



# Financial Results for the 3rd quarter of the year ending March 31, 2021

February 4, 2021

# Summary for the 3rd quarter of the year ending March 31, 2021



Q3	Actual	<ul style="list-style-type: none"> <li>• Revenue : ¥150.6B</li> <li>• Operating Profit : ¥9.9B</li> </ul>
	YoY	<ul style="list-style-type: none"> <li>• Revenue : Down ¥2.8B</li> <li>• Operating Profit : Surpassed by ¥5.9B</li> <li>• <b>Decrease in revenue and increase in operating profit YoY. Surplus in all segments except extraordinary costs.</b> <ul style="list-style-type: none"> <li>- <b>Imaging Products:</b> Record quarterly sales for mirrorless cameras. Deficit is shrank despite decline in revenue, thanks to improved product mix and reduced business cost. Segment was profitable in real terms, excluding factors such as restructuring relevant expenses.</li> <li>- <b>Precision Equipment:</b> Increase in revenue and profit by increased sales of FPD lithography systems.</li> <li>- <b>Healthcare:</b> Turned profitable on quarterly record-high sales of retinal diagnostic imaging systems.</li> </ul> </li> </ul>
Q1-Q3	Actual	<ul style="list-style-type: none"> <li>• Revenue : ¥326.2B</li> <li>• Operating Profit : -¥36.7B</li> </ul>
	YoY	<ul style="list-style-type: none"> <li>• Revenue : Down ¥118.2B</li> <li>• Operating Profit : Down ¥58.2B</li> </ul>

Note: Amounts in this presentation material are rounded down to the hundred millions of yen.

# 3rd quarter of the year ending March 31, 2021: Financial Highlights



Billions of yen	FY2020/3 Q3 (A)	FY2021/3 Q3 (B)	Change (B)-(A)
<b>Revenue</b>	153.4	<b>150.6</b>	-2.8
<b>Operating Profit</b>	4.0	<b>9.9</b>	+5.9
% vs Revenue	2.6%	<b>6.6%</b>	
<b>Profit before income taxes</b>	5.8	<b>10.9</b>	+5.1
% vs Revenue	3.8%	<b>7.2%</b>	
<b>Profit attributable to owners of the parent</b>	3.9	<b>8.1</b>	+4.2
% vs Revenue	2.5%	<b>5.4%</b>	
<b>FCF</b>	0.8	<b>22.5</b>	+21.7
Exchange Rate :			Impact on Revenue
US \$	¥109	<b>¥105</b>	-1.2
EURO	¥120	<b>¥125</b>	Impact on Operating Profit
			+0.2

Profit on each level and FCF improved by increased sales of mirrorless cameras/lenses and FPD lithography systems, and restructuring effects, despite of decline in revenue YoY.

# 3rd quarter of the year ending March 31, 2021: Financial Highlights by Segments



Billions of yen		FY2020/3 Q3 (A)	FY2021/3 Q3 (B)	Change (B)-(A)
<b>Imaging Products Business</b>	Revenue	70.0	<b>52.3</b>	-25%
	Operating Profit	-0.8	<b>-0.6</b>	+¥0.2B
<b>Precision Equipment Business</b>	Revenue	52.6	<b>66.6</b>	+27%
	Operating Profit	10.7	<b>12.1</b>	+¥1.4B
<b>Healthcare Business</b>	Revenue	16.5	<b>17.1</b>	+4%
	Operating Profit	-0.4	<b>0.7</b>	+¥1.1B
<b>Industrial Metrology and Others</b>	Revenue	14.3	<b>14.5</b>	+1%
	Operating Profit	0.9	<b>1.4</b>	+¥0.5B
<b>Corporate P/L non-attributable to any reportable segments</b>	Revenue	—	—	—
	Operating Profit	-6.3	<b>-3.8</b>	+¥2.5B
<b>Consolidated</b>	Revenue	153.4	<b>150.6</b>	-2%
	Operating Profit	4.0	<b>9.9</b>	+¥5.9B

Imaging Products Business turned profitable in real terms, excluding extraordinary costs such as restructuring relevant expenses. Increase in operating profit for all segments YoY.

# 1st to 3rd quarter of the year ending March 31, 2021: Financial Highlights



Billions of yen	FY2020/ Q1-Q3 (A)	FY2021/3 Q1-Q3 (B)	Change (B)-(A)
<b>Revenue</b>	444.4	<b>326.2</b>	-118.2
<b>Operating Profit</b>	21.5	<b>-36.7</b>	-58.2
% vs Revenue	4.8%	<b>-11.3%</b>	
<b>Profit before income taxes</b>	25.9	<b>-27.9</b>	-53.8
% vs Revenue	5.8%	<b>-8.6%</b>	
<b>Profit attributable to owners of the parent</b>	20.2	<b>-23.4</b>	-43.6
% vs Revenue	4.5%	<b>-7.2%</b>	
<b>FCF</b>	4.7	<b>10.4</b>	+5.7
Exchange Rate :			Impact on Revenue
US \$	¥109	<b>¥106</b>	-2.8
EURO	¥121	<b>¥122</b>	Impact on Operating Profit +0.6

FCF remained positive for the second consecutive quarter although each profit was in deficit due to the impact of one-time cost, etc. The cumulative FCF of Q1 to Q3 total is higher than the previous FY.

# 1st to 3rd quarter of the year ending March 31, 2021: Financial Highlights by Segments



Billions of yen		FY2020/3 Q1-Q3 (A)	FY2021/3 Q1-Q3 (B)	Change (B)-(A)
<b>Imaging Products Business</b>	Revenue	189.0	<b>116.7</b>	-38%
	Operating Profit	1.2 (2.0)	<b>-28.0</b> <b>(-26.1)</b>	-¥29.2B
<b>Precision Equipment Business</b>	Revenue	170.2	<b>130.4</b>	-23%
	Operating Profit	36.7 (36.7)	<b>6.1</b> <b>(6.1)</b>	-¥30.6B
<b>Healthcare Business</b>	Revenue	46.5	<b>42.8</b>	-8%
	Operating Profit	-1.6 (-1.6)	<b>-1.6</b> <b>(-1.6)</b>	±¥0B
<b>Industrial Metrology and Others</b>	Revenue	38.5	<b>36.2</b>	-6%
	Operating Profit	2.7 (2.7)	<b>-1.5</b> <b>(-1.5)</b>	-¥4.2B
<b>Corporate P/L non-attributable to any reportable segments</b>	Revenue	—	—	—
	Operating Profit	-17.4 (-15.7)	<b>-11.6</b> <b>(-11.6)</b>	+¥5.8B
<b>Consolidated</b>	Revenue	444.4	<b>326.2</b>	-27%
	Operating Profit	21.5 (24.1)	<b>-36.7</b> <b>(-34.8)</b>	-¥58.2B

Corporate P/L non-attributable to any reportable segments improved by ¥7.9B YoY, excluding the gain from unused land sales of ¥3.8B and restructuring relevant expenses of -¥1.7B.

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 -¥1.8B for FY2020/3 and ¥1.5B for FY2021/3.

# 3rd quarter of the year ending March 31, 2021: Imaging Products Business



Billions of yen	FY2020/3		FY2021/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) – (A)	(D) – (B)
<b>Revenue</b>	<b>70.0</b>	<b>189.0</b>	<b>52.3</b>	<b>116.7</b>	<b>-17.7</b>	<b>-72.3</b>
<b>Operating Profit</b>	<b>-0.8</b>	<b>1.2</b>	<b>-0.6</b>	<b>-28.0</b>	<b>+0.2</b>	<b>-29.2</b>
% vs Revenue	-1.1%	0.6%	-1.1%	-24.0%		
<b>Digital Camera-Interchangeable Lens type</b> (units sold: 1,000)	<b>580</b>	<b>1,380</b>	<b>280</b>	<b>660</b>	<b>-300</b>	<b>-720</b>
<b>Interchangeable Lens</b> (units sold: 1,000)	<b>950</b>	<b>2,260</b>	<b>470</b>	<b>1,080</b>	<b>-480</b>	<b>-1,180</b>
<b>Compact DSC</b> (units sold: 1,000)	<b>230</b>	<b>730</b>	<b>80</b>	<b>200</b>	<b>-150</b>	<b>-530</b>

**Q3 YoY Change:** : Brisk sales of new products in mirrorless cameras and lenses. Shift to mid to high-end models for pro/hobbyist has been progressing smoothly, and unit sales price has risen. Mirrorless bodies and lenses reached record high for quarterly sales volumes and revenues on contribution from new products Z 6II and Z 7II. Profitable in real terms, excluding one-time cost such as restructuring relevant expenses, thanks to advanced business cost reduction in addition to increased revenue.

Note: The Q3 cumulative operating profit of -¥28.0B includes approx. -¥16.0B of fixed asset impairments and disposal/write-down of inventory in Q2 and Q3, and -¥1.9B of restructuring relevant expenses.

# 3rd quarter of the year ending March 31, 2021: Precision Equipment Business



Billions of yen	FY2020/3		FY2021/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) - (A)	(D) - (B)
<b>Revenue</b>	<b>52.6</b>	<b>170.2</b>	<b>66.6</b>	<b>130.4</b>	<b>+14.0</b>	<b>-39.8</b>
<b>Operating Profit</b> % vs Revenue	<b>10.7</b> 20.3%	<b>36.7</b> 21.6%	<b>12.1</b> 18.2%	<b>6.1</b> 4.7%	<b>+1.4</b>	<b>-30.6</b>
<b>FPD Lithography Systems (Units)</b>	<b>6</b>	<b>24</b>	<b>12</b>	<b>17</b>	<b>+6</b>	<b>-7</b>
<b>Semiconductor Lithography systems New/Refurbished (Units)</b>	<b>5/5</b>	<b>19/9</b>	<b>5/2</b>	<b>11/5</b>	<b>±0/-3</b>	<b>-8/-4</b>

**Q3 YoY Change:** Revenues and profit increase as sales volumes more than last year, thanks to installations in the FPD Lithography Business advancing earlier than expected. Profit down in the Semiconductor Lithography Business by disposal and write-down of inventory despite of sales of new products steadily performed. In the segment as a whole, revenues and profit increase driven by revenue growth in the FPD Lithography Business.

Note: Q3 cumulative operating profit of ¥6.1B includes approx. -¥14.0B of disposal and write-down of inventory in Q2 and Q3.



# 3rd quarter of the year ending March 31, 2021: Healthcare Business



Billions of yen	FY2020/3		FY2021/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) - (A)	(D) - (B)
Revenue	16.5	46.5	17.1	42.8	+0.6	-3.7
Operating Profit	-0.4	-1.6	0.7	-1.6	+1.1	±0
% vs Revenue	-2.4%	-3.4%	4.1%	-3.7%		

**Q3 YoY Change:** Retinal diagnostic imaging systems reached a quarterly high in sales. Revenue of whole segment increase, as Biological microscopes also performed steadily. Operating profit turned positive from deficit of previous FY, thanks to expense restraints in addition to increased revenue.

# 3rd quarter of the year ending March 31, 2021: Industrial Metrology Business and Others



Billions of yen	FY2020/3		FY2021/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) - (A)	(D) - (B)
<b>Revenue</b>	<b>14.3</b>	<b>38.5</b>	<b>14.5</b>	<b>36.2</b>	<b>+0.2</b>	<b>-2.3</b>
<b>Operating Profit</b>	<b>0.9</b>	<b>2.7</b>	<b>1.4</b>	<b>-1.5</b>	<b>+0.5</b>	<b>-4.2</b>
% vs Revenue	6.3%	7.0%	9.7%	-4.1%		

**Q3 YoY Change:** In whole segment, revenues and profit increased due to expense restraints coupled with strength in the components business, etc. within the Digital Solutions Business.

1. Financial results for the 3rd 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

- **Company total forecast: Revised upward ¥20.0B to ¥450.0B**
  - Imaging Products: Revised upward ¥5.0B, reflecting Q3 performance.
  - Precision Equipment: Revised upward ¥15.0B to reflect beating planned sales volumes of FPD lithography systems.

## Operating profit

- **Company total forecast: Revised upward ¥10.0B to -¥65.0B**
  - Imaging Products: Revised upward ¥5.0B thanks to increased revenue and advanced business cost reductions.
  - Precision Equipment: Revised upward ¥3.0B as increased revenue in FPD lithography business outweighs disposal and write-down of inventory.
  - Corporate P/L non-attributable to any reportable segments: Revised upward ¥2.0B thanks to HQ cost reductions, etc.

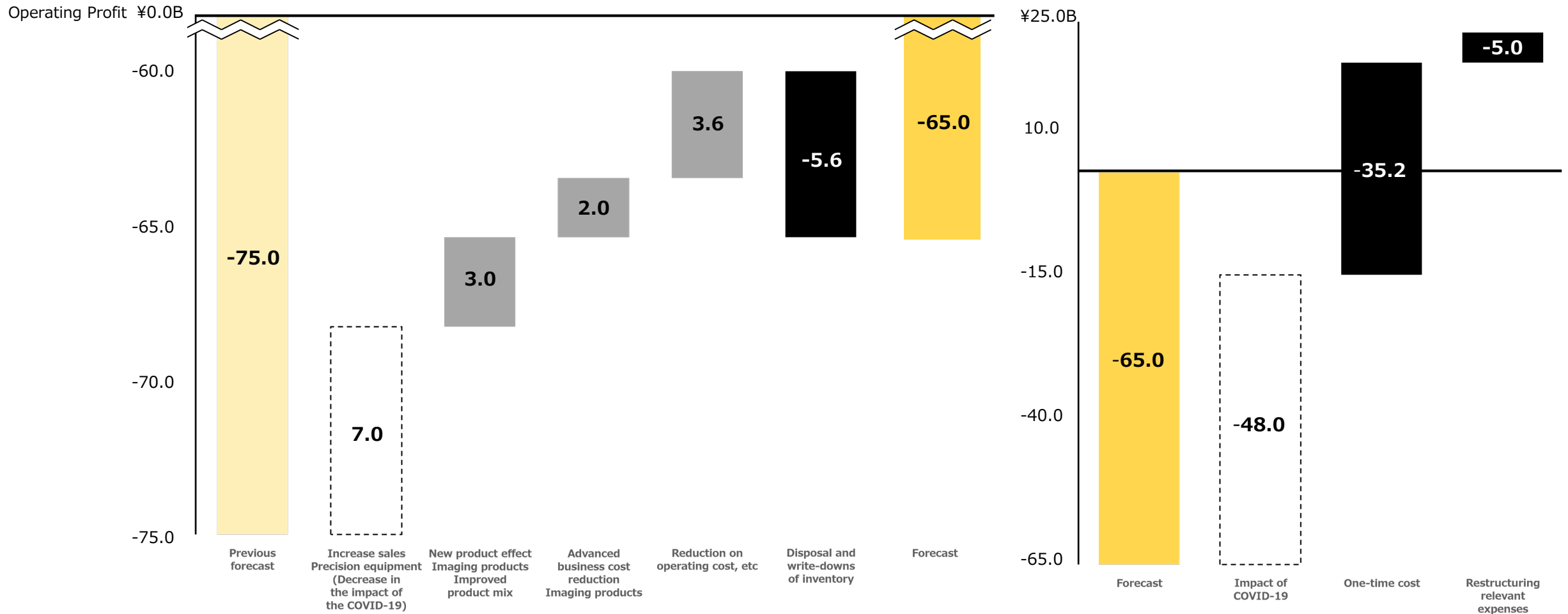
## Profit attributable to owners of the parent

- **Company total forecast: Revised upward ¥8.0B to -¥42.0B**

## Shareholder Returns

- **Annual Dividend: ¥20, Interim Dividend: ¥10** (unchanged from previous forecast)

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



Sustain momentum in business performance improvement and continue to address management challenges aiming to make all business segments profitable next year.

Note: -¥35.2B of one-time cost includes -¥18.8B of fixed asset impairments in Q2, -¥10.7B of disposal and write-down of inventory in Q2 and -¥5.6B of disposal and write-down of inventory in Q3 .

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



Billions of yen	FY2020/3 (A)	Previous Forecast (Nov. 5) (B)	New Forecast (Feb. 4) (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	591.0	430.0	<b>450.0</b>	-141.0	+20.0
<b>Operating Profit</b>	6.7	-75.0	<b>-65.0</b>	-71.7	+10.0
% vs Revenue	1.1%	-17.4%	<b>-14.4%</b>		
<b>Profit before income taxes</b>	11.8	-70.0	<b>-60.0</b>	-71.8	+10.0
% vs Revenue	2.0%	-16.3%	<b>-13.3%</b>		
<b>Profit attributable to owners of the parent</b>	7.6	-50.0	<b>-42.0</b>	-49.6	+8.0
% vs Revenue	1.3%	-11.6%	<b>-9.3%</b>		
<b>EPS</b>	¥19.93	-¥136.19	<b>-¥114.40</b>	-¥134.33	+¥21.79
<b>Annual Dividends</b>	¥40	¥20	<b>¥20</b>	-¥20	±0
<b>Exchange Rate :</b>				Impact on Revenue	
US \$	¥109	¥106	<b>¥106</b>	-5.5	+2.3
<b>EURO</b>	¥121	¥118	<b>¥121</b>	Impact on Operating Profit	
				-0.1	+0.7

Note: EPS (Basic Earning per Share) = Profit attributable to owner of the parent / Average number of shares during the term  
 Approx. 0.386B shares, an average over the number of shares at the end of FY2020/3, approx. 0.367B, and the expected number of shares at the end of FY2021/3.

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

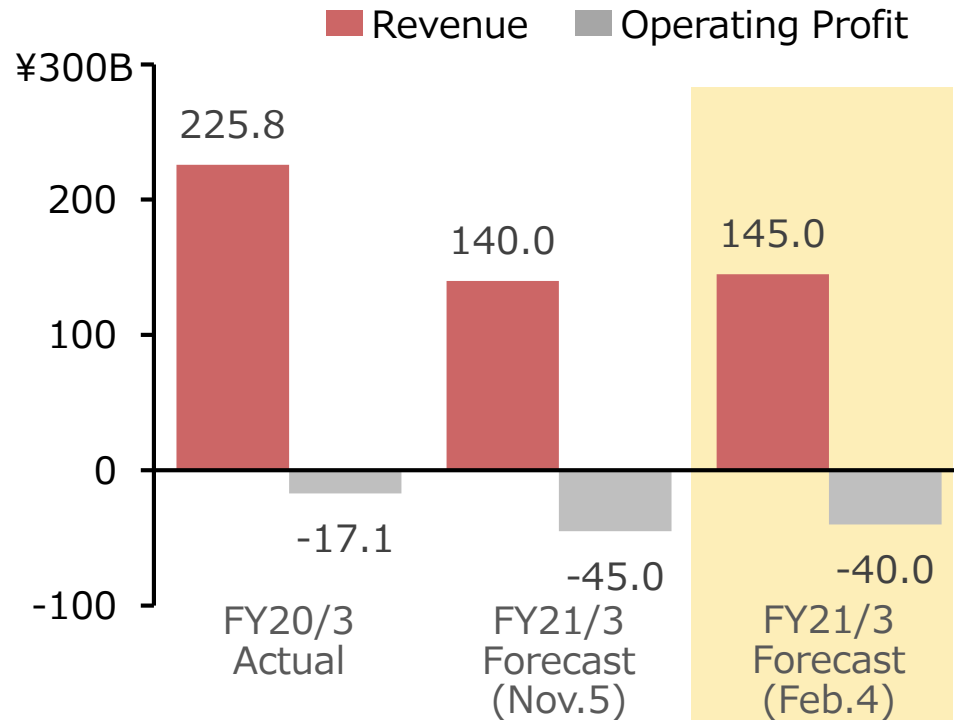


Billions of yen		FY2020/3 (A)	Previous Forecast (Nov.5) (B)	New Forecast (Feb.4) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	225.8	140.0	<b>145.0</b>	-35.8%	3.6%
	Operating Profit	-17.1 (-14.4)	-45.0 (-40.0)	<b>-40.0</b> <b>(-35.0)</b>	-¥22.9B	+¥5.0B
Precision Equipment Business	Revenue	245.0	175.0	<b>190.0</b>	-22.4%	8.6%
	Operating Profit	48.0 (48.0)	1.0 (1.0)	<b>4.0</b> <b>(4.0)</b>	-¥44.0B	+¥3.0B
Healthcare Business	Revenue	62.0	60.0	<b>60.0</b>	-3.2%	±0%
	Operating Profit	-2.4 (-2.4)	-4.0 (-4.0)	<b>-4.0</b> <b>(-4.0)</b>	-¥1.6B	±¥0B
Industrial Metrology and Others	Revenue	58.0	55.0	<b>55.0</b>	-5.2%	±0%
	Operating Profit	1.8 (1.8)	-2.0 (-2.0)	<b>-2.0</b> <b>(-2.0)</b>	-¥3.8B	±¥0B
Corporate P/L non-attributable to any reportable segments	Revenue	—	—	—	—	—
	Operating Profit	-23.6 (-21.9)	-25.0 (-25.0)	<b>-23.0</b> <b>(-23.0)</b>	+¥0.6B	+¥2.0B
Consolidated	Revenue	591.0	430.0	<b>450.0</b>	-23.9%	+4.7%
	Operating Profit	6.7 (11.2)	-75.0 (-70.0)	<b>-65.0</b> <b>(-60.0)</b>	-¥71.7B	+¥10.0B

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

Corporate P/L non-attributable to any reportable segments includes -¥5.0B of special factor which was included in previous forecast as well.

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



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

Market Scale	7,920	5,000	5,300
Nikon	1,620	850	850
<b>Interchangeable Lens (units:1,000)</b>			
Market Scale	13,370	8,300	8,800
Nikon	2,650	1,400	1,400
<b>Compact DSC (units:1,000)</b>			
Market Scale	6,190	2,900	3,500
Nikon	840	250	250

## • Revenues: Down ¥80.8B YoY

### (Up ¥5.0B vs. previous forecast)

- Sales volumes down substantially due to market shrinkage and the impact of COVID-19. Revised up ¥5.0B of revenue to reflect by brisk sales of new mirrorless products, etc. in Q3.
- Expanded mirrorless lineup to 6 cameras and 18 lenses. Advanced shifting to mid to high-end models for pro/hobbyist.

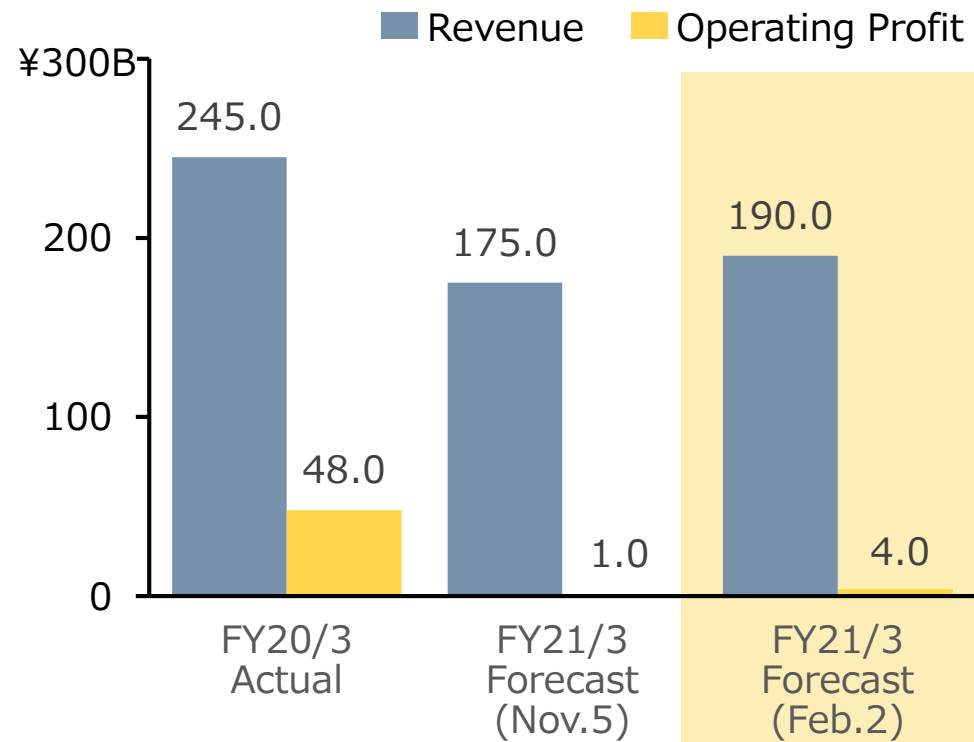
## • Operating Profit: Down ¥22.9B YoY

### (Up ¥5.0B vs. previous forecast)

- Revised upward ¥5.0B thanks to increased revenue and advanced business cost reductions.
- The ¥22.0B of business cost will be cut this FY including ¥2.0B pulled forward. ¥63.0B of business cost reduction planned for the mid-term management plan has been processing well.
- No change of approx. ¥5.0B of restructuring relevant expenses posted this FY. This year's operating profit to be approx. -¥19.0B, including the impact of COVID-19 but excluding one-time cost of approx. ¥16.0B from fixed asset impairments and disposal/write-down of inventory posted in Q2 and Q3.



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



## FPD Lithography Systems (units)

Market Scale (CY19/20)	90	55	52
Nikon	27	22	28

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

Market Scale (CY19/20)	280	290	305
Nikon	34/11	17/10	17/10

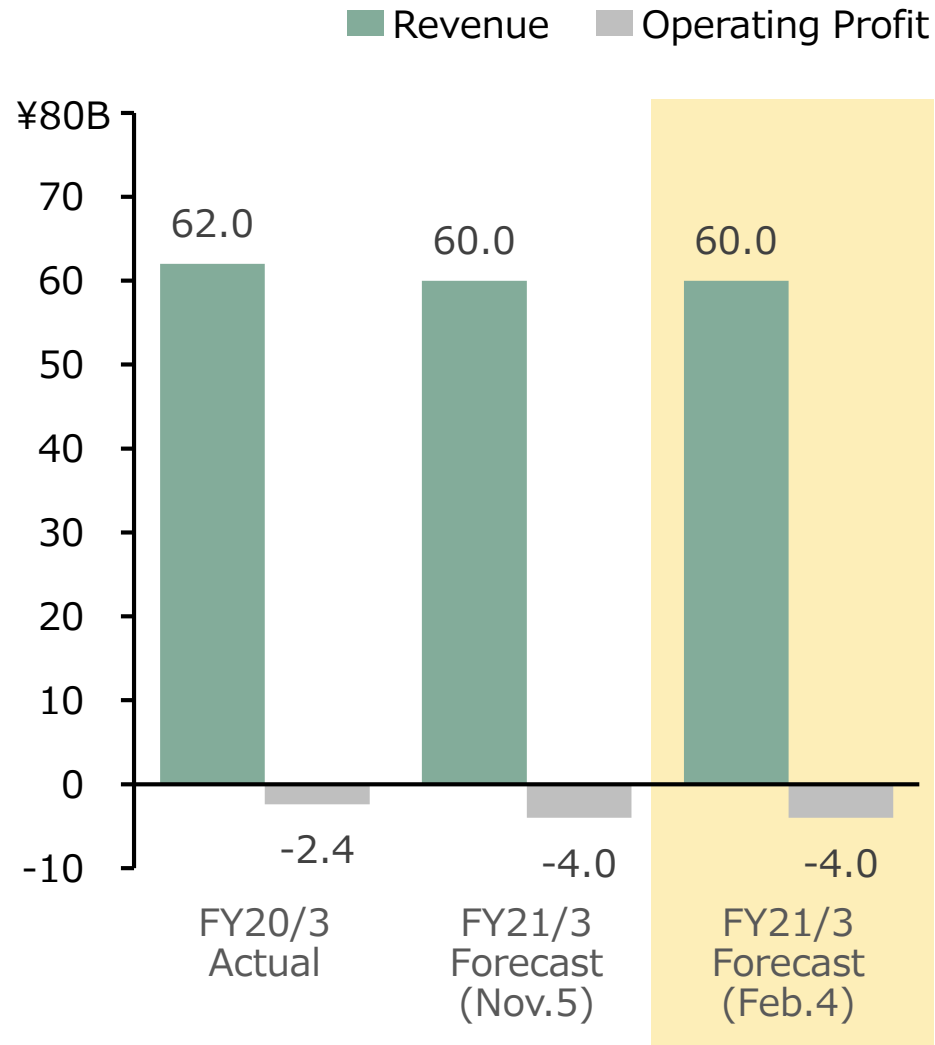
### • Revenues: Down ¥55.0B YoY (Up ¥15.0B vs. previous forecast)

- FPD: Capex for small and mid-sized panels recovering. Steadily capex for large panels.
- FPD: Sales volumes increased 6 units vs. previous forecast as installations have progressed earlier than expected despite travel restrictions that continue to limit installation work.
- SPE: Sales volumes down substantially due to our major customer's shifting point of investment and some customers' delay of delivery or order due to the impact of COVID-19.

### • Operating Profit: Down ¥44.0B YoY (Up ¥3.0B vs. previous forecast)

- Profit down substantially as declining revenues in FPD and SPE combined with approx. ¥14.0B of disposal and write-down of inventory in Q2/Q3 and increased R&D investments in growth area.
- Revised up ¥3.0B vs. previous forecast as revenue and profit growth in FPD business outweighed disposal and write-down of inventory in Q3.

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



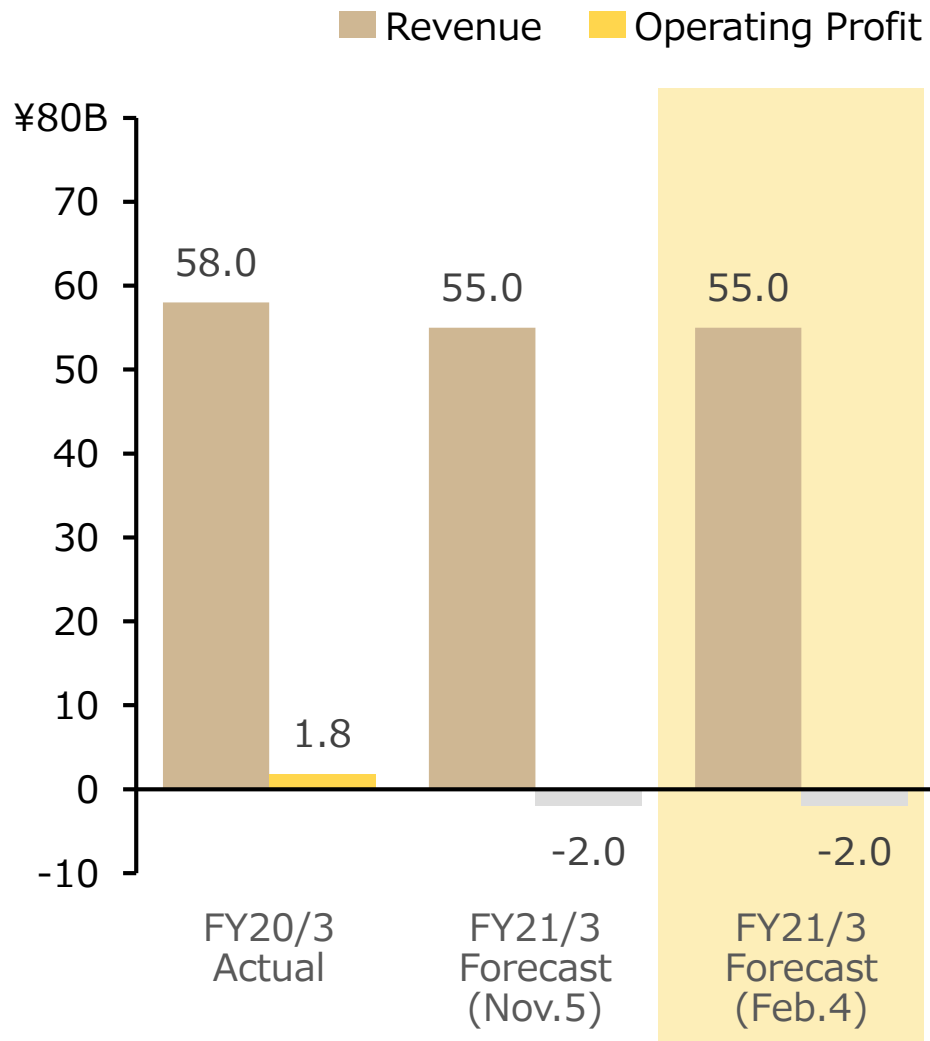
- **Revenues: Down ¥2.0B YoY**

- Large impact of declining sales in the 1H outstrips recovery momentum in the 2H as order-taking activity resumes in both biological microscopes and retinal diagnostic imaging systems.
- The contract cell manufacturing is progressing well on multiple projects. Next year, production will scale up and contribution to performance will begin.

- **Operating Profit: Down ¥1.6B YoY**

- Turning profitable for full year is delayed by a year due to the impact of COVID-19.

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



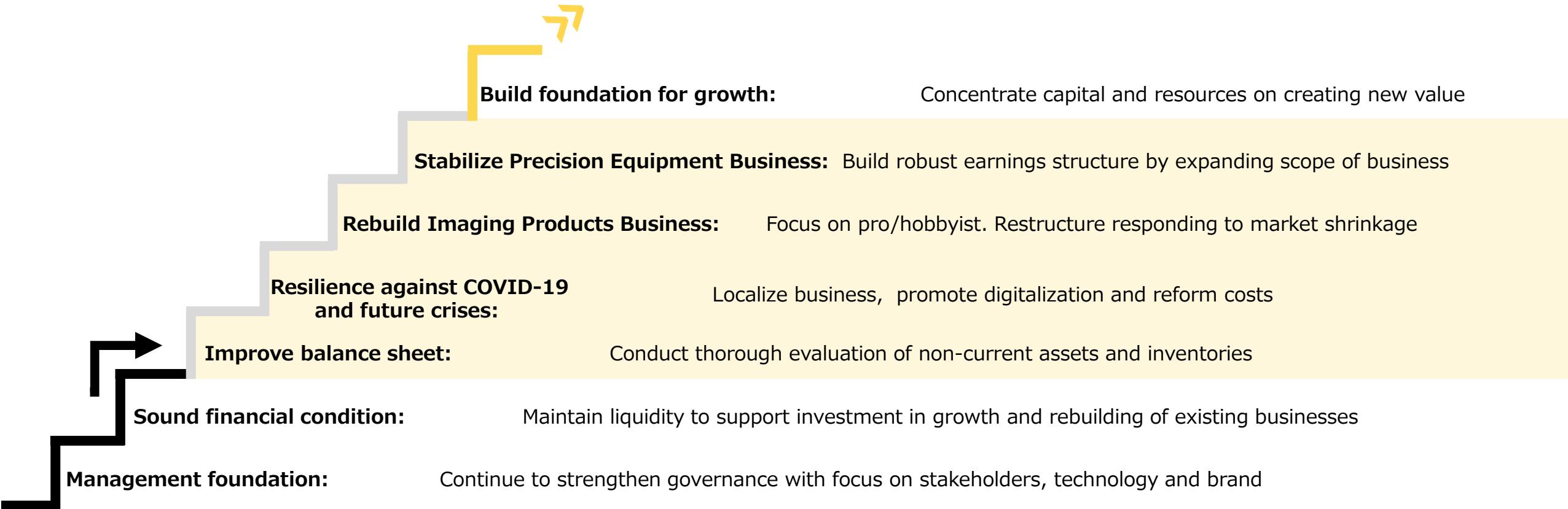
## • Revenues: Down ¥3.0B YoY

- Revenues down YoY in the Industrial Metrology Business despite recovery momentum in capex in electronic components, semiconductors and automotive.
- In Others business, revenues in Digital Solutions Business are growing on business alliance with DMG MORI CO., LTD., collaboration with Velodyne lidar, Inc. including lidar sensor production and the components business, etc.

## • Operating Profit: Down ¥3.8B YoY

- Turned profitable this year excluding one-time cost of ¥3.2B of fixed asset impairments mainly in a domestic plant related to the Imaging Products Business in Q2.

## Return to sustainable growth



Realize sustainable growth through steadily solving management issues  
based on sound financial condition and management foundation

