



Financial Results for the year ended March 31, 2021 Progress of Medium-Term Management Plan (FY2019 to FY2021)

May 13, 2021

1. Financial Results of the year ended March 31, 2021
2. Forecast for the year ending March 31, 2022
3. Progress of Medium-Term Management Plan

Summary for the year ended March 31, 2021



Revenue
¥451.2B

- **YoY : Down ¥139.8B**

- **Imaging Products** : Although the revenue of mirrorless grew, revenue decreased approx. ¥75.0B due to the market shrinkage and the impact of COVID-19.
- **Precision Equipment** : Total segment revenues down approx. ¥60.0B. Semiconductor Lithography Business revenues decreased as our major customer is at their shifting point of investment. FPD Lithography Business saw revenues decrease as large first-half impacts of COVID-19 outweighed benefits from resumption of installation activity in July.

Operating Profit
-¥56.2B

- **YoY : Down ¥62.9B**

- Loss at operating level was limited after excluding ¥55.6B in one-time costs (restructuring relevant expenses, impairment losses of fixed assets and disposal and write-down of inventory).
- Deficit is shrank in Q4 due to higher revenue in Imaging Products and Healthcare, and the benefits of reduced costs in various business unit even posted approx. ¥15.0B on impairment losses of fixed assets and disposal and write-down of inventory

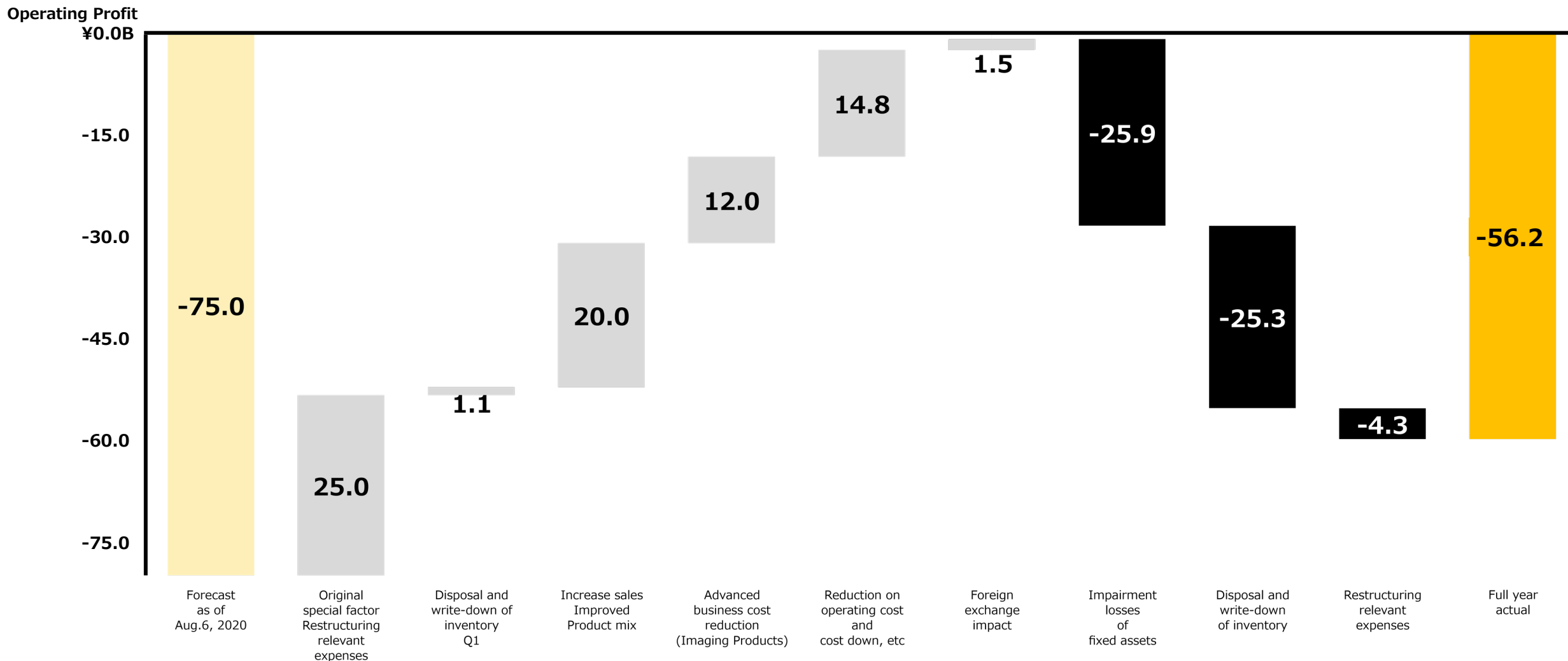
Profit attributable to owners of the parent
-¥34.4B

- **YoY : Down ¥42.0B**

Operating profit : -¥56.2B · Profit attributable to owners of the parent : -¥34.4B
(Operating profit : -¥75.0B · Profit attributable to owners of the parent : -¥50.0B at the forecast as of Aug. 6, 2020)

Note: Amounts in this presentation material are rounded down to the hundred millions of yen, previous forecast is the forecast as of Feb. 4, 2021.

FY2021/3 Full Year Actual: Major Changes from August 2020



Operating loss of more than ¥50.0B due to one-time costs.
Harsh expectations partially offset by increased sales and improved business management.

Impairment losses of fixed assets, disposal and write-down of inventory and restructuring relevant expenses in FY2021/3



Billions of yen	Q1	Q2	Q3	Q4	Summation
Impairment losses of fixed assets	-	18.7	-	7.2	25.9
Disposal and write-down of inventory	1.1	10.7	5.5	8.0	25.3
Restructuring relevant expenses	0.3	1.0	0.6	2.4	4.3
Summation	1.4	30.4	6.1	17.6	55.6

Posted one-time costs (impairment losses of fixed assets, inventory disposal and write-down, and restructuring relevant expenses) of ¥55.6B for the full year in FY2021/3.

Note: Previous one-time costs were indicated of summation in impairment losses of fixed assets and disposal and write-down of inventory in Q2-Q3 of FY2021/3.

Financial Results for the year ended March 31, 2021: Highlights



Billions of yen	FY2020/3 Actual(A)	Previous Forecast (Feb. 4) (B)	FY2021/3 Actual(C)	Change (C)-(A)	Change (C)-(B)
Revenue	591.0	450.0	451.2	-139.8	+1.2
Operating Profit % vs Revenue	6.7 1.1%	-65.0 -14.4%	-56.2 -12.5%	-62.9	+8.8
Profit before income taxes % vs Revenue	11.8 2.0%	-60.0 -13.3%	-45.3 -10.0%	-57.1	+14.7
Profit attributable to owners of the parent % vs Revenue	7.6 1.3%	-42.0 -9.3%	-34.4 -7.6%	-42.0	+7.6
FCF	-4.8	-	22.9	+27.7	-
Exchange Rate :				Impact on Revenue	
US \$	¥109	¥106	¥106	-1.7	+3.7
EURO	¥121	¥121	¥124	Impact on Operating Profit	
				+0.8	+0.6

Every profit is surpassed by the previous forecast because business itself has been going well even in deficit of each profit by the impact of one-time costs , etc.

Financial Results for the year ended March 31, 2021:by Segments

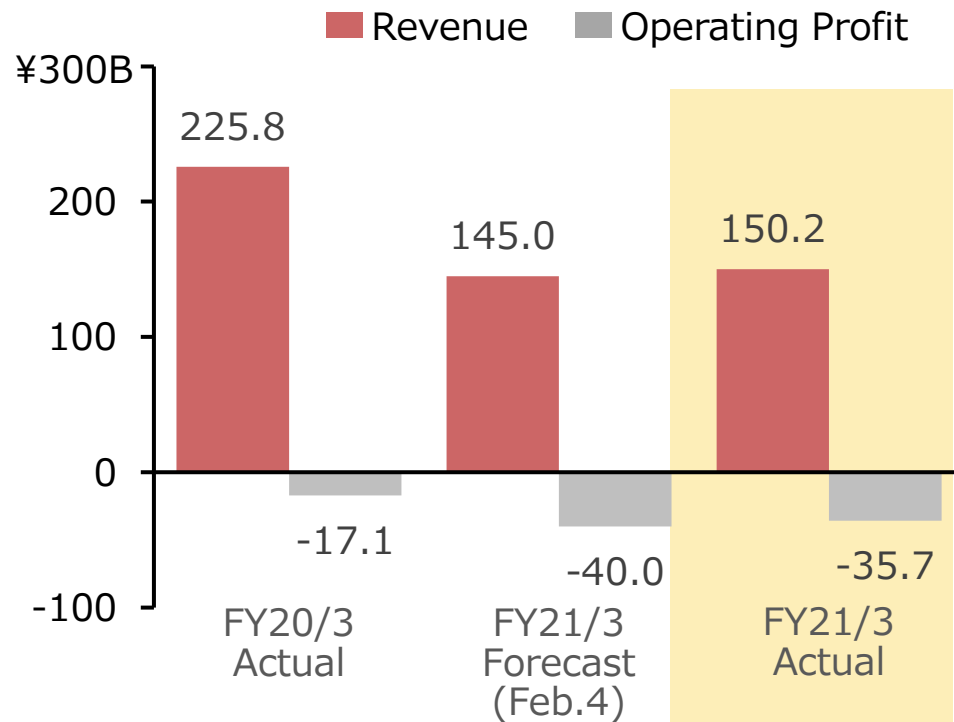


Billions of yen		FY2020/3 Actual (A)	FY2021/3 Previous Forecast (Feb. 4) (B)	FY2021/3 Actual (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	225.8	145.0	150.2	-33.5%	+3.6%
	Operating Profit	-17.1 (- 14.4)	-40.0 (- 35.0)	-35.7 (- 32.2)	-¥18.6B	¥4.3B
Precision Equipment Business	Revenue	245.0	190.0	184.7	-24.6%	-2.8%
	Operating Profit	48.0 (48.0)	4.0 (4.0)	1.4 (1.4)	-¥46.6B	-¥2.6B
Healthcare Business	Revenue	62.0	60.0	62.8	+1.3%	+4.7%
	Operating Profit	-2.4 (- 2.4)	-4.0 (- 4.0)	-3.0 (- 3.0)	-¥0.6B	+¥1.0B
Industrial Metrology and Others	Revenue	58.0	55.0	53.3	-8.1%	-3.1%
	Operating Profit	1.8 (1.8)	-2.0 (- 2.0)	-2.6 (- 1.9)	-¥4.4B	-¥0.6B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—	—	—
	Operating Profit	-23.6 (- 21.9)	-23.0 (- 23.0)	-16.1 (- 16.1)	+¥7.5B	+¥6.9B
Consolidated	Revenue	591.0	450.0	451.2	-23.7%	+0.3%
	Operating Profit	6.7 (11.2)	-65.0 (- 60.0)	-56.2 (- 51.9)	-¥62.9B	+¥8.8B

Note: The operating profit figures in parentheses exclude restructuring relevant expenses.

Corporate P/L not attributable to any reportable segments includes the elimination of intersegment transactions that amount to -¥2.1B in FY2020/3 and +¥2.5B in FY2021/3, and the gain from unused land sales of ¥3.8B in FY2020/3.

Results for the year ended March 31, 2021: Imaging Products Business



• Revenue: Down ¥75.6B YoY

Surpassed by ¥5.2B vs previous forecast

- Sales volumes down substantially on market shrinkage and the impact of COVID-19. Higher ASP on shift to models for pro/hobbyist.
- Revenue surpassed by mirrorless sales volumes growth in both camera bodies and lenses with mirrorless lineup expanded to 6 camera models and 18 lenses.
- Q4 sustained momentum from Q3. We continue to see strong sales in our new mirrorless products Z 6II and Z 7II, coupled with a continued recovery in the camera market.

• Operating Profit: Down ¥18.6B YoY

Surpassed by ¥4.3B vs. previous forecast

- Slashed ¥27.0B from business costs, including ¥12.0B in advanced business cost reductions. Over the past 2 years, cumulative cost reductions totaled ¥52.0B. Steady progress toward the total reduction of ¥63.0B for the entire period of the Medium-Term Management Plan.
- Operating loss of ¥12.0B excluding ¥23.7B of one-time costs .

Digital Camera-Interchangeable Lens type (units:1,000)

Market Scale	7,920	5,300	5,520
Nikon	1,620	850	840

Interchangeable Lens (units:1,000)

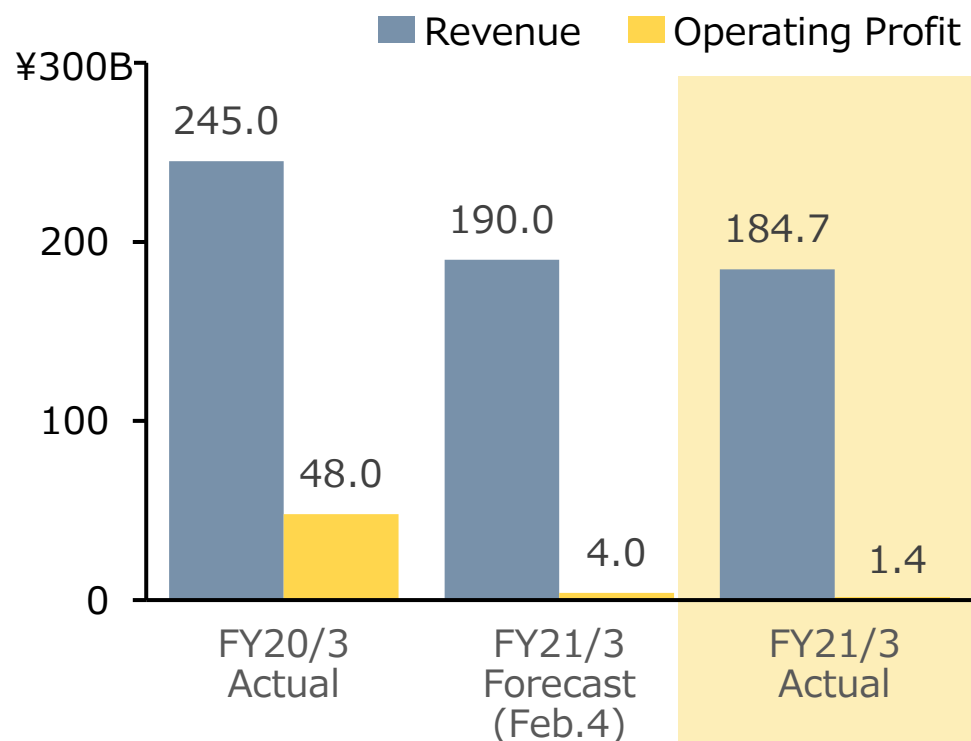
Market Scale	13,370	8,800	9,110
Nikon	2,650	1,400	1,350

Compact DSC (units:1,000)

Market Scale	6,190	3,500	3,430
Nikon	840	250	260

Note: ¥23.7B of one-time costs is summation in impairment losses of fixed assets (¥16.3B) , disposal and write-down of inventory (¥3.8B) and restructuring relevant expenses (¥3.5B).

Results for the year ended March 31, 2021: Precision Equipment Business



FPD Lithography Systems (units)

	FY20/3 Actual	FY21/3 Forecast (Feb.4)	FY21/3 Actual
Market Scale (CY19/20)	90	52	52
Nikon	27	28	29

Semiconductor Lithography Systems (New/Refurbished, units)

	FY20/3 Actual	FY21/3 Forecast (Feb.4)	FY21/3 Actual
Market Scale (CY19/20)	280	305	330
Nikon	34/11	17/10	16/11

Note: ¥21.6B of one-time cost is summation in impairment losses of fixed assets (¥3.7B) and disposal and write-down of inventory (¥17.8B).

• Revenue: Down ¥60.3B YoY

Down ¥5.3B vs. previous forecast

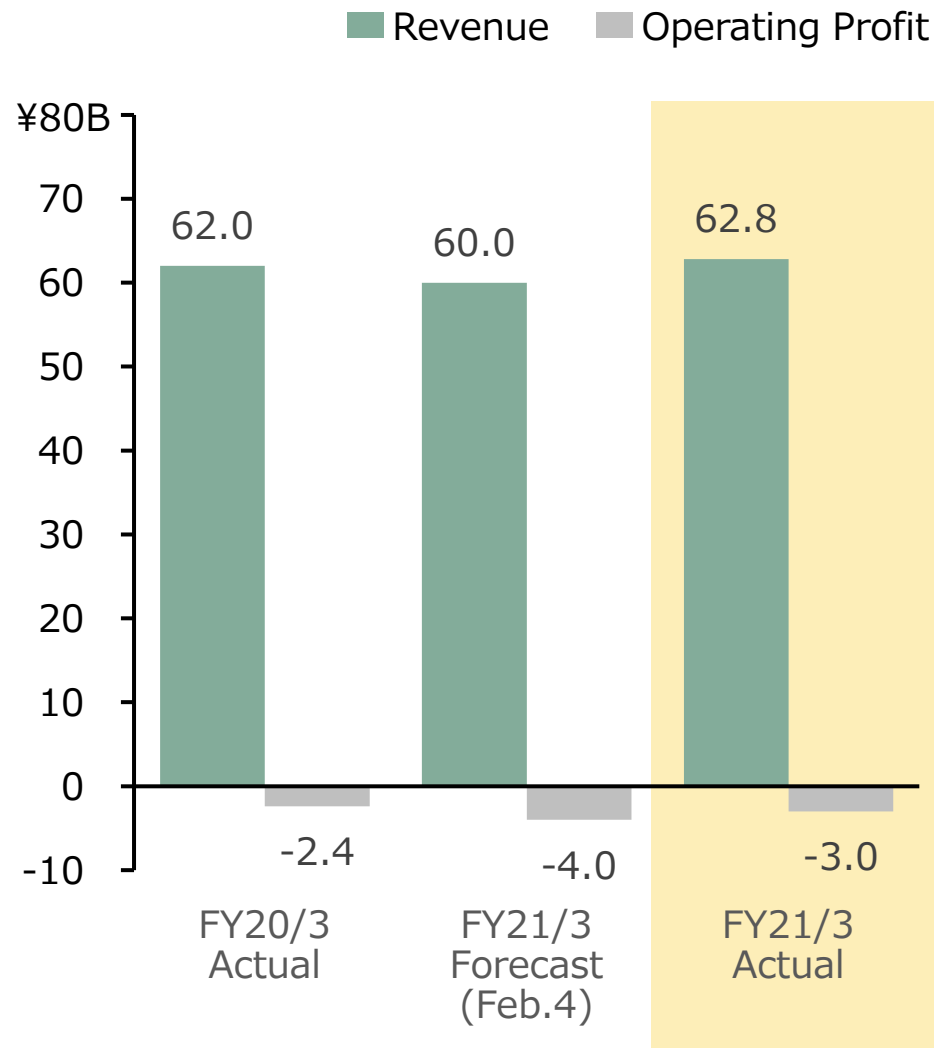
- FPD: Customer capex for small and mid-sized panels recovering. Capex for large panels also strong.
- FPD: Sales volumes up 1 unit vs. previous forecast as installations have progressed smoothly despite travel restrictions that continue to limit installation work.
- SPE: Sales volumes decreased substantially YoY as our major customer is at their shifting point of investment and some customers delay delivery or order due to the impact of COVID-19.
- Acceptance test of 1 ArF immersion system pushed out into next fiscal year, compared to previous forecast.

• Operating profit: Down ¥46.6B YoY

Down ¥2.6B vs. previous forecast

- Profit decreased substantially as declining revenues in FPD and SPE combined with approx. ¥21.6B in one-time cost (including impairment losses of fixed assets) and increased R&D investments in growth areas.
- Profit decreased compare to previous forecast because acceptance test of 1 ArF immersion system got pushed out into the next fiscal year.

Results for the year ended March 31, 2021: Healthcare Business



• Revenue: Surpassed by ¥0.8B YoY

Surpassed by ¥2.8B vs. previous forecast

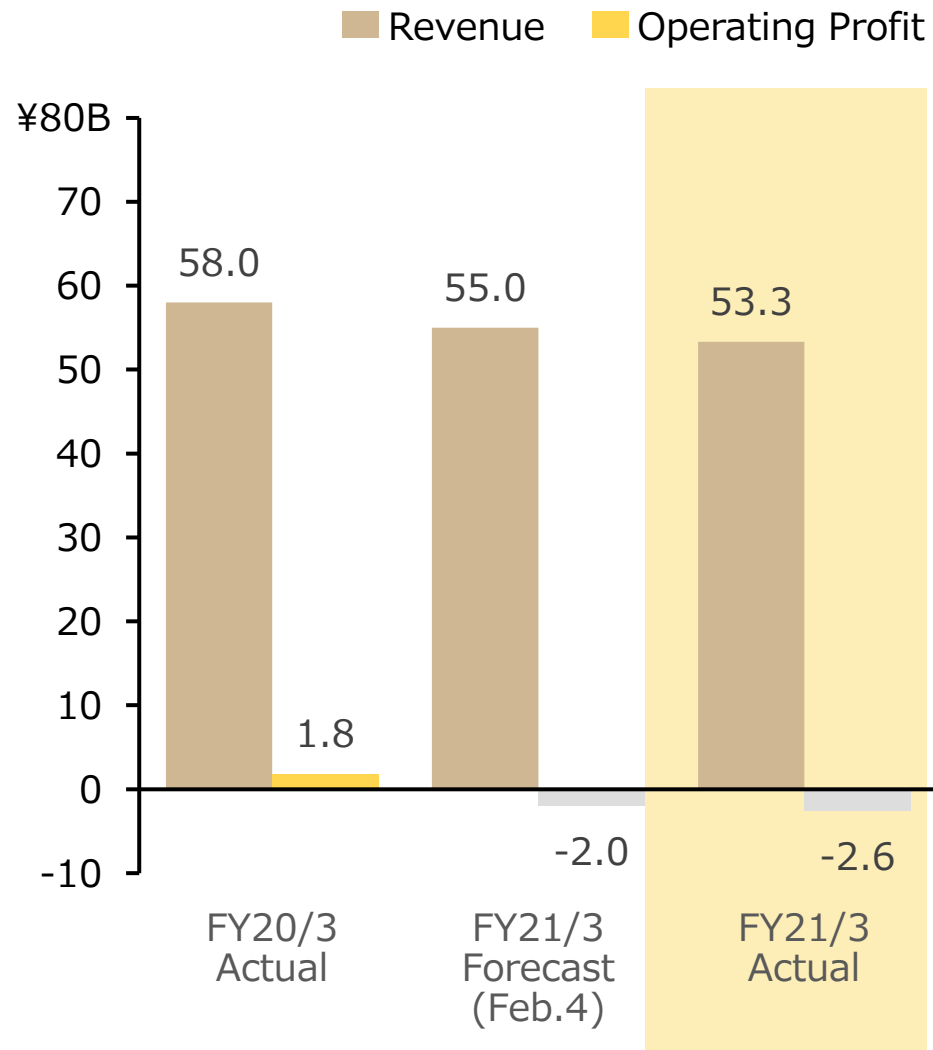
- Revenue increased YoY as Q3 recovery momentum continued in Q4, due to the resumption of sales activities for both biological microscopes and retinal diagnostic imaging systems. Also surpassed by previous forecast.
- Record-high sales for a full year in retinal diagnostic imaging systems.
- In contract cell manufacturing, multiple projects are moving forward smoothly.

• Operating Profit: Down ¥0.6B YoY

Surpassed by ¥1.0B vs. previous forecast

- Although result was an operating loss due to the impact of COVID-19 in the 1H and the posted ¥2.5B of impairment losses of fixed assets, profitability is improving solidly thanks to revenue growth and expense reductions.

Results for the year ended March 31, 2021: Industrial Metrology and Others



• Revenue: Down ¥4.7B YoY

Down ¥1.7B vs. previous forecast

- Revenues decrease YoY in the Industrial Metrology Business despite recovery momentum in capex in electronic components, semiconductors and automotive.
- In the Others segment, collaboration with Velodyne Lidar, Inc. including lidar sensor production, as well as optical components, optical parts and encoders, etc.

• Operating Profit: Down ¥4.4B YoY

Down ¥0.6B vs. previous forecast

- Posted ¥3.2B of impairment losses of fixed assets related to Imaging Products Business in a domestic production facility in Q2, ¥1.3B in soil remediation costs at a subsidiary and ¥0.8B in restructuring relevant expenses in Q4. Operating profit ¥2.7B, excluding these one-time cost.

Note: The Others segment of the Industrial Metrology and Others includes production subsidiaries, where impairment losses of fixed asset were posted in the previous year in connection with a review of the Imaging Products business plan.

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Forecasts for the year ending March 31, 2022



**Revenue
¥510.0B**

• **Company total forecast: Surpassed by ¥58.8B YoY.**

Recovered to the revenue scale of ¥500B.

- Expand sales in all segments driven by recovery from the COVID-19 pandemic.
- **Imaging Products:** Increase revenues ¥14.8B by recovery from the COVID-19 pandemic in camera market and expanded sales of mirrorless.
- **Precision Equipment:** Increase revenues ¥20.3B thanks to greater sales volumes in small and mid-sized panels for FPD by increased customers' investment.

**Operating
Profit
¥20.0B**

• **Company total forecast: Surpassed by ¥76.2B YoY**

- Improve profitability on recovery in revenues and lowering of breakeven point (thanks to lower depreciation burden due to impairment losses of fixed assets taken in the previous FY).
- Aim to be profitable in all segments.

**Profit
attributable to
owners of the
parent
¥16.0B**

• **Company total forecast: Surpassed by ¥50.4B YoY**

**Shareholder
Return**

• **Dividend forecast:** Annual ¥30. (interim: ¥15)

- Annual dividend increase ¥10 YoY assuming earning recovery.

Forecast for the year ending March 31, 2022: Financial Highlights



Billions of yen	FY2021/3 Actual (A)	FY2022/3 Forecast (B)	Change (B)-(A)
Revenue	451.2	510.0	+58.8
Operating Profit	-56.2	20.0	+76.2
% vs Revenue	-12.5%	3.9%	
Profit before income taxes	-45.3	22.0	+67.3
% vs Revenue	-10.0%	4.3%	
Profit attributable to owners of the parent	-34.4	16.0	+50.4
% vs Revenue	-7.6%	3.1%	
EPS	-¥93.96	¥43.57	+¥137.53
Annual Dividends	¥20	¥30	+¥10
Exchange Rate: US \$	¥106	¥105	Impact on Revenue Approx.-¥1.4B
EURO	¥124	¥125	Impact on Operating Profit Approx.+¥0.1B

Note: EPS (Basic Earning per Share) = Profit attributable to owner of the parent / Average number of shares during the term

Approx. 0.367B shares, an average over the number of shares at the end of FY2021/3, also approx. 0.367B, and the expected number of shares at the end of FY2022/3.

Revision of Business Segments



<u>Old Segment</u>	<u>Business Unit (BU)</u>		<u>New Segment</u>	<u>Business Unit (BU)</u>
Imaging Products Business	Imaging BU		Imaging Products Business	Imaging BU
Precision Equipment Business	FPD Lithography BU		Precision Equipment Business	FPD Lithography BU
	Semiconductor Lithography BU			Semiconductor Lithography BU
	Next Generation Project Div.			Next Generation Project Div.
Healthcare Business	Healthcare BU		Healthcare Business	Healthcare BU
Industrial Metrology and Others	Industrial Metrology BU	→	Components Business	Digital Solution BU
	Digital Solution BU			Customized Products BU
	Customized Products BU			Glass BU
	Glass BU		Industrial Metrology BU	
	Others		others	

『Components Business』
 Newly organized for realizing areas of Long-Term Growth (Digital Manufacturing and Vision Systems/Robotics)

Forecast for the year ending March 31, 2022: Financial Highlights by Segment

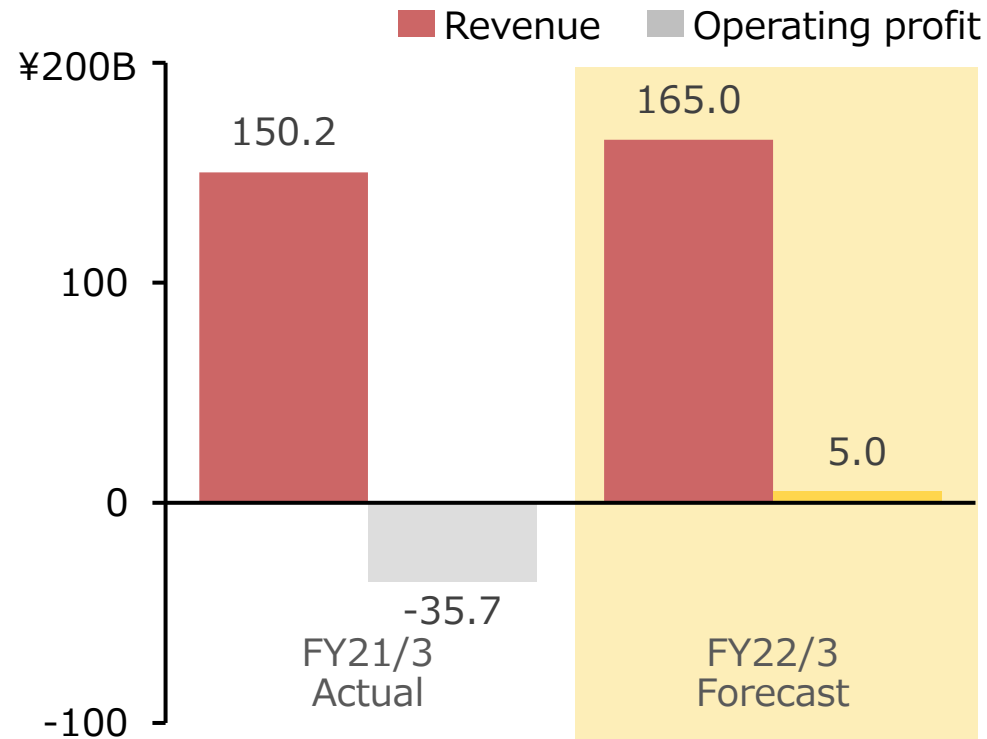


Billions of yen		FY2021/3 Actual(A)	FY2022/3 Forecast (B)	Change (B)-(A)
Imaging Products Business	Revenue	150.2	165.0	+9.9%
	Operating Profit	-35.7 (- 32.2)	5.0	¥40.7B
Precision Equipment Business	Revenue	184.7	205.0	+11.0%
	Operating Profit	1.4 (1.4)	17.0	¥15.6B
Healthcare Business	Revenue	62.8	70.0	+11.5%
	Operating Profit	-3.0 (- 3.0)	1.0	¥4.0B
Components Business	Revenue	25.7	35.0	+36.2%
	Operating Profit	0.0 (0.0)	8.0	¥8.0B
Industrial Metrology and Others	Revenue	27.5	35.0	+27.3%
	Operating Profit	-2.7 (- 1.9)	3.0	¥5.7B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-16.1 (- 16.1)	-14.0	¥2.1B
Consolidated	Revenue	451.2	510.0	+13.0%
	Operating Profit	-56.2 (- 51.9)	20.0	¥76.2B

Note: OP figures in parentheses are the operating profit excluding restructuring relevant expenses.

Corporate P/L non-attributable to any reportable segments includes elimination of intersegment transactions that amount to +¥2.5B in FY2021/3.

Forecast for the year ending March 31, 2022: Imaging Products Business



• Revenue: Surpassed by ¥14.8B YoY

- Digital camera market to sustain its improved momentum amid recovery from the COVID-19 pandemic. DCIL market to grow 5% YoY.
- Market for pro/hobbyist performing well. Continue to advance shift toward high-end and mid-range models.
- Expand further the lineup of mirrorless bodies and lenses compared to the previous year and achieve sales growth driven primarily by mirrorless.
- Focus on stable supply of parts (including semiconductors) for cameras and lenses.

• Operating profit: Surpassed by ¥40.7B YoY

- In the previous year, posted total approx. ¥20.0B of impairment losses of fixed asset and disposals and write-down of inventory, as well as ¥3.5B of restructuring relevant expenses. Excluding these one-time cost, profit is to increase approx. ¥17.0B.
- Business costs to be reduced ¥11.0B in this FY. Plan to achieve the total reduction of ¥63.0B for the entire period of the Medium-Term Management Plan, including the cumulative ¥52.0B reduction achieved over the prior 2 years.

Digital Camera-Interchangeable Lens type (units:1,000)

Market Scale	5,520	5,800
Nikon	840	750

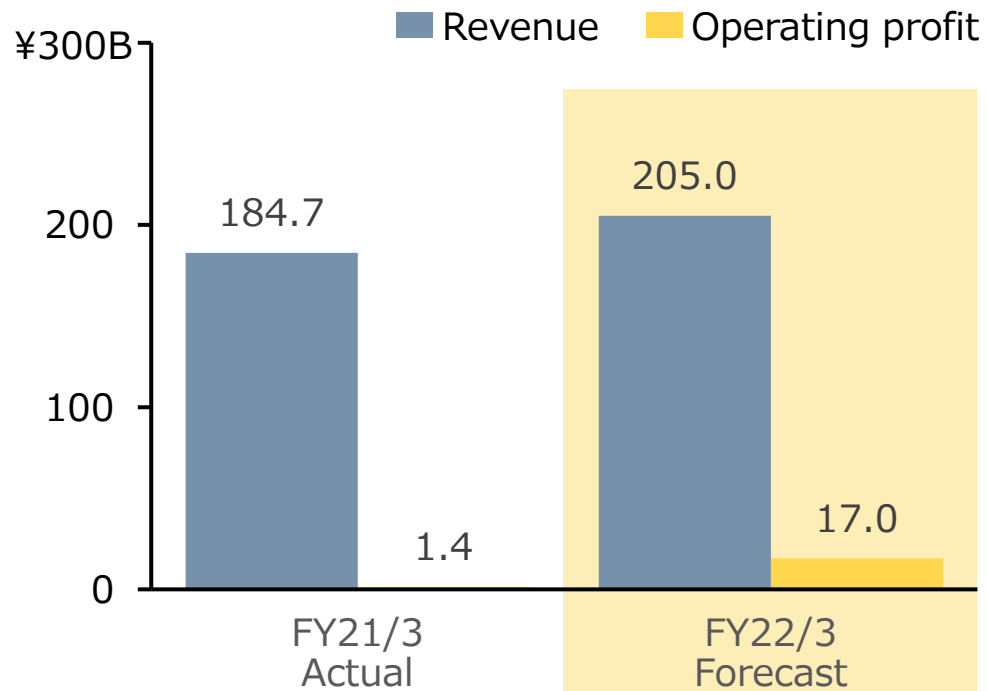
Interchangeable lenses (units:1,000)

Market Scale	9,110	9,700
Nikon	1,350	1,300

Compact DSC(units:1,000)

Market Scale	3,430	3,200
Nikon	260	250

Forecast for the year ending March 31, 2022: Precision Equipment Business



• Revenue: Surpassed ¥20.3B YoY

- FPD: Customer capex to trend strongly in both large panels and small and mid-sized panels. Orders are solid, primarily in small and mid-sized panels.
- FPD: Installations of systems delayed due to COVID-19 have been progressing and should be booked as sales this year.
- SPE: Sales of refurbished systems (primarily KrF and i-line) to increase, but new systems will decline during this transitional period in customer capex.

• Operating profit: Surpassed by ¥15.6B YoY

- Total of approx. ¥21.0B of impairment losses of fixed assets and disposal and write-down of inventory posted in the previous year. Excluding these one-time costs, profit is to decrease approx. ¥5.5B.
- Benefits from increased FPD revenues outweighed by impact from decrease in new SPE systems and continued expansion of R&D investments in long-term growth areas in Next Generation Project Division.

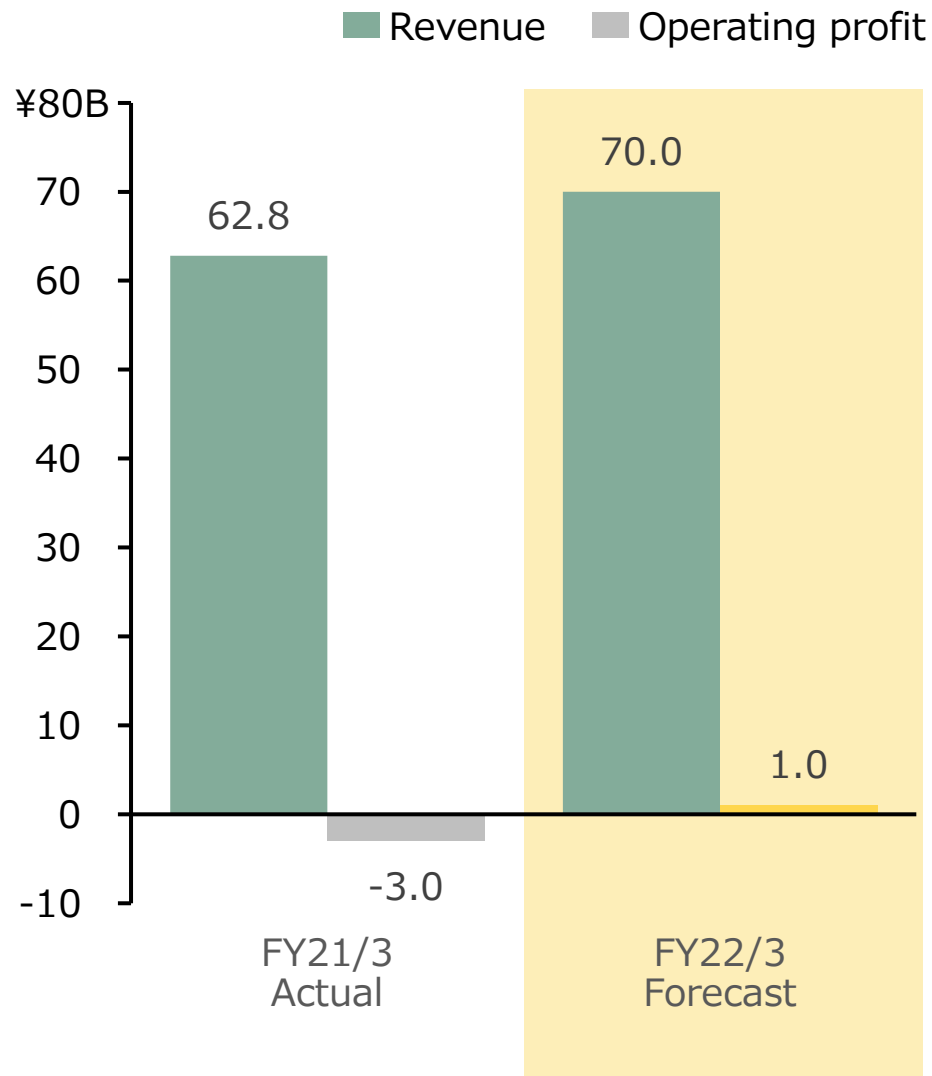
FPD Lithography Systems (units)

Market Scale (CY20/21)	52	120
Nikon	29	45

Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY20/21)	330	370
Nikon	16/11	13/15

Forecast for the year ending March 31, 2022: Healthcare Business



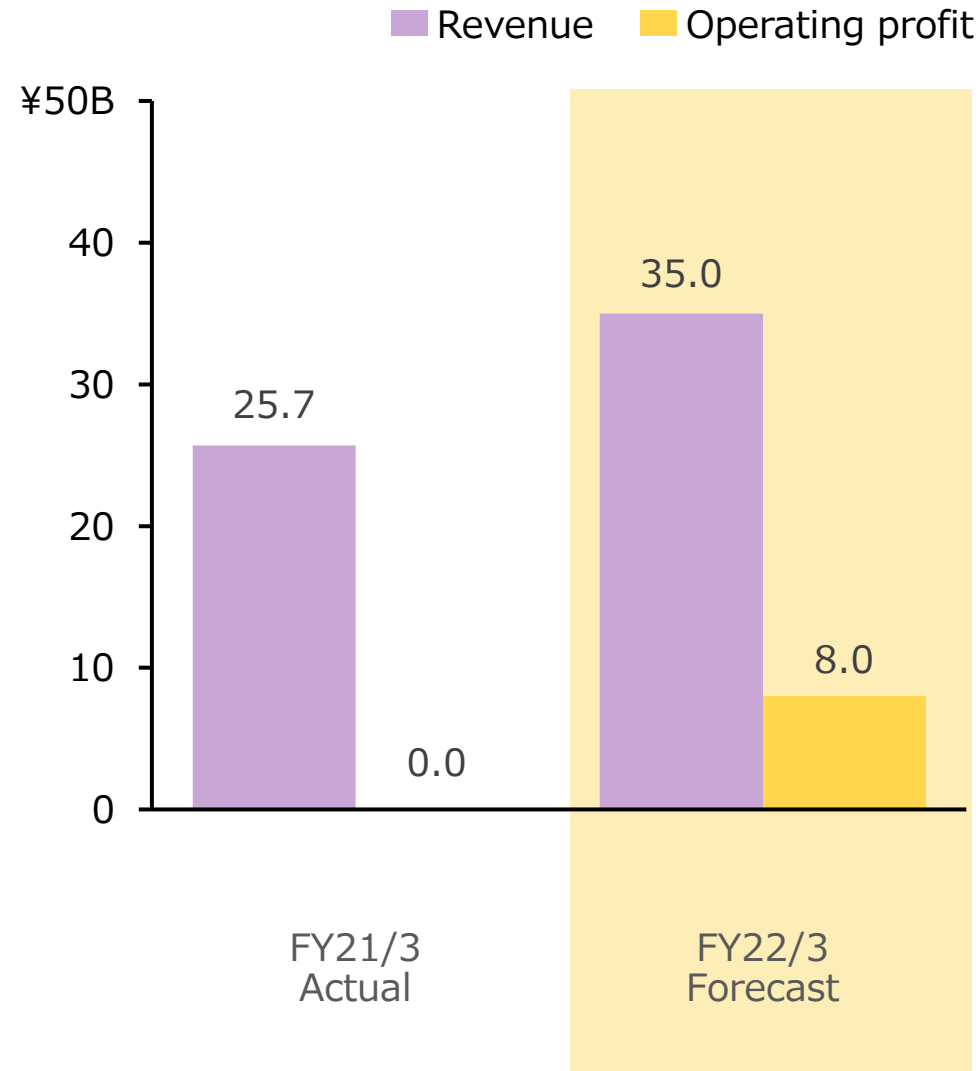
• Revenue: Surpassed by ¥7.2B YoY

- In biological microscopes, recovery in The Americas market to contribute to sales growth.
- In retinal diagnostic imaging systems, plan to hit new record high in sales again this year.
- Begin commercial production in the cell contract manufacturing business.
- Expect record high sales for the Healthcare Business.

• Operating profit: Surpassed by ¥4.0B YoY

- Profit to grow ¥1.5B, excluding ¥2.5B in impairment losses of fixed asset posted in the previous year.
- Expect the Healthcare Business to turn profitable for the first time, after a one-year delay caused by the COVID-19 pandemic.

Forecast for the year ending March 31, 2022: Components Business



- **Revenue: Surpassed by ¥9.3B YoY**

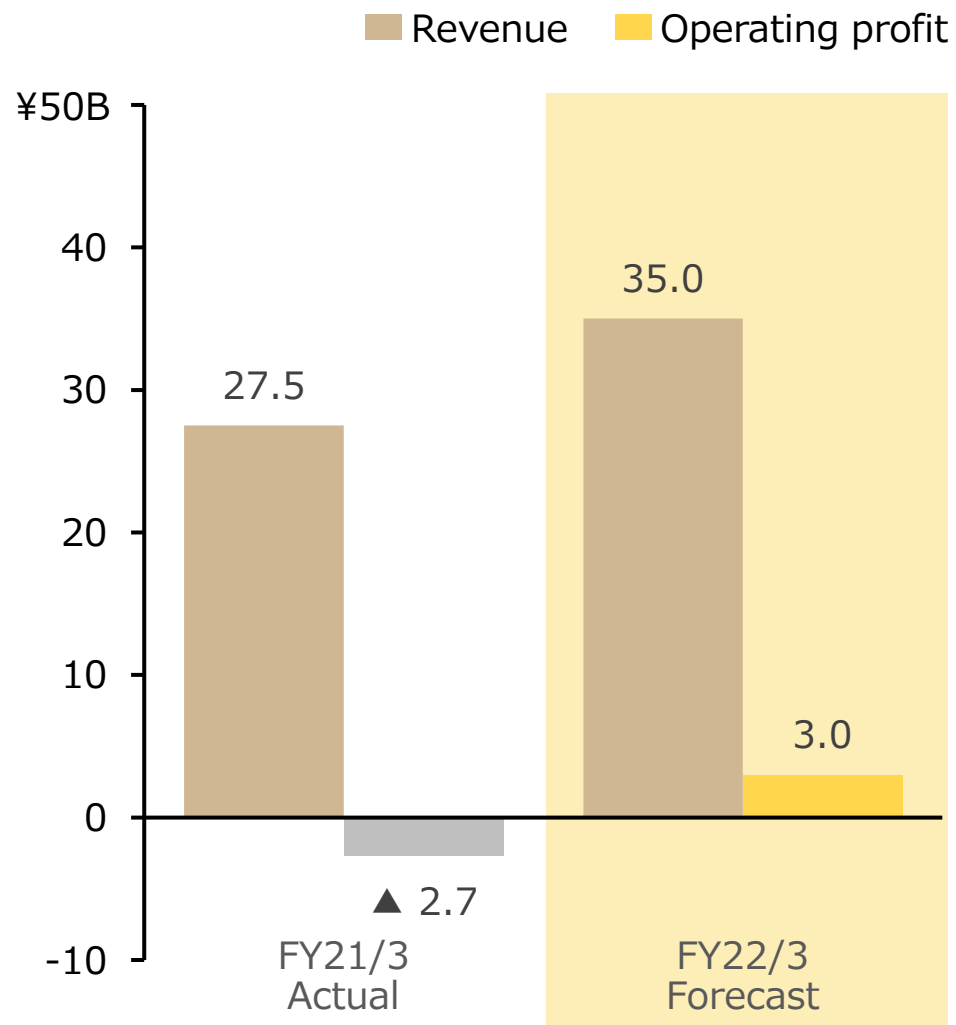
- Expanding sale of optical components, EUV related components, optical parts, encoders and photomask substrates for FPD, etc.
- Particularly, EUV related components business is progressing.

- **Operating profit: Surpassed by ¥8.0B YoY**

- Profit to grow ¥7.4B, excluding ¥0.6B of impairment losses of fixed asset posted in previous year.

Note: Actual in FY2021/3 and comments referring previous year are reference, as new disclosure.

Forecast for the year ending March 31, 2021: Industrial Metrology and Others



• Revenue: Surpassed by ¥7.5B YoY

- Capex to recover in electronic components, semiconductor and automotive fields.
- In Industrial Metrology, expand sales in image metrology systems, X-ray inspection systems and non-contact metrology systems.

• Operating profit: Surpassed by ¥5.7B YoY

- Profit up ¥1.1B, excluding ¥4.6B in one-time costs, including impairment loss related to the Imaging Products Business and restructuring expenses, which were posted in the previous year.

Note: Actual in FY2021/3 and comments referring previous year are reference, as new disclosure.

The Others segment of the Industrial Metrology and Others Business includes production subsidiaries, where impairment of fixed asset were posted in the previous year in connection with a review of the Imaging Products business plan.