b>24</b>    | <b>75</b>    | <b>14</b>    | <b>48</b>    | <b>-10</b>     | <b>-27</b>   |

- Q3 YoY Change:** Although the declined unit sales in FPD lithography business impacted the result substantially, the 1<sup>st</sup> unit of G10.5 was sold as planned. Operating Profit of Precision Equipment business improved more than expected due to service revenue increase and fixed cost reduction of Semiconductor Lithography business.



# 3rd Quarter of the year ending March 31, 2018: Healthcare Business



| Billions of yen         | FY2017/3 (A) |             | FY2018/3 (B) |             | Change (B)-(A) |             |
|-------------------------|--------------|-------------|--------------|-------------|----------------|-------------|
|                         | Q3           | Q1~Q3       | Q3           | Q1~Q3       | Q3             | Q1~Q3       |
| <b>Revenue</b>          | <b>13.2</b>  | <b>37.2</b> | <b>14.0</b>  | <b>39.2</b> | <b>+0.8</b>    | <b>+2.0</b> |
| <b>Operating Profit</b> | <b>-0.7</b>  | <b>-1.3</b> | <b>-1.0</b>  | <b>-3.1</b> | <b>-0.3</b>    | <b>-1.8</b> |
| % vs. Revenue           | -5.3%        | -3.5%       | -7.1%        | -7.9%       |                |             |

- **Q3 YoY Change** : Biological microscope maintained same level of sales as the previous year, however, did not meet the forecast mainly due to the delay of execution of USA federal budget. Sales of retina diagnostic imaging equipment proceeded as planned. Operating profit decreased due to increased up-front expenditures in bio-science and ophthalmic diagnostic fields.

# 3rd Quarter of the year ending March 31, 2018: Industrial Metrology Business and Others



| Billions of yen         | FY2017/3 (A) |             | FY2018/3 (B) |             | Change (B)-(A) |             |
|-------------------------|--------------|-------------|--------------|-------------|----------------|-------------|
|                         | Q3           | Q1~Q3       | Q3           | Q1~Q3       | Q3             | Q1~Q3       |
| <b>Revenue</b>          | <b>14.2</b>  | <b>40.2</b> | <b>18.8</b>  | <b>48.6</b> | <b>+4.6</b>    | <b>+8.4</b> |
| <b>Operating Profit</b> | <b>1.0</b>   | <b>2.2</b>  | <b>1.6</b>   | <b>3.1</b>  | <b>+0.6</b>    | <b>+0.9</b> |
| % vs. Revenue           | 7.0%         | 5.5%        | 8.5%         | 6.4%        |                |             |

- **Q3 YoY Change** : CNC video measuring system of Industrial Metrology showed steady progress reflecting strong demands from semiconductor, electronic parts, and automotive industries. Operating profit increased supported by strong performance of others.

1. Financial results for the 3rd Quarter of the year ending March 31, 2018

2. Forecast for the year ending March 31, 2018

## FY2018/3 Revenue Forecast

- **Revised upwards by ¥10 billion to ¥720 billion**
  - Upgrade revenue forecast reflecting revised sales forecast of Imaging Products Business.

## FY2018/3 Operating Profit Forecast

- **Revised upwards by ¥8 billion to ¥53 billion**  
(¥62 billion: excluding restructuring relevant expenses)
  - **Imaging Products Business:** Revise upwards by ¥9 billion buoyed by substantial increase in Q3. The closure of China plant is proceeding as planned.
  - **Precision Equipment Business :** Revise upwards by ¥2 billion mainly due to improved profitability of Semiconductor Lithography business.
  - **Industrial Metrology and Others:** Revised downwards by ¥3 billion due to restructuring expenses. Certain part of business is planned to be transferred in view of business portfolio management.
  - Continuous and strict implementation of cost/expenditure management with discipline.

## FY2018/3 Profit attributable to Owners of the Parent Forecast

- **Remain the same (¥30 billion)**  
(¥41 billion: excluding restructuring relevant expenses)
  - Increase of Operating profit offsets the increase of restructuring relevant expenses of ¥4 billion (including ¥1 billion for tax expenses) incurred by Industrial Metrology and Others and the tax expenses increase of approx. ¥3 billion caused mainly by USA tax reform.

# Forecast for the year ending March 31, 2018: Highlights



| Billions of yen  | FY2017/3 Actual (A) | Previous Forecast (Nov.7)(B) | New Forecast (Feb.8)(C) | Change (C)-(A)       | Change (C)-(B) |
|--|---------------------|------------------------------|-------------------------|----------------------|----------------|
| <b>Revenue</b><br>(% variance)                                     | <b>749.2</b>        | <b>710</b>                   | <b>720</b>              | <b>-29.2</b>         | <b>+10.0</b>   |
| <b>Operating Profit</b><br>% vs Revenue                            | <b>0.7</b><br>0.1%  | <b>45</b><br>6.3%            | <b>53</b><br>7.4%       | <b>+52.3</b>         | <b>+8.0</b>    |
| <b>Profit before income taxes</b><br>% vs Revenue                  | <b>3.0</b><br>0.4%  | <b>45</b><br>6.3%            | <b>52</b><br>7.2%       | <b>+49.0</b>         | <b>+7.0</b>    |
| <b>Profit attributable to owners of the parent</b><br>% vs Revenue | <b>3.9</b><br>0.5%  | <b>30</b><br>4.2%            | <b>30</b><br>4.2%       | <b>+26.1</b>         | <b>±0</b>      |
| <b>FCF</b>   | <b>56.6</b>         | <b>25</b>                    | <b>60</b>               | <b>+3.4</b>          | <b>+35.0</b>   |
| Exchange Rate :  |                     |                              |                         | Impact on Revenue    |                |
|  |                     |                              |                         | US \$                | <b>¥108</b>    |
|  |                     |                              |                         | Impact on Op. Profit |                |
|  |                     |                              |                         |                      |                |
|  |                     |                              |                         | +5.5                 | +2.4           |

① Dividend for the fiscal year is scheduled to be ¥31

② Exchange Rate assumption for Euro is altered from ¥120 to ¥130

# Forecast for the year ending March 31, 2018: by Segments



| Billions of yen   |                     | FY2017/3<br>Actual(A) | Previous<br>Forecast<br>(Nov.7) (B) | New Forecast<br>(Feb.8) (C) | Change<br>(C)-(A) | Change<br>(C)-(B) |
|---|---------------------|-----------------------|-------------------------------------|-----------------------------|-------------------|-------------------|
| <b>Imaging<br/>Products<br/>Business</b>  | Revenue             | 383.0                 | 355                                 | <b>367</b>                  | -4%               | +3%               |
|   | Operating<br>Profit | 17.1<br>(28.1)        | 25<br>(31)                          | <b>34<br/>(40)</b>          | +16.9             | +9.0              |
| <b>Precision<br/>Equipment<br/>Business</b>   | Revenue             | 248.0                 | 225                                 | <b>226</b>                  | -9%               | ±0%               |
|   | Operating<br>Profit | 13.4<br>(48.1)        | 47<br>(47)                          | <b>49<br/>(49)</b>          | +35.6             | +2.0              |
| <b>Healthcare<br/>Business</b>  | Revenue             | 55.7                  | 60                                  | <b>57</b>                   | +2%               | -5%               |
|   | Operating<br>Profit | -0.6<br>(-0.1)        | -4<br>(-4)                          | <b>-4<br/>(-4)</b>          | -3.4              | ±0                |
| <b>Industrial<br/>Metrology and<br/>Others</b>  | Revenue             | 62.4                  | 70                                  | <b>70</b>                   | +12%              | ±0%               |
|   | Operating<br>Profit | 3.7<br>(5.5)          | 5<br>(5)                            | <b>2<br/>(5)</b>            | -1.7              | -3.0              |
| <b>Corporate<br/>Profit/Loss non-<br/>attributable to any<br/>reportable segments</b> | Revenue             | -                     | -                                   | -                           | -                 | -                 |
|   | Operating<br>Profit | -32.8<br>(-27.5)      | -28<br>(-28)                        | <b>-28<br/>(-28)</b>        | +4.8              | ±0                |
| <b>Consolidated</b>   | Revenue             | 749.2                 | 710                                 | <b>720</b>                  | -4%               | +1%               |
|   | Operating<br>Profit | 0.7<br>(54.1)         | 45<br>(51)                          | <b>53<br/>(62)</b>          | +52.3             | +8.0              |

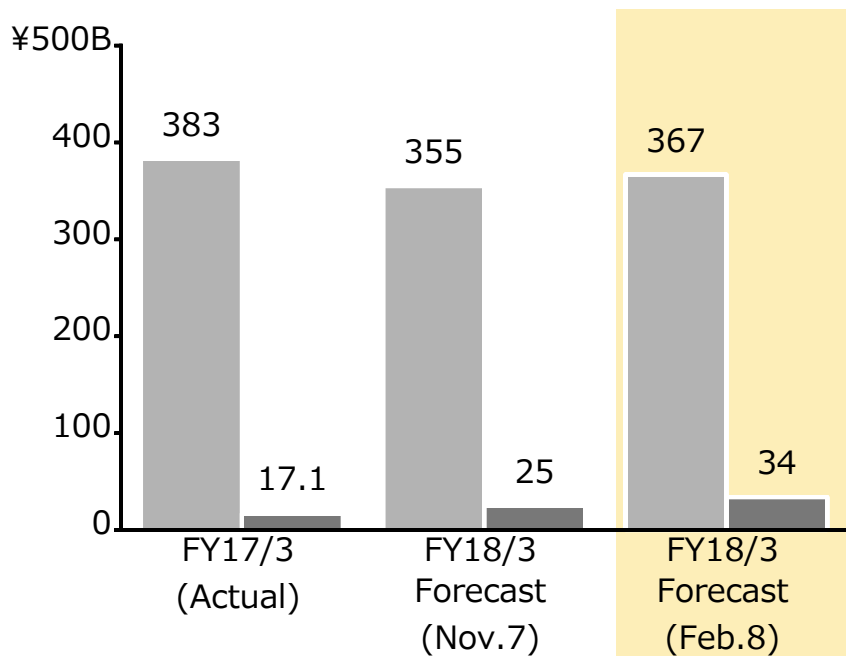
Note: Figures of Operating Profit in parentheses shows those excluding the restructuring relevant expenses

# Forecast for the year ending March 31, 2018: Imaging Products Business



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: ¥12 billion increase, ¥16 billion decrease YoY**

- Decline in unit sales across the board due to continuous market shrinkage.
- ¥12 billion increase from our previous forecast by Q3 result and Q4 forecast adjustment.

- **Operating Profit: ¥9 billion increase, ¥16.9 billion increase YoY**

- Operating Profit of previous FY17/3 before the restructuring relevant expenses was ¥28.1 billion.
- Operating profit before the restructuring relevant expenses is expected to increase ¥11.9 billion to ¥40 billion.
- Operating profit is expected to increase ¥9 billion from our previous forecast due to revenue/profit improvement as well as efficient sales expenses control.

### Digital camera-Interchangeable Lens Type (units:1000)

|              |        |        |        |
|--------------|--------|--------|--------|
| Market Scale | 11,770 | 11,000 | 11,000 |
| Nikon        | 3,100  | 2,600  | 2,600  |

### Interchangeable Lenses (units:1000)

|              |        |        |        |
|--------------|--------|--------|--------|
| Market Scale | 19,200 | 18,000 | 18,000 |
| Nikon        | 4,620  | 3,900  | 4,000  |

### Compact DSC (units:1000)

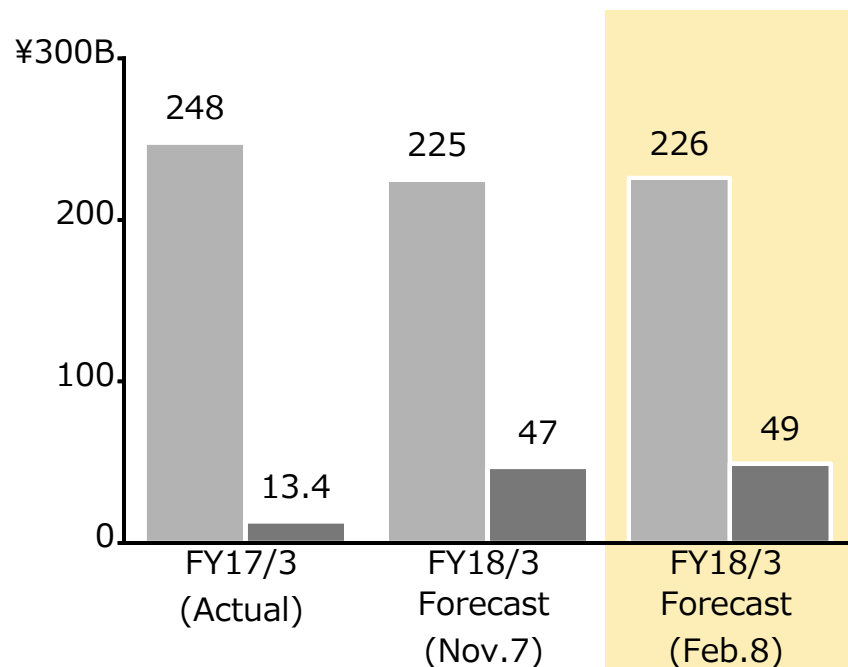
|              |        |        |        |
|--------------|--------|--------|--------|
| Market Scale | 12,600 | 11,400 | 11,400 |
| Nikon        | 3,190  | 2,600  | 2,600  |

# Forecast for the year ending March 31, 2018: Precision Equipment Business



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: ¥1 billion increase, ¥22 billion decrease YoY**
  - FPD: Decline due to sales unit reduction. Expect to sell 3 units of G10.5 systems.
  - Semiconductor: Increase of ¥1 billion due to consistently higher service revenue than previously forecasted.
- **Operating Profit: ¥2 billion increase, ¥35.6 billion increase YoY**
  - Operating Profit before restructuring relevant expenses expects to surpass ¥48.1 billion of FY17/3.
  - FPD: Decline because of revenue drop and product mix change.
  - Semiconductor: Expect to retain profit as planned
  - Forecast is revised upwards ¥ 2 billion from the previous forecast due to reduced cost and service revenue improvement.

## Semiconductor Lithography Systems (New/Refurbished, units)

|                        |       |       |       |
|------------------------|-------|-------|-------|
| Market Scale (CY16/17) | 210   | 210   | 240   |
| Nikon                  | 24/11 | 17/12 | 17/12 |

## FPD Lithography Systems (units)

|                        |     |     |     |
|------------------------|-----|-----|-----|
| Market Scale (CY16/17) | 128 | 150 | 149 |
| Nikon                  | 92  | 68  | 68  |

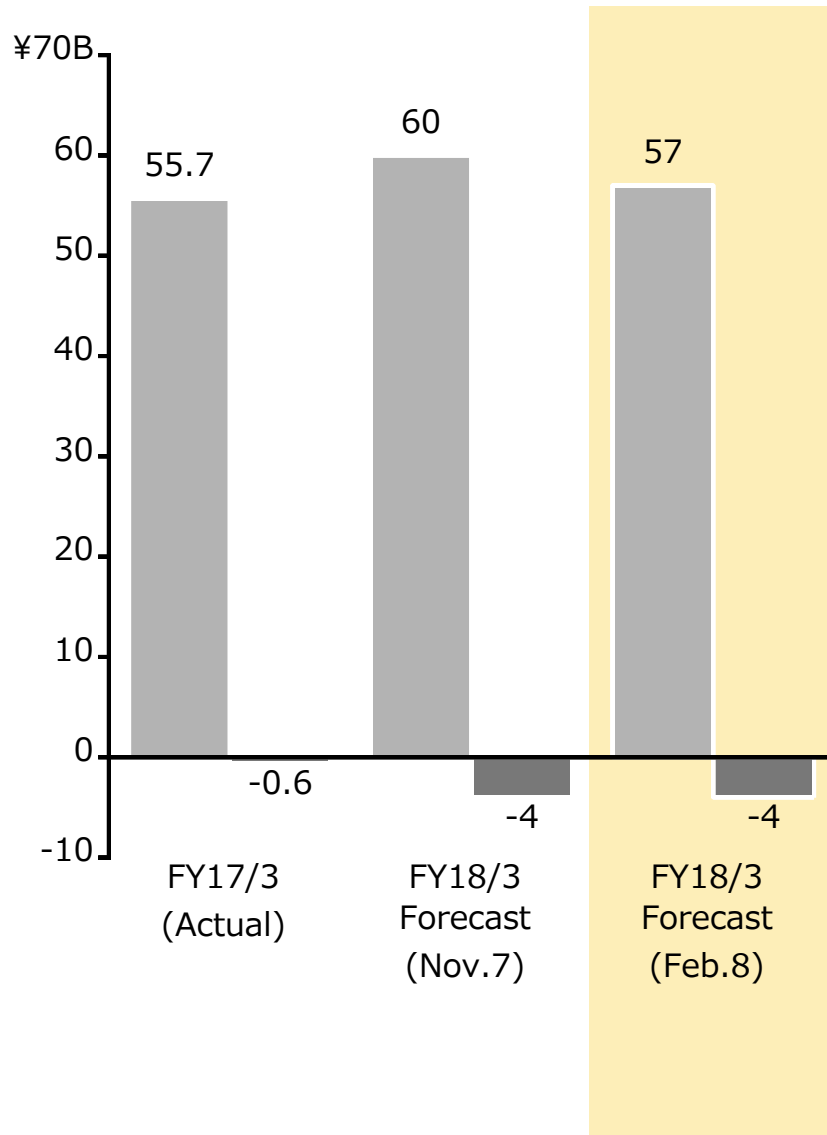


# Forecast for the year ending March 31, 2018: Healthcare Business



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: ¥3 billion decrease, ¥1.3 billion increase YoY**

- Decrease by ¥3 billion due to the delay of government related budget execution for Biological Microscopes
- The retina diagnostic imaging equipment business performs as planned.

- **Operating Profit: remains the same**

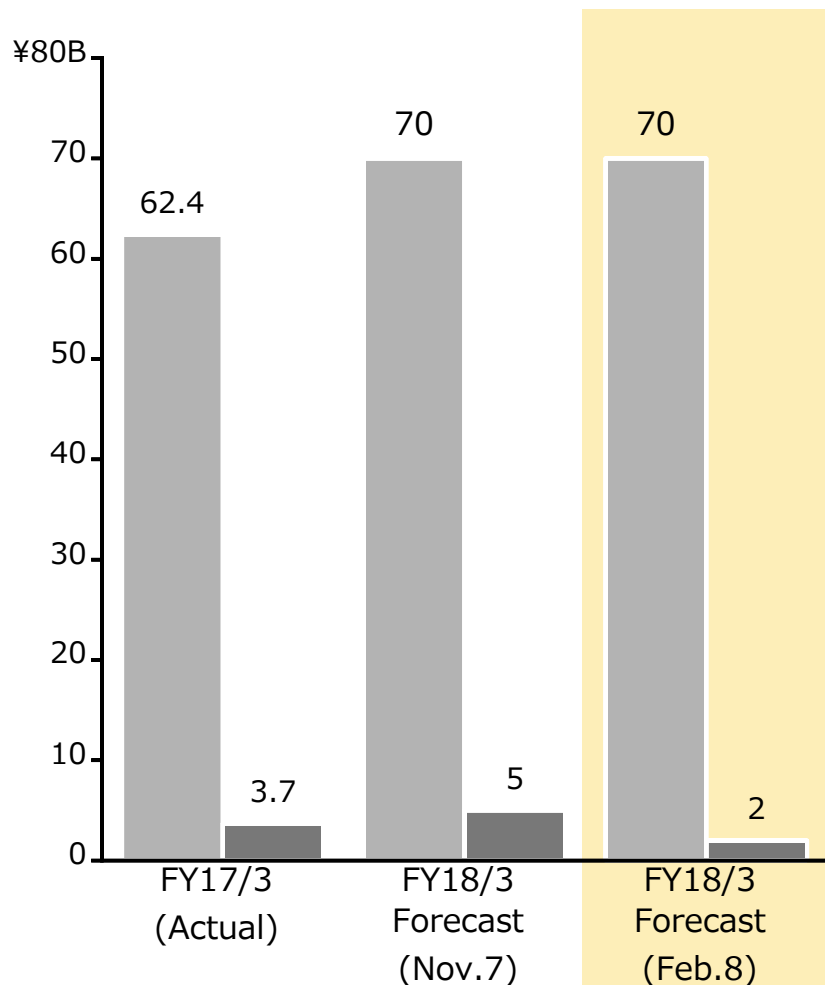
- Operating Profit of previous FY17/3 before the restructuring relevant expenses was minus ¥0.1 billion.
- Deferred development expenditure offsets the decreased profit of bio-science business.
- Continue to incubate business prudently in view of feasible profit growth from long-term perspective.

# Forecast for the year ending March 31, 2018: Industrial Metrology Business and Others



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: remains the same  
¥7.6 billion increase YoY**

- Industrial Metrology: Sales expands chiefly in CNC video measuring system, which is highly recognized in automotive and electronic parts related fields.

- **Operating Profit: ¥3 billion decrease,  
¥1.7 billion decrease YoY**

- Operating Profit of previous FY17/3 before the restructuring relevant expenses is ¥5.5 billion.
- In terms of business portfolio management, withdrawal from CMM(Coordinate Measuring Machines) business is determined.
- ▶ Focus on more attractive segments considering market/competition and product competitiveness.
- Operating Profit of FY18/3 before restructuring relevant expenses of ¥3 billion remains the same as previous forecast.