



Financial Results for the 1st quarter of the year ending March 31, 2021

August 6, 2020

1. Financial Results for the 1st quarter of the year ending March 31, 2021
2. Forecast for the year ending March 31, 2021

Q1 Actual

- **Revenue: ¥64.7B**
- **Operating Profit: -¥20.5B**

YoY

- **Revenue: Down ¥78.2B**
- **Operating profit: Down ¥29.8B**
- **The impact of COVID-19 is enormous, revenue declined in all segments, then in deficit.**
 - **Imaging Products : Revenue down ¥42.2B. Profit down ¥11.6B.**
Digital camera sales volumes dropped substantially due to restrictions on movement, suspension of distributors, etc.
 - **Precision Equipment: Revenue down ¥32.2B. Profit down ¥15.4B.**
Particularly in FPD lithography business, systems could not resume its installation due to travel restrictions. No sales of system has posted in Q1.

1st quarter of the year ending March 31, 2021: Financial Highlights



Billions of yen	FY2020/3 Q1 Actual (A)	FY2021/3 Q1 Actual (B)	Change (B)- (A)
Revenue	142.9	64.7	-78.2
Operating Profit % vs Revenue	9.3 6.5%	-20.5 -31.7%	-29.8
Profit before income taxes % vs Revenue	10.7 7.5%	-19.2 -29.7%	-29.9
Profit attributable to owners of the parent % vs Revenue	8.2 5.7%	-13.5 -20.9%	-21.7
FCF	-0.7	-18.2	-17.5
Exchange Rate:			Impact on Revenue
US \$	¥ 110	¥ 108	-1.7
EURO	¥ 124	¥ 119	Impact on Operating Profit -0.3

Profit attributable to owners of the parent and FCF deteriorated significantly due to a decline in revenue of more than 50% YoY.

1st quarter of the year ending March 31, 2021: Financial Highlights by Segment



Billions of yen		FY2020/3 Q1 Actual (A)	FY2021/3 Q1 Actual (B)	Change (B)-(A)
Imaging Products Business	Revenue	67.3	25.1	-63%
	Operating profit	3.5	-8.1	-¥11.6B
Precision Equipment Business	Revenue	51.8	19.6	-62%
	Operating profit	10.3	-5.1	-¥15.4B
Healthcare Business	Revenue	12.9	10.3	-20%
	Operating profit	-1.9	-2.4	-¥0.5B
Industrial Metrology and Others	Revenue	10.8	9.5	-12%
	Operating profit	0.2	-0.4	-¥0.6B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—
	Operating profit	-2.9	-4.4	-¥1.5B
Consolidated	Revenue	142.9	64.7	-55%
	Operating profit	9.3	-20.5	-¥29.8B

Corporate P/L non-attributable to any reportable segments improved ¥2.3B, excluding ¥3.8B gain from the sales of unused land booked in the previous fiscal year.

Note: The Semiconductor Related Equipment Business, which had belonged to Industrial Metrology and Others, has been transferred to the Precision Equipment Business. Revenue of ¥0.9B and operating profit of ¥0.2B have been transferred from Industrial Metrology and Others to the Precision Equipment Business as a result of retroactive application to FY2020/3.

1st quarter of the year ending March 31, 2021: Imaging Products Business



Billions of yen	FY2020/3 Q1 Actual (A)	FY2021/3 Q1 Actual (B)	Change (B)-(A)
Revenue	67.3	25.1	-42.2
Operating profit	3.5	-8.1	-11.6
% vs Revenue	5.2%	-32.3%	
Digital Camera- Interchangeable Lens type (Units sold: 1,000)	450	140	-310
Interchangeable Lens (Units sold: 1,000)	740	220	-520
Compact DSC (Units sold: 1,000)	270	50	-220

Q1 YoY:

- Business activities in China has recovered as previous fiscal year and other regions bottomed out in April and have been on a gradual recovery trend since. Nevertheless, effects including restrictions on movement and suspension of distributors due to lock downs have been immense. Sales volumes dropped substantially in all categories.
- The substantial decline in revenue outweighed efforts to rein in sales expenses, yet, deficit was recorded for the first time in Q1.

1st quarter of the year ending March 31, 2021: Precision Equipment Business



Billions of yen	FY2020/3 Q1 Actual (A)	FY2021/3 Q1 Actual (B)	Change (B)-(A)
Revenue	51.8	19.6	-32.2
Operating profit	10.3	-5.1	-15.4
% vs Revenue	19.9%	-26.0%	
FPD Lithography Systems (units)	9	0	-9
Semiconductor Lithography Systems New/Refurbished (units)	6/1	2/1	-4/± 0

Q1 YoY:

- In the FPD Lithography Business, the installations that have been halted since February could not be resumed by June. Therefore, no sales of system has been booked.
- In the Semiconductor Lithography Business, sales were booked for the systems which its installation began last year continued into this quarter. Installation of some systems, however, were completed early and booked last year. Therefore, Q1 sales volumes dropped substantially.

1st quarter of the year ending March 31, 2021: Healthcare Business



Billions of yen	FY2020/3 Q1 Actual (A)	FY2021/3 Q1 Actual (B)	Change (B)-(A)
Revenue	12.9	10.3	-2.6
Operating profit	-1.9	-2.4	-0.5
% vs Revenue	-14.7%	-23.3%	

Q1 YoY:

- Revenue and profit dropped in biological microscopes as well as retinal diagnostic imaging systems due to decreased orders since February as a result of lock downs, etc. Biological microscope sales volumes dropped mainly in the Americas. Retinal diagnostic imaging systems had significant impact by delayed recoveries in core markets of the US and Europe.

1st quarter of the year ending March 31, 2021: Industrial Metrology and Others



Billions of yen	FY2020/3 Q1 Actual (A)	FY2021/3 Q1 Actual (B)	Change (B)-(A)
Revenue	10.8	9.5	-1.3
Operating profit	0.2	-0.4	-0.6
% vs Revenue	1.9%	-4.2%	

Q1 YoY:

Revenue and profit dropped mainly in the Industrial Metrology due to the delay in customers investment continued from the end of last year, on top of that, restrictions on sales activities and the postponement of deliveries due to the impact of COVID-19.

1. Financial Results for the 1st quarter of the year ending March 31, 2021

2. Forecast for the year ending March 31, 2021

Forecast for the year ending March 31, 2021



Revenue ¥420.0B

- **Company total forecast: Revenue down ¥171.0B YoY**

- **Imaging Products Business:** Revenue decreased ¥95.8B (-42.4%) by the impact of COVID-19 couple with market shrinkage drove down sales volumes.
- **Precision Equipment Business:** Revenue decreased ¥70.0B (-28.6%) as our main customer is at their shifting point of investment in Semiconductor lithography business couples with installation delays by the impact of COVID-19 in FPD lithography business.

Operating profit -¥75.0B

- **Company total forecast: Profit down ¥81.7B YoY**

- **Imaging Products Business:** Profit decreases ¥22.9B, deficit of ¥40.0B due to market shrinkage and the impact of COVID-19 in spite of reductions to business costs.
- **Precision Equipment Business:** Profit decrease ¥38.0B, profit of ¥10.0B by the Impact of COVID-19 couples with increased development investments in growth areas.
- **Corporate P/L non-attributable to any reportable segments:** ¥20.0B of risk buffer are posted for further performance fluctuation risk.

Financial soundness

- **Financial soundness is well secured even with the assumption of -¥50.0B of Profit Attributable to Owners of the Parent.**

- **Equity capital:** Equity capital expected to remain at least 50% or more after the end of the fiscal year
- **Liquidity on hand:** Secured more than ¥400.0B in total of cash on hand and commitment lines of credit etc. for working capital.

Dividends

- **Dividend forecast:** Based on the policy of total return ratio of 40% or more (cumulative period of Medium-Term Management Plan): annual ¥20. (interim: ¥10)

Management responsibility

- **Executive compensation:**

Effective in September 2020 for the foreseeable future, reduce monthly pay up to 20% and pay no bonuses in FY2021/3.

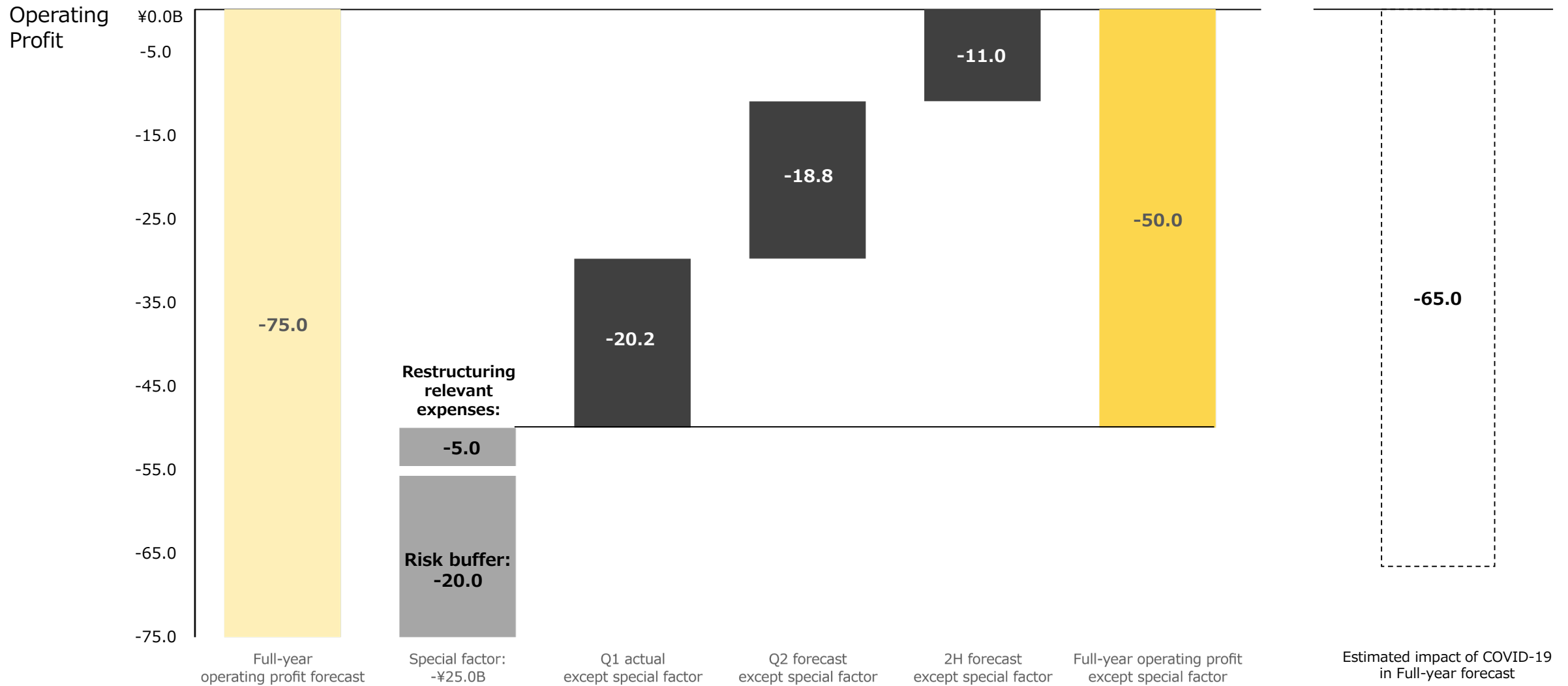
Forecast for the year ending March 31, 2021: Financial Highlights



Billions of yen	FY2020/3 Actual (A)	FY2021/3 Forecast (B)	Change (B)-(A)
Revenue	591.0	420.0	-171.0
Operating Profit	6.7	-75.0	-81.7
% vs Revenue	1.1%	-17.9%	
Profit before income taxes	11.8	-70.0	-81.8
% vs Revenue	2.0%	-16.7%	
Profit attributable to owners of the parent	7.6	-50.0	-57.6
% vs Revenue	1.3%	-11.9%	
EPS	¥ 19.93	-¥136.19	-¥156.12
Annual Dividends	¥ 40	¥20	-¥20
FCF	-4.8	-	-
Exchange Rate:			Impact on revenue
US \$	¥ 109	¥106	Approx. -9.0
EURO	¥ 121	¥116	Impact on Operating Profit Approx. -2.0

Note: EPS (Basic Earnings per Share) = Profit attributable to owners of the parent / Average number of shares
(The actual of FY2020/3 is calculated by approx. 0.386B shares. The forecast of FY2021/3 is calculated by approx. 0.367B, average number of shares from April to June 2020). FCF for FY2021/3 is undecided.

Forecast for the year ending March 31, 2021: Operating deficit breakdown



-¥50.0B of operating deficit excluding special factor will be posted mainly in the 1H, and the deficit of 2H is expected to shrink down to ¥11.0B.

Note: -¥5.0B of restructuring relevant expenses was posted -¥0.3B in Q1. And it will be done -¥0.7B in Q2 and -¥4.0B in 2H. -¥20.0B of risk buffer will be posted in 2H.

Forecast for the year ending March 31, 2021: Financial Highlights by Segment



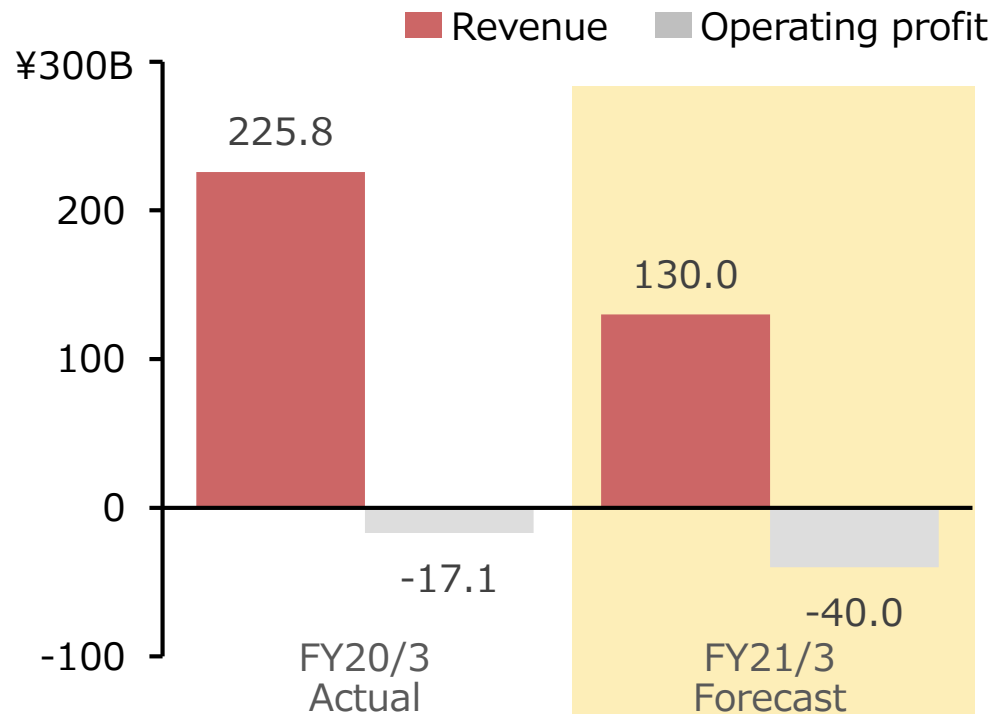
Billions of yen		FY2020/3 Actual (A)	FY2021/3 Forecast (B)	Change (B)-(A)
Imaging Products Business	Revenue	225.8	130.0	-42.4%
	Operating Profit	-17.1 (-14.4)	-40.0 (-35.0)	- ¥ 22.9B
	Revenue	245.0	175.0	-28.6%
Precision Equipment Business	Operating Profit	48.0 (48.0)	10.0 (10.0)	-¥38.0B
	Revenue	62.0	57.0	-8.1%
Healthcare Business	Operating Profit	-2.4 (-2.4)	-5.0 (-5.0)	-¥2.6B
	Revenue	58.0	58.0	±0%
Industrial Metrology and Others	Operating Profit	1.8 (1.8)	0.0 (0.0)	- ¥ 1.8B
	Revenue	—	—	—
Corporate P/L non-attributable to any reportable segments	Operating Profit	-23.6 (-21.9)	-40.0 (-40.0)	- ¥ 16.4B
	Revenue	591.0	420.0	-28.9%
Consolidated	Operating Profit	6.7 (11.2)	-75.0 (-70.0)	- ¥ 81.7B

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

Corporate P/L not attributable to any reportable segments includes the elimination of intersegment transactions that amount to -¥2.1B, the gain from unused land sales of ¥3.8B in FY2020/3 and risk buffer of -¥20.0B in FY2021/3. The Semiconductor Related Equipment Business, which had belonged to Industrial Metrology and Others, has been transferred to the Precision Equipment Business.

Revenue of ¥5.3B and operating profit of ¥1.3B have been transferred from Industrial Metrology and Others to the Precision Equipment Business as a result of retroactive application to FY2020/3.

Forecast for the year ending March 31, 2021: Imaging Products Business



• Revenue: Down ¥95.8B YoY

- In addition to the shrinking market, sales decreased significantly due to the impact of COVID-19. Although our business has been recovering since June, the impact of COVID-19 will remain throughout the fiscal year.
- Release new products consecutively in mid-range to high-end targeting professionals and hobbyists and continue to fill out the mirrorless lens lineup.

• Operating profit: Down ¥22.9B YoY

- Proceeded reductions of business costs through restructuring. However, efforts could not offset the impact of COVID-19, leading to significant loss.
- Assuming the impact of COVID-19 will continue to next year and beyond. Therefore, the ¥50.0B business cost reduction in the Mid-term management plan will be increased to ¥60.0B. Last year, more than ¥25.0B in business costs were cut. This year, the plan is to reduce approx. ¥15.0B.
- Last year, restructuring relevant expenses were ¥2.7B. This year, the plan is approx. ¥5.0B, primarily in the 2H.

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

Market Scale	7,920	4,800
Nikon	1,620	800

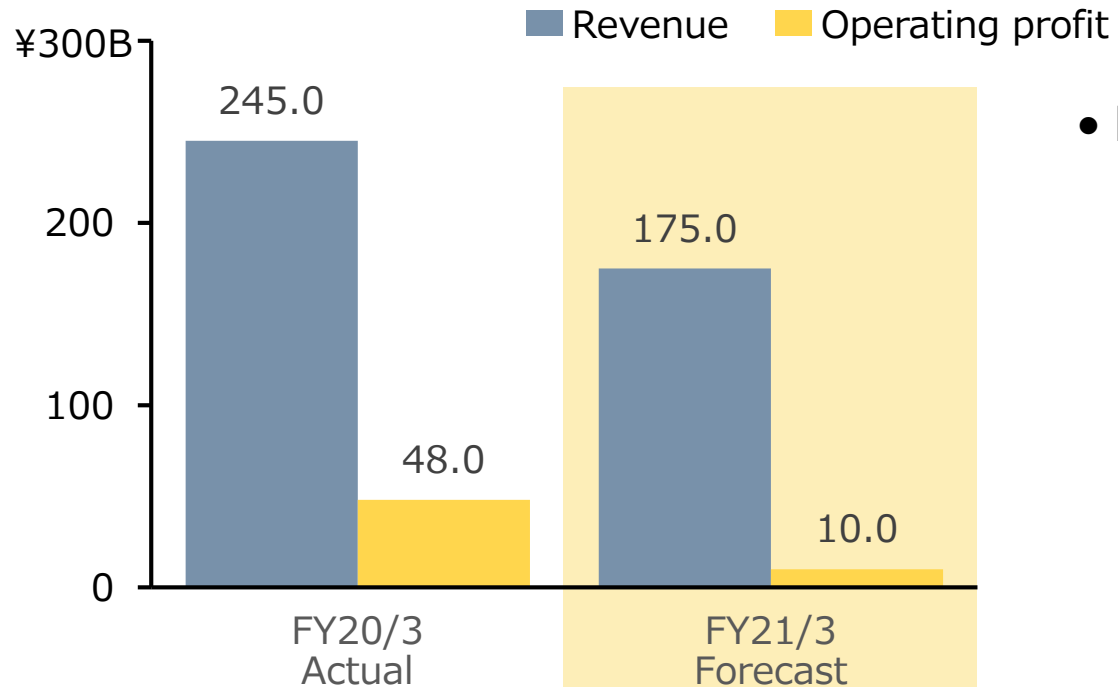
Interchangeable lenses (units:1,000)

Market Scale	13,370	8,000
Nikon	2,650	1,300

Compact DSC(units:1,000)

Market Scale	6,190	2,900
Nikon	840	250

Forecast for the year ending March 31, 2021: Precision Equipment Business



• Revenue: Down ¥70.0B YoY

- FPD : Capex for small and mid-sized panels are recovering. Capex for large panels remains steady.
- FPD : Some of the installations halted since February have resumed in July, albeit with restrictions on the installation. The number of systems that can complete installation are limited this year. Those that are not completed will be booked as sales of next year.
- Semiconductor : Systems sales volumes dropped substantially due to delays of system delivery and orders for some customers by the impact of COVID-19, as well as our major customer is at their shifting point of investment.

• Operating profit: Down ¥38.0B YoY

- The decline in profit will widen as the effect of declining revenue in FPD and Semiconductor couples with a substantial increase in R&D investment in growth areas.

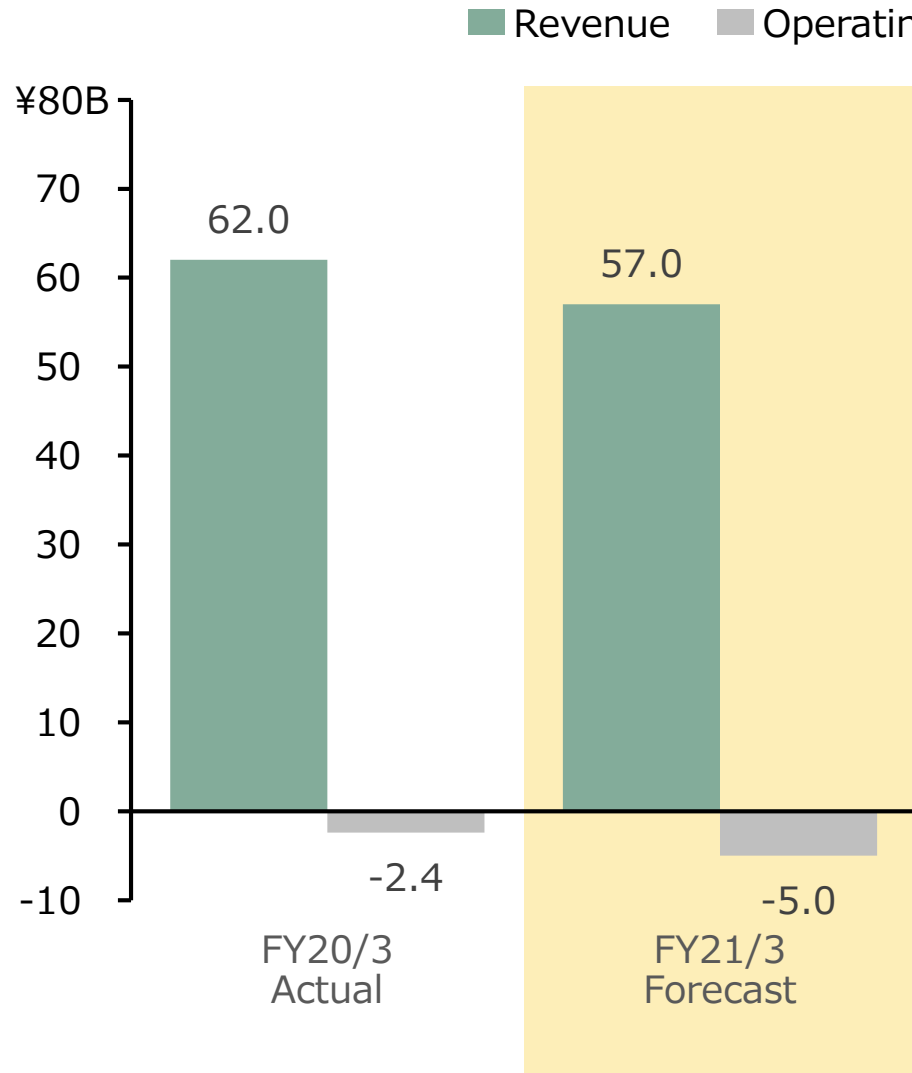
FPD Lithography Systems (units)

Market Scale (CY19/20)	90	55
Nikon	27	18

Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY19/20)	280	290
Nikon	34/11	19/10

Forecast for the year ending March 31, 2021: Healthcare Business



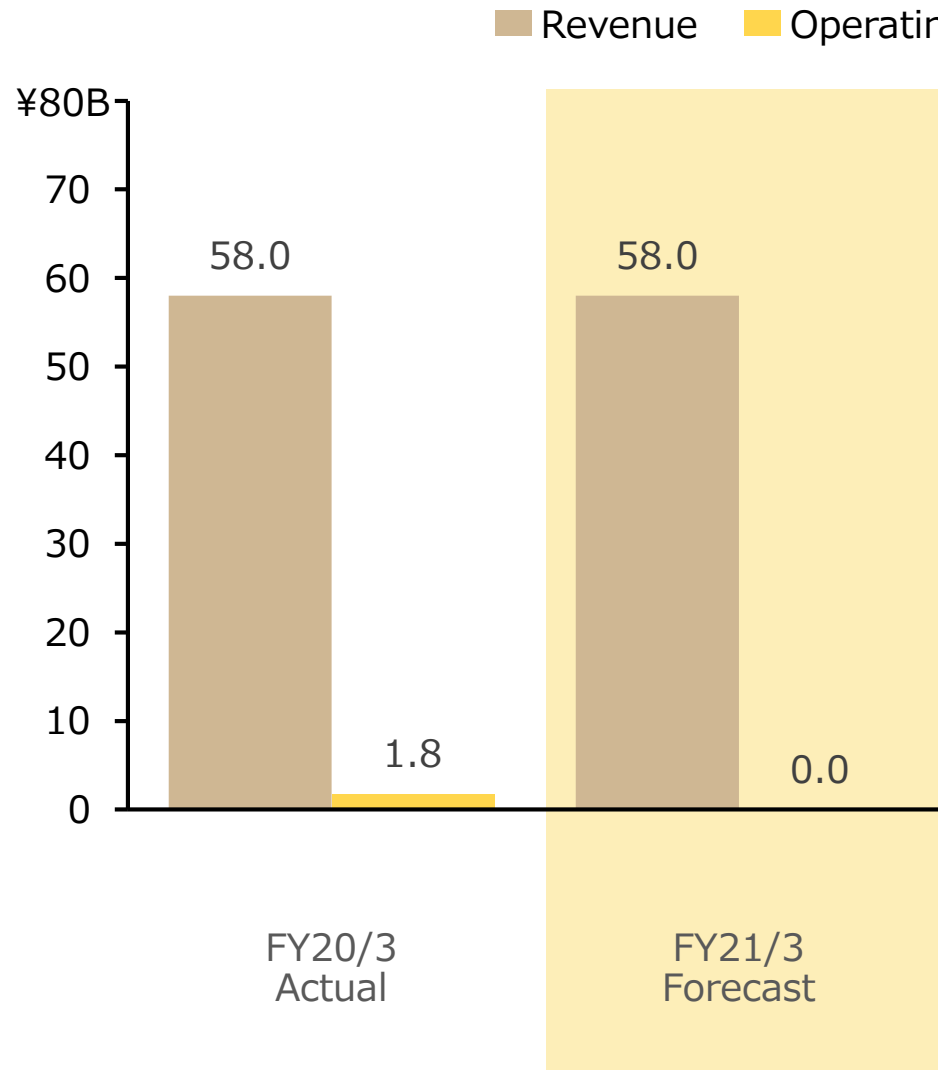
- **Revenue: Down ¥5.0B YoY**

- Revenue will decline year-on-year as the large impact of declining sales in the 1H outstrips the recovery in the 2H as order-taking resumed in both biological microscopes and retinal diagnostic imaging systems.
- The contract cell manufacturing business is moving forward as planned in terms of the facility extension and progress on projects with customers. Revenue increased compared to last year in regenerative medicine.

- **Operating profit: Down ¥2.6B YoY**

- Loss grew due to shrinking revenue.
- Turn to profitability planned for next year, one year late to due the impact of COVID-19.

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



- **Revenue: No change YoY**

- Industrial Metrology is expected to see a recovery in orders in the 2H. However, revenue will decrease substantially due to delays in recoveries of customer capex related to electronics components and automotive.
- Among Others, the Digital Solutions Business is growing its sales.

- **Operating profit: Down ¥1.8B YoY**

- Industrial Metrology profit down due to declining revenue.

