



# Financial results for the 2nd quarter of the year ending March 31, 2023

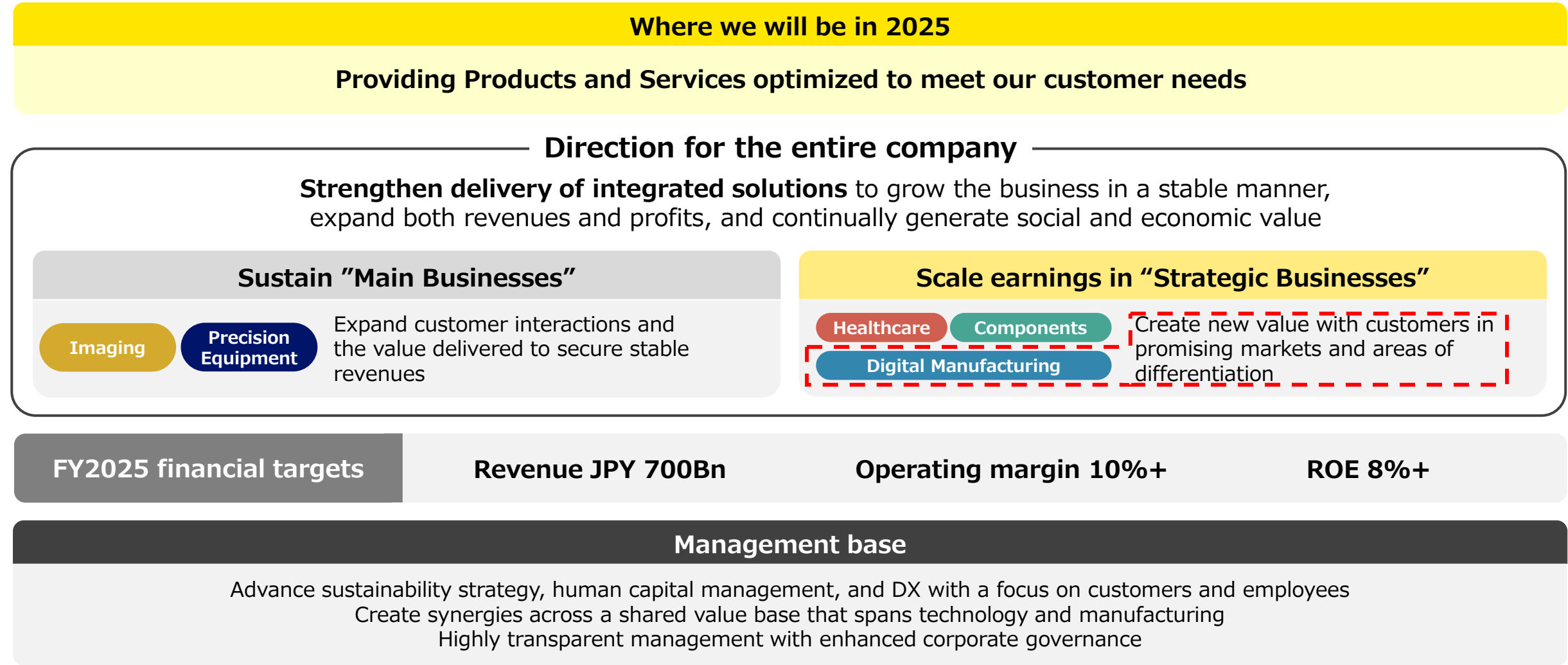
November 10, 2022

1. Topics on progress of the Medium-term Management Plan
2. Financial results for the 2nd quarter of the year ending March 31, 2023
3. Forecast for the year ending March 31, 2023

# The Medium-Term Management Plan is off to a successful start with concrete progress in Strategic Businesses

## Overview of the Medium-Term Management Plan

Source: Medium-Term Management Plan slide deck



# Progress in the Digital Manufacturing Business

## ① Strategic Investment



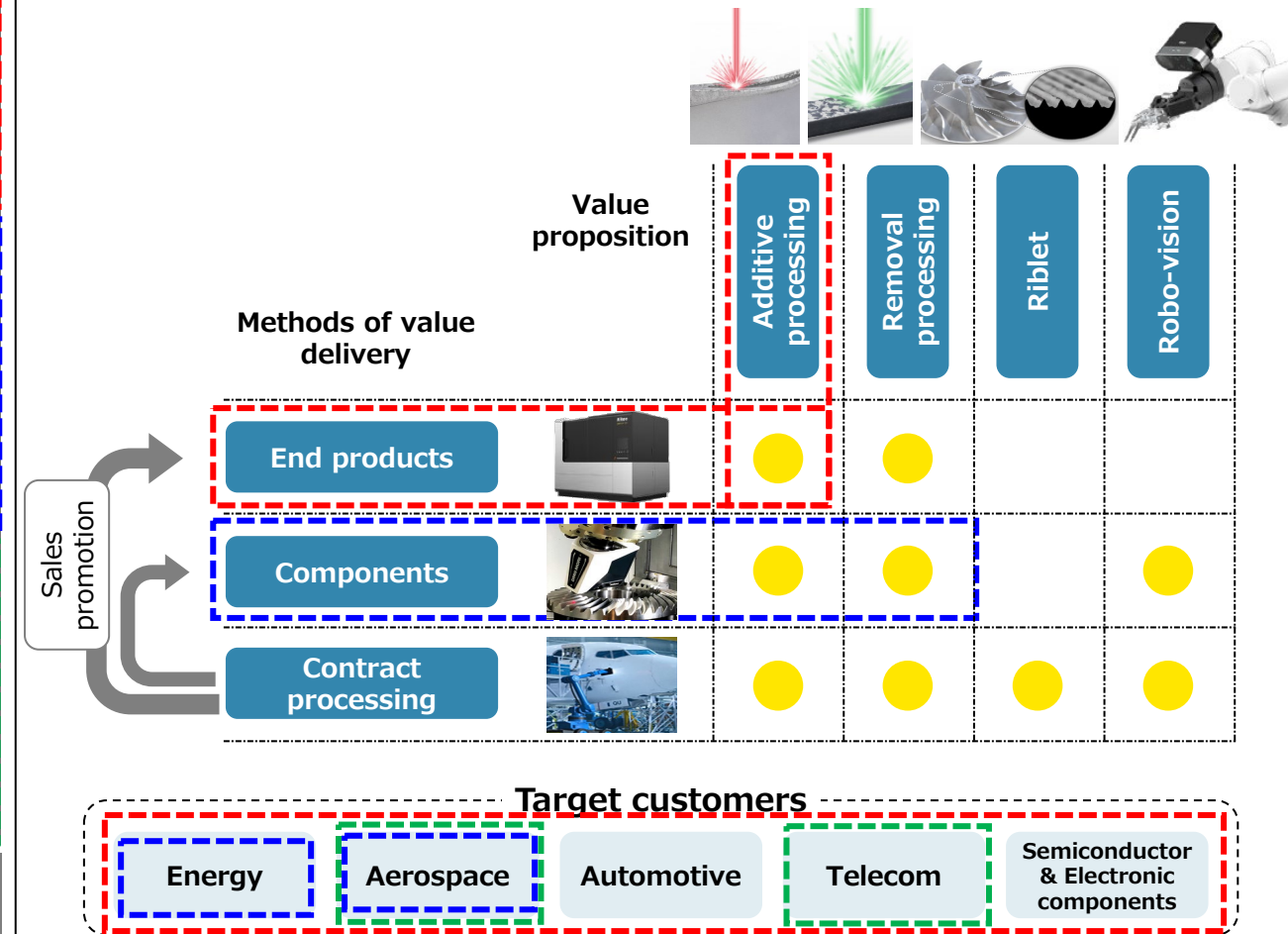
Strategic Investments announced in 1H

Company	Country	Size of investment	Mean of providing values
<b>SLM Solutions</b> 	Germany	Total €622MM Invested approx. 7.3% and TOB in progress	<b>End product</b> <b>Metal additive Manufacturing</b> 
<b>Hybrid Manufacturing Technologies</b> 	USA	Minority 	<b>Component</b> <b>Detachable head for machine tool</b> (One system capable of both additive/subtractive machining and metrology/inspection)
<b>Optisys</b> 	USA	Minority 	<b>Customer</b> <b>High-speed communication antenna</b> for aerospace and government agencies

Aiming to build a new ecosystem in the digital manufacturing (material processing) field.

Capitalize on New Markets  
by Combining Unique Value Propositions

Source: Medium-Term Management Plan slide deck



# Status of SLM Solutions Group AG (“SLM”) acquisition



## Transaction Schedule

Source Presentation material  
released on Sep. 2, 2022

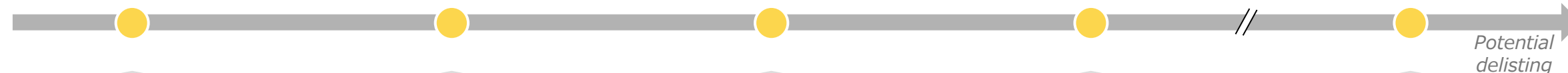
September 2, 2022

End of September

End of October

Mid November

Jan. – Jun. 2023



- Agreement on direct capital investment
- Irrevocable undertakings agreed with 3 key shareholders
- Announcement of intention to launch public takeover offer

- Publication of the offer document
- Start of acceptance period

- End of the acceptance period (4 weeks)

- End of the additional acceptance period (2 weeks)

- Closing of the public takeover offer<sup>(1)(2)</sup>

Note 1. Long-stop date is 12 months after the end of acceptance period

Note 2. Subject to regulatory approvals and other customary conditions

## Actual Status (Dates given are German time.)

- Completed direct capital investment on Sep. 9 (2.3 million shares, approx. 9.1%, approx. 7.3% on fully diluted basis)
- Publication of the offer document ⇒ Done on Sep. 30
- Start of acceptance period ⇒ Started on Sep. 30
- End of the acceptance period ⇒ Done on Nov. 1 (secured 86.17% of the shares capital on fully diluted basis)
- End of the additional acceptance period ⇒ Nov. 5 to Nov. 18 (expected)
- Closing of the public takeover offer ⇒ Approvals for overseas investment in several countries are expected to be completed by Mar. 2023

The transaction is going steady in line with initial schedule.

# Progress of the Digital Manufacturing Business

## ② Collaboration with Other Company



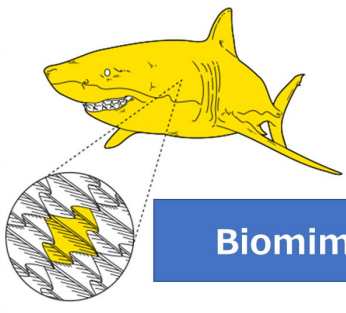
Contributing to Improved Fuel Efficiency and Reduction of CO<sub>2</sub> Emissions

### ANA Green Jet Aircraft Featuring Special Livery to Operate with Nikon's Riblet Film

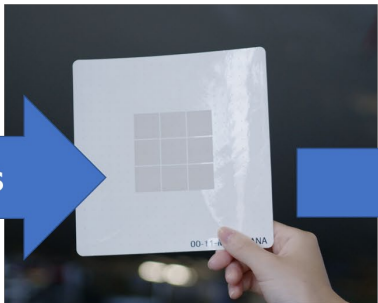
October 3, 2022



ANA Green Jet Aircraft Featuring Special Livery



Riblet (shark skin) processing

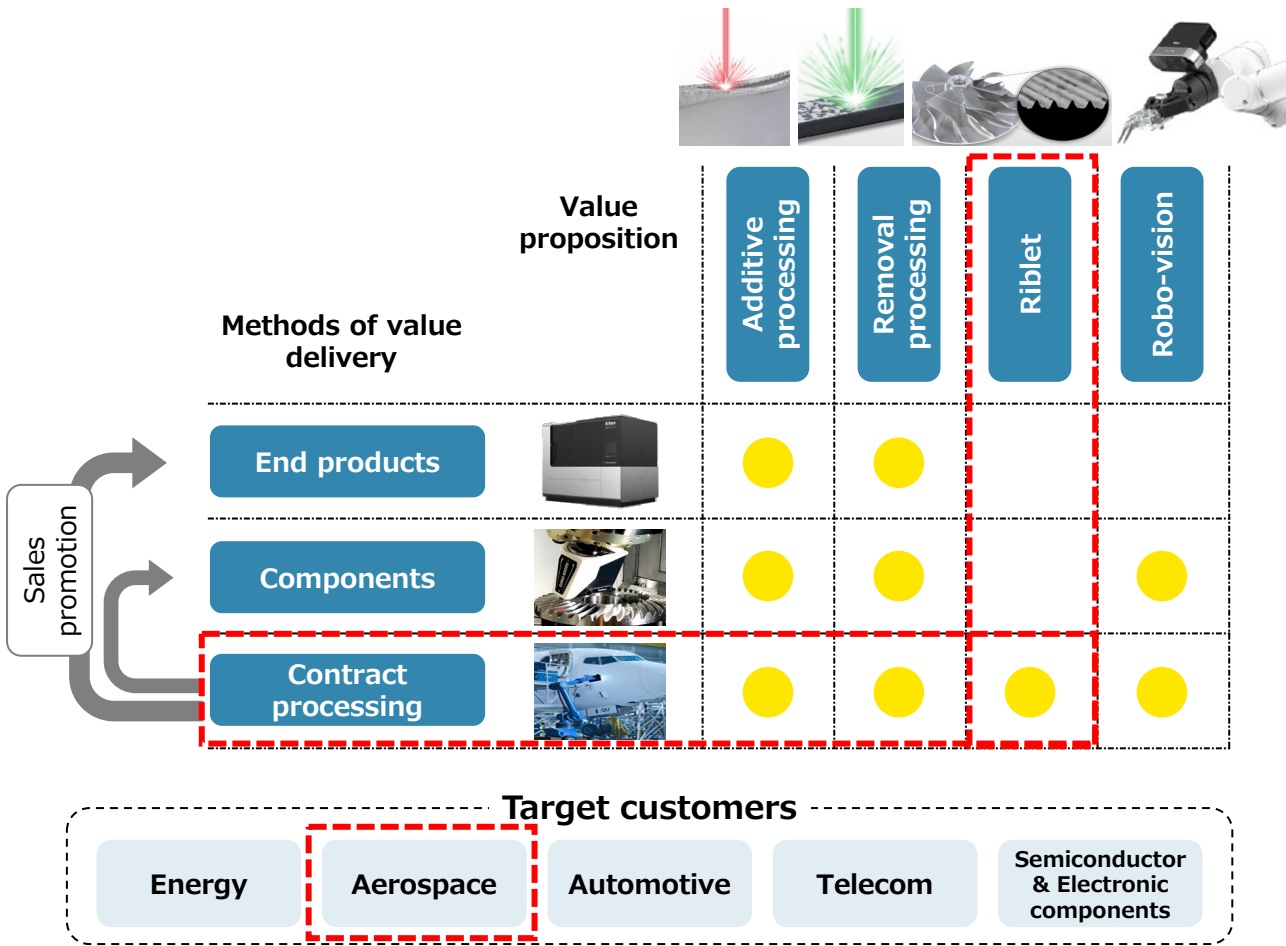


Biomimetics

CO<sub>2</sub>  
emission  
reduction

Source: Medium-Term Management Plan slide deck

### Capitalize on New Markets by Combining Unique Value Propositions

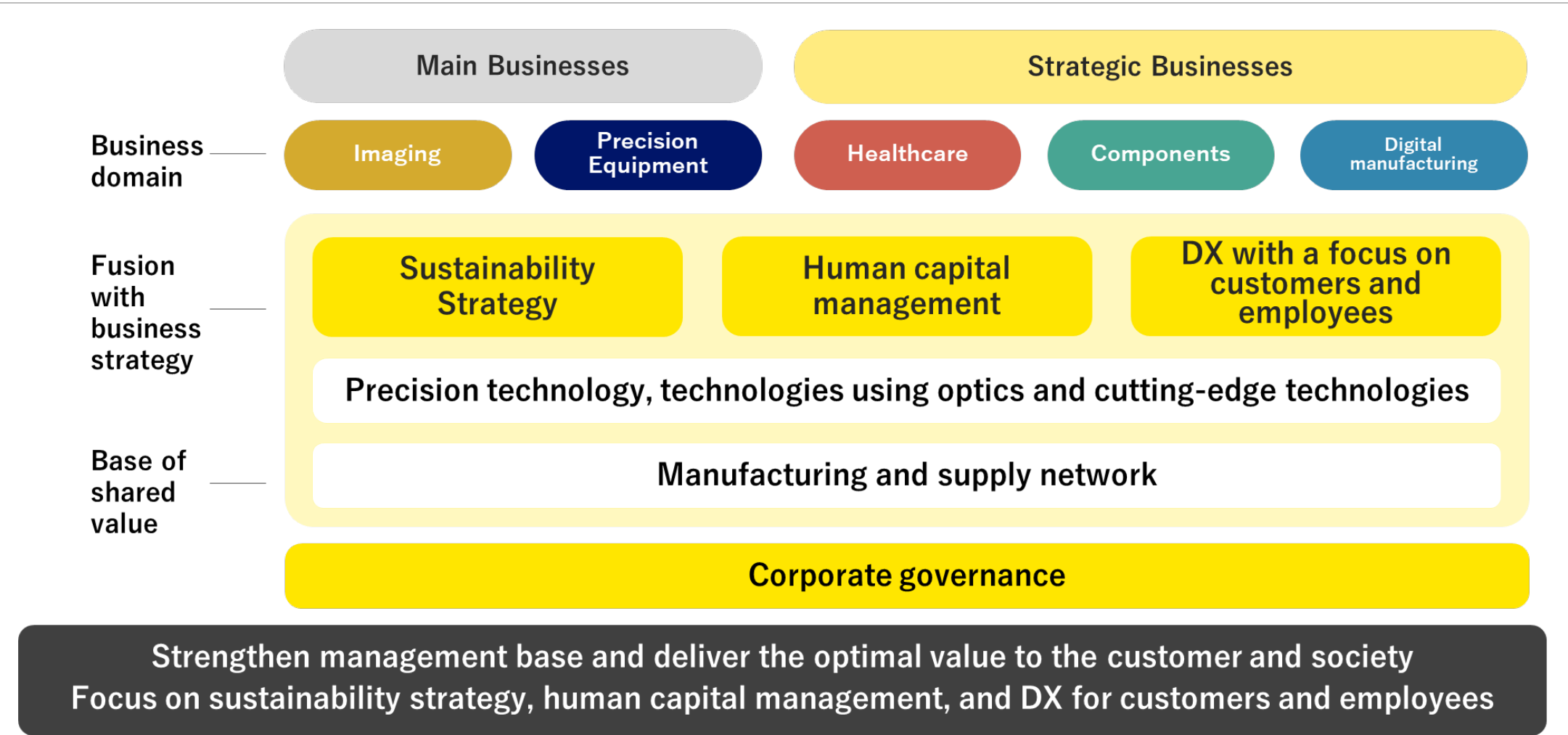


# Fusion with sustainability and business strategy, implementation of human capital management including treatment renewal



Source: Medium-Term Management Plan slide deck

## Overview of the management base supporting business



1. Topics on progress of the Medium-term Management Plan

2. Financial results for the 2nd quarter of the year ending March 31, 2023

3. Forecast for the year ending March 31, 2023



# Summary for the 1H of the year ending March 31, 2023



## 1H Actual

- Revenue : ¥288.3B
- Operating profit : ¥24.4B
- Profit attributable to owners of parent : ¥18.8B

## YoY

- Revenue : Up ¥15.3
- Operating profit : Down ¥7.7B
  - Revenue and operating profit grew in all segments except for the Precision Equipment Business, but not enough to offset the decline in revenue and operating profit in the Precision Equipment Business due to impact of lower sales volumes in FPD lithography systems.
- Profit attributable to owners of parent : Down ¥7.6B

## vs. previous forecast (Aug. 4)

- Revenue : Up ¥13.3B
- Operating profit : Up ¥1.4B
  - Although the Precision Equipment Business fell short of plan and costs increased due to SLM acquisition related, other businesses outperformed mainly by weaker yen and the Company total exceeded its previous forecast.
- Profit attributable to owners of parent : Up ¥1.8B

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

# 1H of the year ending March 31, 2023: Financial Highlights



Billions of Yen	FY2022/3 1H Actual (A)	Previous Forecast (Aug. 4) (B)	FY2023/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	273.0	275.0	<b>288.3</b>	+15.3	+13.3
<b>Operating profit</b> % vs Revenue	32.1 11.8%	23.0 8.4%	<b>24.4</b> 8.5%	-7.7	+1.4
<b>Profit before tax</b> % vs Revenue	35.9 13.2%	24.0 8.7%	<b>26.0</b> 9.0%	-9.9	+2.0
<b>Profit attributable to owners of parent</b> % vs Revenue	26.4 9.7%	17.0 6.2%	<b>18.8</b> 6.5%	-7.6	+1.8
<b>FCF</b>	20.8	-	<b>-19.0</b>	-39.8	-
Exchange Rate: US\$	¥110	¥125	<b>¥134</b>	Impact on Revenue	
				+25.8	+9.8
EURO	¥131	¥134	<b>¥139</b>	Impact on Operating profit	
				+5.7	+2.1

Negative FCF due to factors including the acquisition of SLM shares and a build-up of inventories in preparation for sales in 2H and beyond.

# 1H of the year ending March 31, 2023: Performance by Segment



Billions of Yen		FY2022/3 1H Actual (A)	FY2023/3 1H Actual (B)	Change (B)-(A)
Imaging Products Business	Revenue	89.2	<b>114.5</b>	+28.4%
	Operating profit	12.5	<b>22.2</b>	+¥9.7B
Precision Equipment Business	Revenue	119.2	<b>83.3</b>	-30.1%
	Operating profit	27.5	<b>6.2</b>	-¥21.3B
Healthcare Business	Revenue	33.0	<b>46.6</b>	+41.2%
	Operating profit	0.9	<b>3.6</b>	+¥2.7B
Components Business	Revenue	16.7	<b>26.0</b>	+55.4%
	Operating profit	3.4	<b>9.8</b>	+¥6.4B
Industrial Metrology and Others	Revenue	14.6	<b>17.6</b>	+20.5%
	Operating profit	-1.6	<b>1.5</b>	+¥3.1B
Corporate P/L non-attributable to any reportable segments	Operating profit	-10.7	<b>-19.1</b>	-¥8.4B
Consolidated	Revenue	273.0	<b>288.3</b>	+5.6%
	Operating profit	32.1	<b>24.4</b>	-¥7.7B

Corporate P/L non-attributable to any reportable segments declined on booking of costs related to the SLM acquisition and disappearance of last year's capital gain on the sale of land.

Note: In FY2023/3, "Next Generation Project Div." is transferred from Precision Equipment Business to Corporate P/L non-attributable to any reportable segments, and retroactively applied to the FY2022/3. Corporate P/L non-attributable to any reportable segments includes the elimination of intersegment transactions. The amount of the elimination of intersegment transactions: ¥1.9B in FY2022/3 1H, -¥1.3B in FY2023/3 1H

# 2nd quarter of the year ending March 31, 2023: Financial Highlights



Billions of Yen	FY2022/3 Q2 Actual (A)	FY2023/3 Q2 Actual (B)	Change (B)-(A)
Revenue	140.8	<b>142.7</b>	+1.9
Operating profit % vs Revenue	12.2 8.6%	<b>9.1</b> 6.4%	-3.1
Profit before tax % vs Revenue	14.8 10.5%	<b>9.5</b> 6.7%	-5.3
Profit attributable to owners of parent % vs Revenue	10.6 7.5%	<b>7.0</b> 4.9%	-3.6
FCF	23.6	<b>-15.9</b>	-39.5
Exchange Rate: US\$	¥110	<b>¥138</b>	Impact on Revenue +15.0
EURO	¥130	<b>¥139</b>	Impact on Operating profit +3.1

Revenue up on weaker yen. Each profit down on significant YoY decline in the Precision Equipment Business.

# 1H of the year ending March 31, 2023: Imaging Products Business



Billions of Yen	FY2022/3 1H Actual (A)	Previous Forecast (Aug. 4) (B)	FY2023/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
Revenue	89.2	105.0	<b>114.5</b>	+25.3	+9.5
Operating profit	12.5	18.0	<b>22.2</b>	+9.7	+4.2
% vs Revenue	14.1%	17.1%	<b>19.4%</b>		
Digital Camera- Interchangeable Lens type (units: 1,000)	390	-	<b>370</b>	-20	-
Interchangeable Lens (units: 1,000)	660	-	<b>610</b>	-50	-
Compact DSC (units: 1,000)	130	-	<b>70</b>	-60	-

- **YoY:** Sales volumes decreased by narrowing down entry level models. Revenue and operating profit up on weaker yen and higher ASP driven by shift to mid/high-end models for pro/hobbyists.
- **Vs. previous forecast:** Higher ASP on weaker yen and shift to mid/high-end models.

Note: Compact DSC: A camera equipped with integrated lens and do not have the function to replace lenses. (Eligible products of Nikon: COOLPIX P1000, P950, etc.)

# 1H of the year ending March 31, 2023: Precision Equipment Business



Billions of Yen	FY2022/3 1H Actual (A)	Previous Forecast (Aug. 4) (B)	FY2023/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
Revenue	119.2	90.0	<b>83.3</b>	-35.9	-6.7
Operating profit	27.5	8.0	<b>6.2</b>	-21.3	-1.8
% vs Revenue	23.1%	8.9%	<b>7.5%</b>		
FPD Lithography Systems (units)	30	-	<b>13</b>	-17	-
Semiconductor Lithography Systems New/Refurbised (units)	6/9	-	<b>8/8</b>	+2/-1	-

- **YoY:** Revenue and operating profit down as growth in new semiconductor lithography system sales was not enough to overcome decline in sales of FPD lithography systems for mainly large panels.
- **Vs. previous forecast:** Behind plan due to postponement of some semiconductor lithography system installations into 2H. Sales of FPD lithography systems progressed in line with plan.

Note: In FY2023/3, "Next Generation Project Div." is transferred from Precision Equipment Business to Corporate P/L non-attributable to any reportable segments, and retroactively applied to the FY2022/3. Since FY2023/3, market scale and Nikon's sales volume of semiconductor lithography system include sales of the "Mini Step & Repeat Exposure System", and retroactively applied to the FY2022/3.

# 1H of the year ending March 31, 2023: Healthcare Business



Billions of Yen	FY2022/3 1H Actual (A)	Previous Forecast (Aug. 4) (B)	FY2023/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
Revenue	33.0	38.0	<b>46.6</b>	+13.6	+8.6
Operating profit	0.9	3.0	<b>3.6</b>	+2.7	+0.6
% vs Revenue	2.8%	7.9%	<b>7.9%</b>		

- **YoY:** Revenue and operating profit up on weaker yen and strength mainly in North America in biological microscopes and retinal diagnostic imaging systems.
- **Vs. previous forecast:** Sales of retinal diagnostic imaging systems ahead of plan mainly in North America.

# 1H of the year ending March 31, 2023: Components Business



Billions of Yen	FY2022/3 1H Actual (A)	Previous Forecast (Aug. 4) (B)	FY2023/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
Revenue	16.7	26.0	26.0	+9.3	±0.0
Operating profit	3.4	8.0	9.8	+6.4	+1.8
% vs Revenue	20.8%	30.8%	37.7%		

- **YoY:** Revenue and operating profit up on increased sales of EUV related components, optical parts and optical components for semiconductor-related products, and photomask substrates for FPD, etc.
- **Vs. previous forecast:** Operating profit ahead of plan on postponement of expenses into 2H and sales growth in optical parts and optical components.



# 1H of the year ending March 31, 2023: Industrial Metrology and Others



Billions of Yen	FY2022/3 1H Actual (A)	Previous Forecast (Aug. 4) (B)	FY2023/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
Revenue	14.6	16.0	<b>17.6</b>	+3.0	+1.6
Operating profit	-1.6	1.0	<b>1.5</b>	+3.1	+0.5
% vs Revenue	-11.1%	6.3%	<b>8.7%</b>		

- **YoY:** Revenue and operating profit up on strength in sales of metrology equipment such as video measuring systems and industrial microscopies in the Industrial Metrology Business. Operating profit improved substantially on increased utilization rates at production subsidiaries included in “Others”.
- **Vs. previous forecast:** In the Industrial Metrology Business, sales were strong in X-ray and CT systems and metrology equipment such as video measuring systems.

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# Summary for forecast for the year ending March 31, 2023



## Revenue

- **Company total forecast: ¥645.0B** (Revised upward ¥20.0B vs. previous forecast)
  - **Imaging Products Business:** Revised upward ¥15.0B to reflect 1H results and changed FX assumptions.
  - **Precision Equipment Business:** Revised down ¥10.0B due to delays in the completion of some FPD and semiconductor lithography system installations.
  - **Healthcare Business:** Revised upward ¥13.0B to reflect strong orders and changed FX assumptions.
  - **Industrial Metrology and Others:** Revised upward ¥2.0B to reflect 1H results.

## Operating profit

- **Company total forecast: ¥55.0B** (Unchanged from previous forecast)
  - **Imaging Products Business:** Revised upward ¥6.0B on effects from increased revenues.
  - **Precision Equipment Business:** Revised down ¥5.0B due to delays in the completion of some FPD and semiconductor lithography system installations.
  - **Healthcare Business:** Revised upward ¥2.0B on effects from increased revenues from biological microscopes and retinal diagnostic imaging systems.
  - **Components Business:** Revised upward ¥1.0B to reflect strength in optical parts and optical components.
  - **Industrial Metrology and Others:** Revised upward ¥0.5B on effects from increased revenues.
  - **Other Corporate P/L:** Revised downward ¥4.5B to reflect 1H results.

## Profit attributable to owners of parent

- **Company total forecast: ¥42.0B** (Unchanged from previous forecast)

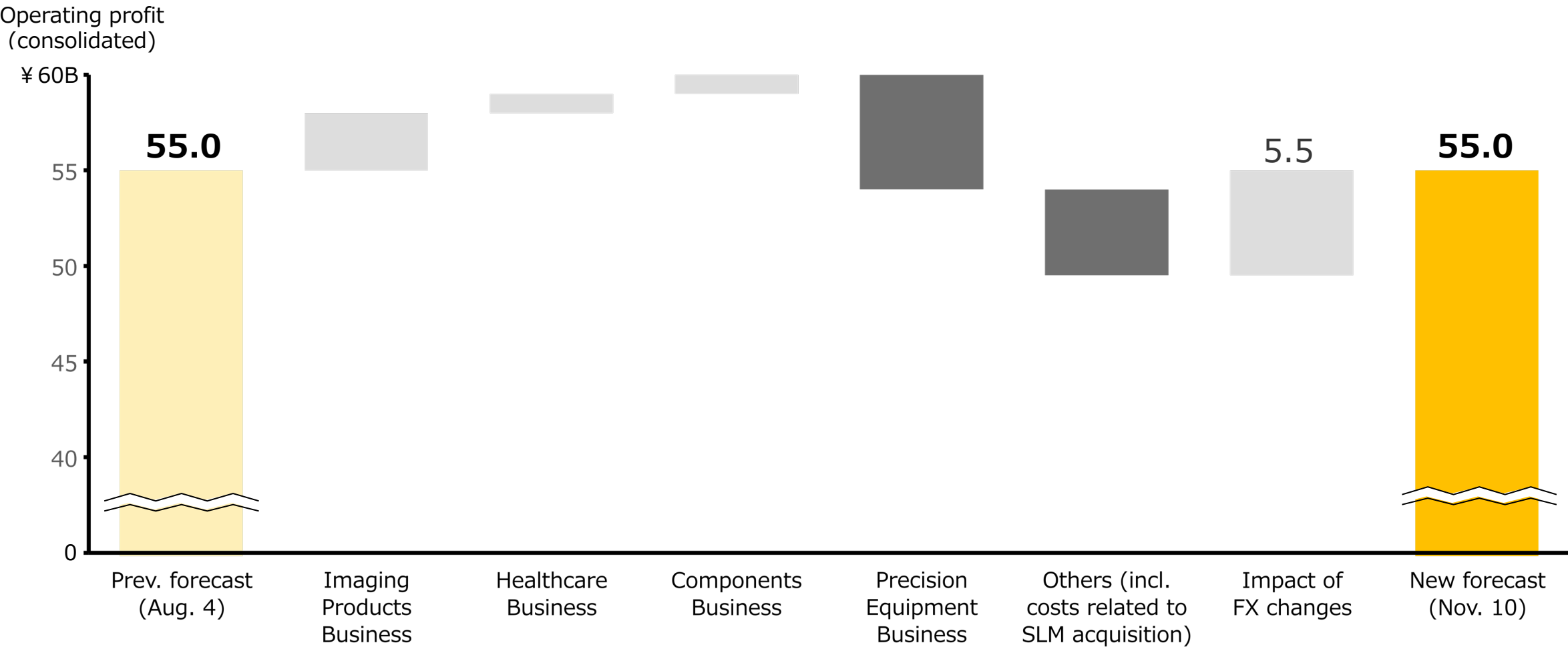
## Shareholder returns

- **Dividends: interim ¥20, annual (planned) ¥40** (Unchanged from previous forecast)
- **Share buyback (until end Oct.): 10.65M shares / ¥16.1B repurchased (Up to ¥30.0B)**

## Exchange rate

- **US\$ ¥135, EURO ¥137** (Changed to US\$ ¥135, EURO ¥135 for 2H)

# (Reference) Composition Change of Operating Profit Forecast



Decline in operating profit in the Precision Equipment Business and increased costs including SLM acquisition related offset by operating profit growth in other segments and effects of weaker yen

Note: FX effects stripped out of segments.  
"Others" is the total of "the Industrial Metrology and Others" and "Corporate P/L non-attributable to any reportable segments", which includes SLM acquisition related costs.

# Forecast for the year ending March 31, 2023: Financial Highlights



Billions of Yen	FY2022/3 Actual (A)	Previous Forecast (Aug. 4) (B)	New Forecast (Nov. 10) (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	539.6	625.0	<b>645.0</b>	+105.4	+20.0
<b>Operating profit</b> % vs Revenue	49.9 9.3%	55.0 8.8%	<b>55.0</b> 8.5%	+5.1	±0.0
<b>Profit before tax</b> % vs Revenue	57.0 10.6%	57.0 9.1%	<b>57.0</b> 8.8%	±0.0	±0.0
<b>Profit attributable to owners of parent</b> % vs Revenue	42.6 7.9%	42.0 6.7%	<b>42.0</b> 6.5%	-0.6	±0.0
<b>EPS</b>	¥116.23	¥114.78	<b>¥115.63</b>	-¥0.60	+¥0.85
<b>Annual Dividends</b>	¥40	¥40	<b>¥40</b>	±¥0	±¥0
Exchange Rate: US\$  EURO	¥112	¥122	<b>¥135</b>	Impact on Revenue	
				+47.3	+26.3
	¥131	¥132	<b>¥137</b>	Impact on Operating profit	
				+10.2	+5.5

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

(EPS is calculated by approx. 367M shares for FY2022/3 actual, approx. 366M shares for previous forecast (Aug. 4), and approx. 363M shares for new forecast (Nov. 10).)

# Forecast for the year ending March 31, 2023:

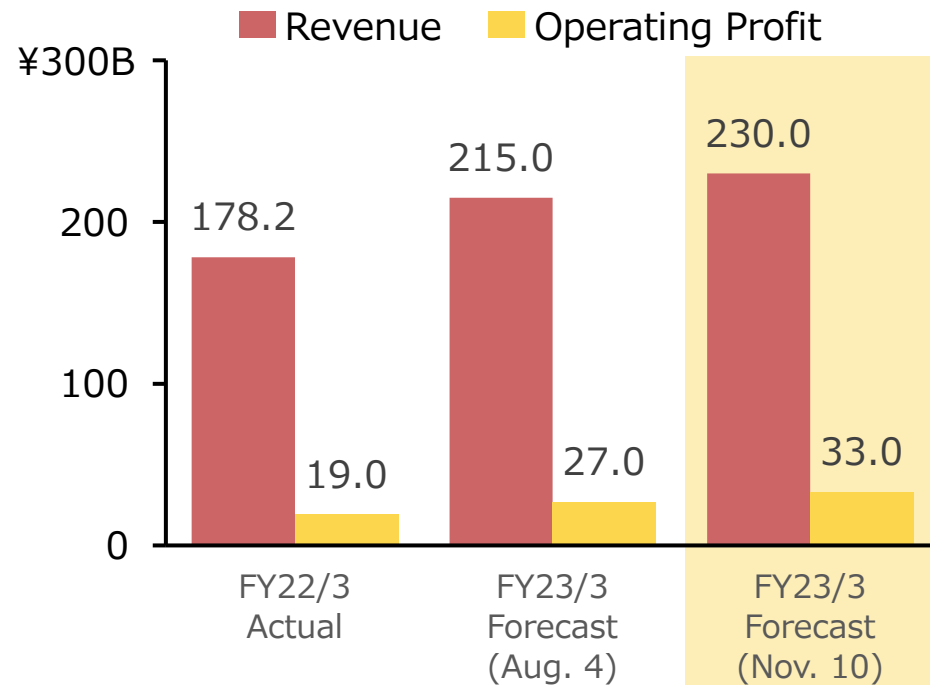
## Forecast by Segment



Billions of Yen		FY2022/3 Actual (A)	Previous Forecast (Aug. 4) (B)	New Forecast (Nov. 10) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	178.2	215.0	<b>230.0</b>	+51.8	+15.0
	Operating profit	19.0	27.0	<b>33.0</b>	+14.0	+6.0
Precision Equipment Business	Revenue	211.2	240.0	<b>230.0</b>	+18.8	-10.0
	Operating profit	39.4	35.0	<b>30.0</b>	-9.4	-5.0
Healthcare Business	Revenue	73.2	80.0	<b>93.0</b>	+19.8	+13.0
	Operating profit	4.3	6.0	<b>8.0</b>	+3.7	+2.0
Components Business	Revenue	40.8	53.0	<b>53.0</b>	+12.2	±0.0
	Operating profit	12.7	17.0	<b>18.0</b>	+5.3	+1.0
Industrial Metrology and Others	Revenue	36.0	37.0	<b>39.0</b>	+3.0	+2.0
	Operating profit	2.9	4.0	<b>4.5</b>	+1.6	+0.5
Corporate P/L non-attributable to any reportable segments	Operating profit	-28.6	-34.0	<b>-38.5</b>	-9.9	-4.5
Consolidated	Revenue	539.6	625.0	<b>645.0</b>	+105.4	+20.0
	Operating profit	49.9	55.0	<b>55.0</b>	+5.1	±0.0

Note: In FY2023/3, "Next Generation Project Div." is transferred from Precision Equipment Business to Corporate P/L non-attributable to any reportable segments, and retroactively applied to the FY2022/3. Corporate P/L non-attributable to any reportable segments includes the elimination of intersegment transactions.

# Forecast for the year ending March 31, 2023: Imaging Products Business



- **Revenue: Up ¥51.8B YoY (Up ¥15.0B vs. previous forecast)**
  - Expect market size to grow as parts procurement constraints ease.
  - Continue to focus on profitability and mid/high-end cameras targeting pro/hobbyists.
  - Expect YoY revenue growth as sales mainly of mirrorless cameras and interchangeable lenses grow while overall sales volumes remain flat.
  - Raised full year forecast ¥15.0B vs. previous forecast to reflect 1H results and changed FX assumptions.
- **Operating Profit: Up ¥14.0B YoY (Up ¥6.0B vs. previous forecast)**
  - Expect operating profit growth YoY on increased sales of mid/high-end cameras, higher ASP and weaker yen.
  - Raised full year forecast ¥6.0B vs. previous forecast. Expect increase in expenses to strengthen sales in 2H compared to 1H.

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

Market Scale	5,120	5,100	5,400
Nikon	700	700	700

## Interchangeable Lens (units:1,000)

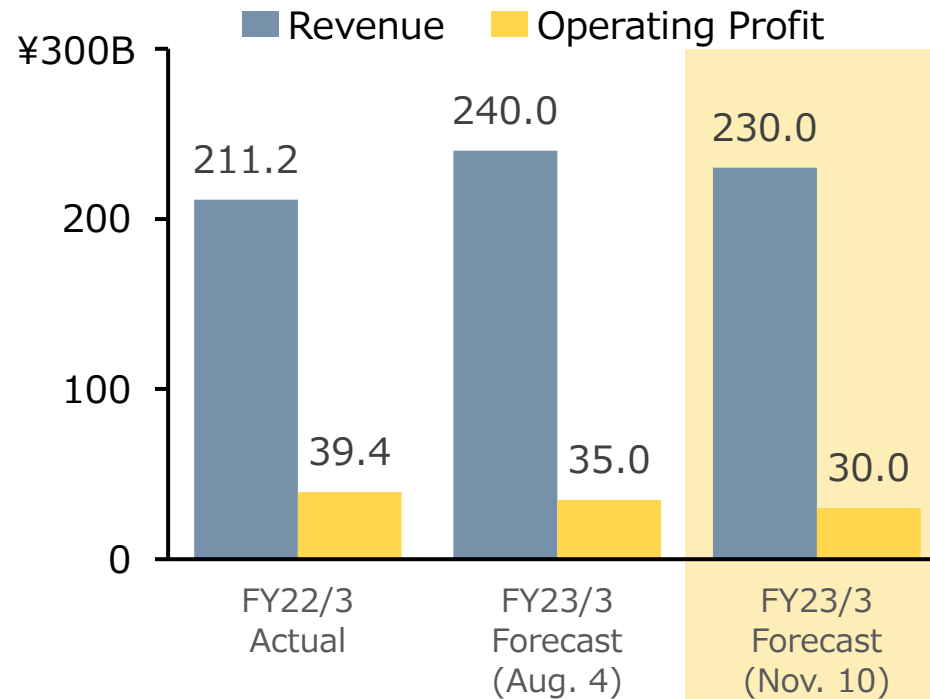
Market Scale	9,390	9,400	9,800
Nikon	1,270	1,250	1,250

## Compact DSC

Market Scale	2,720	2,200	2,000
Nikon	190	100	100

Note: Compact DSC: A camera equipped with integrated lens and do not have the function to replace lenses. (Eligible products of Nikon: COOLPIX P1000, P950, etc.)

# Forecast for the year ending March 31, 2023: Precision Equipment Business



## FPD Lithography Systems (units)

Market Scale (CY22/23)	116	95	80
Nikon	46	31	30

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

Market Scale (CY22/23)	390	460	460
Nikon	17/18	39/22	37/20

### • Revenue: Up ¥18.8B YoY (Down ¥10.0B vs. previous forecast)

- Market size for FPD lithography systems trending downward due to delays of facility investments. Revenue to decline on lower sales volumes YoY and the delay of some systems into next fiscal year, compared to the previous forecast.
- Semiconductor lithography system revenue to grow YoY driven mainly by strong demand for ArF lithography systems. Revenue will be lower than the previous forecast due to customer requests to delay some systems into next fiscal year.
- Lowered full year forecast ¥10.0B for the overall Precision Equipment Business.

### • Operating Profit: Down ¥9.4B YoY

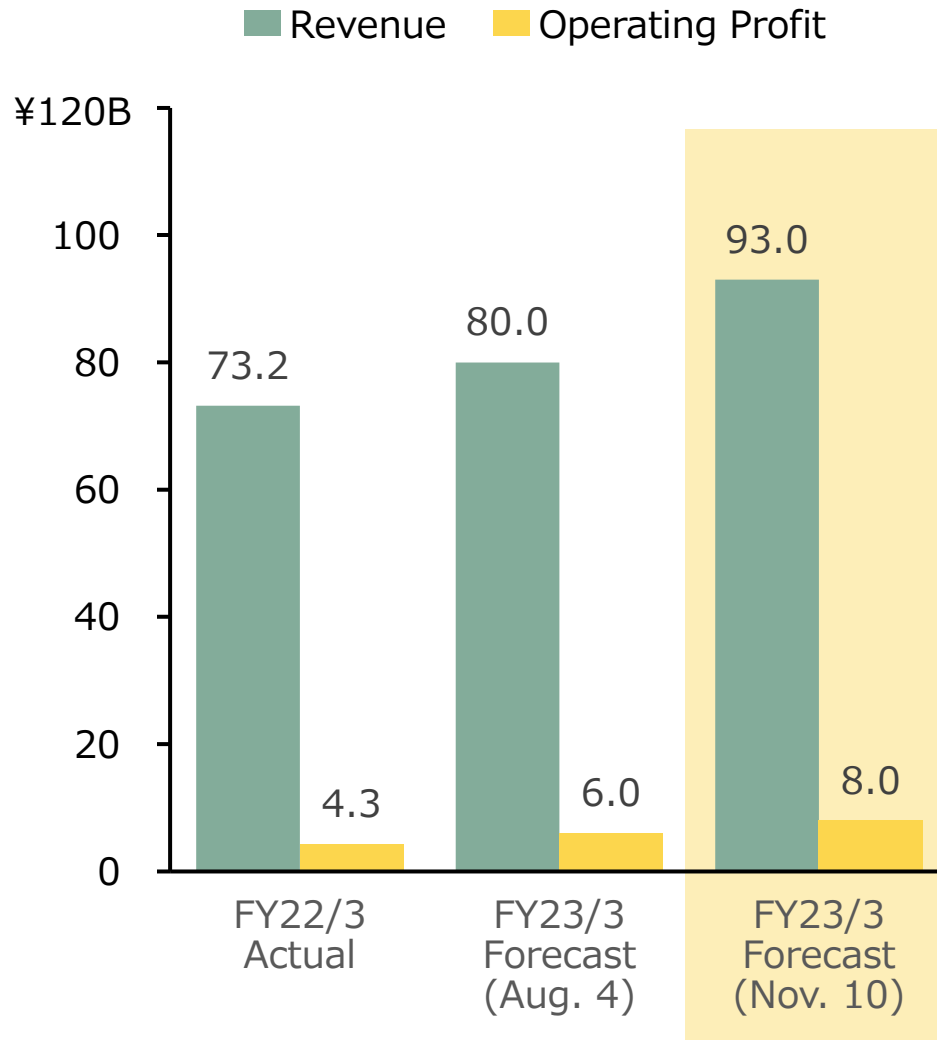
(Down ¥5.0B vs. previous forecast)

- Expect operating profit to decline YoY in the overall Precision Equipment Business as lower sales volumes in FPD lithography systems outweigh increased sales volumes in new and refurbished semiconductor lithography systems.
- Lowered full year forecast ¥5.0B vs. previous forecast due to delays into next year of completion of some FPD and semiconductor lithography system installations.

Note: In FY2023/3, "Next Generation Project Div." is transferred from Precision Equipment Business to Corporate P/L non-attributable to any reportable segments, and retroactively applied to the FY2022/3. Since FY2023/3, market scale and Nikon's sales volume of semiconductor lithography system include sales of the "Mini Step & Repeat Exposure System", and retroactively applied to the FY2022/3.



# Forecast for the year ending March 31, 2023: Healthcare Business



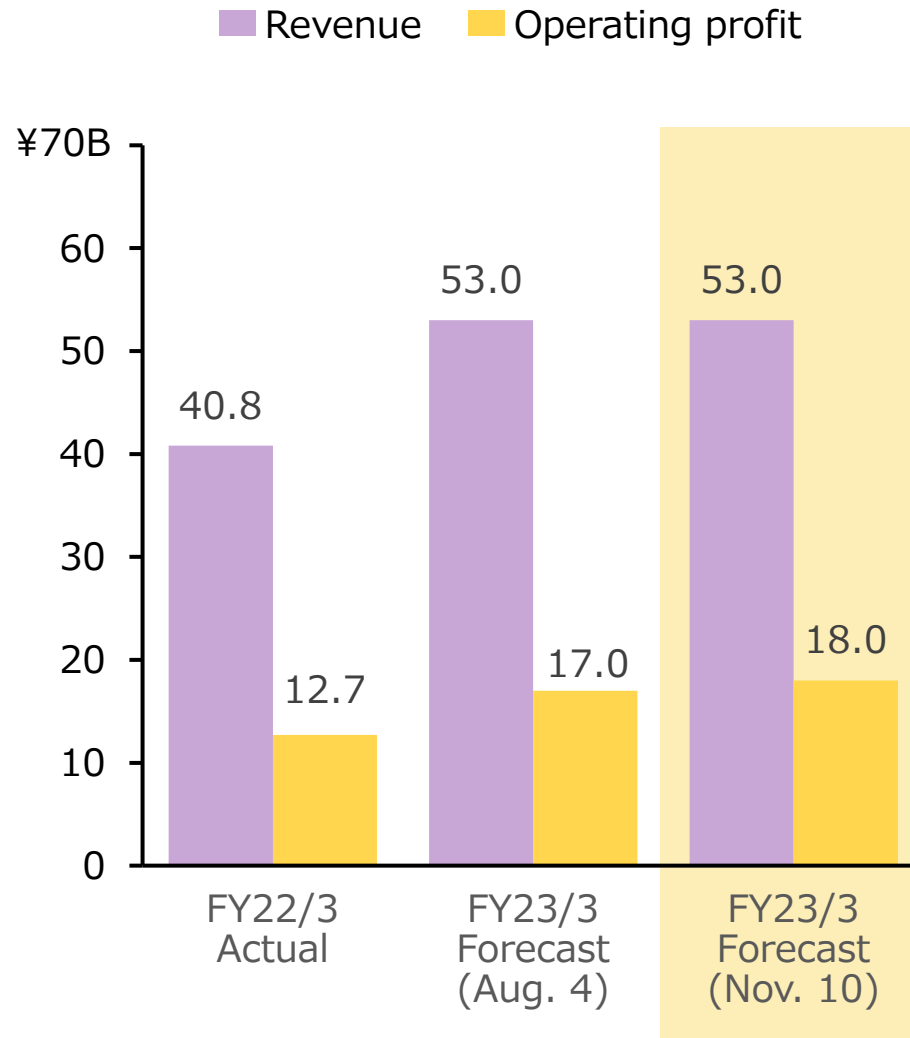
- **Revenue: Up ¥19.8B YoY (Up ¥13.0B vs. previous forecast)**

- Expect another record-high year in revenue.
- Biological microscopes revenue to grow on expanded sales of new products and the development of private sector markets in North America, China, and other areas.
- Retinal diagnostic imaging systems sales to grow in North America, Europe and Asia.
- Strive to maintain stable supply both biological microscopes and retinal diagnostic imaging systems, while the constraint on semiconductor parts and logistics tends to resolve but the impact continues.
- Raised full year forecast ¥13.0B vs. previous forecast to reflect strong orders and changed FX assumptions.

- **Operating Profit: Up ¥3.7B YoY (Up ¥2.0B vs. previous forecast)**

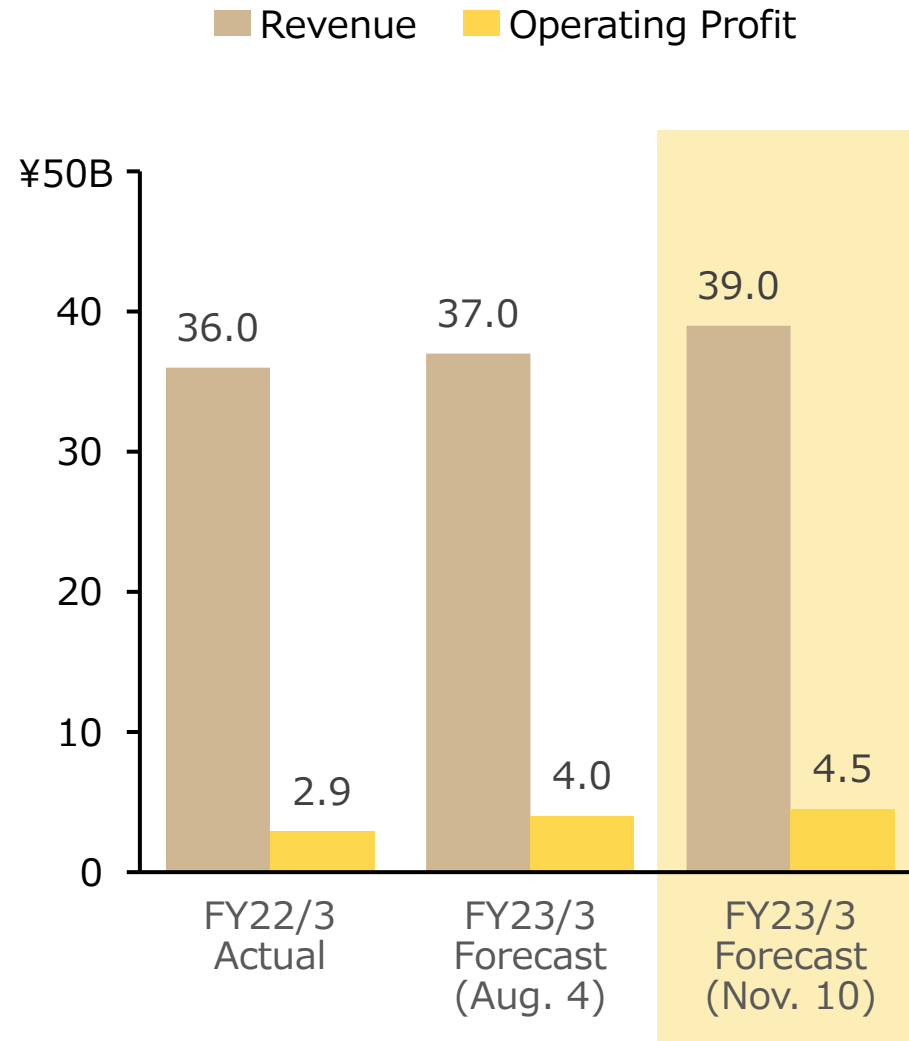
- Raised full year forecast ¥2.0B vs. previous forecast on effects from increased revenues in biological microscopes and retinal diagnostic imaging systems.

# Forecast for the year ending March 31, 2023: Components Business



- **Revenue: Up ¥12.2B YoY (Unchanged from previous forecast)**
  - EUV related components, optical parts and optical components for semiconductor-related products, and photomask substrates for FPD to contribute to expanded sales.
- **Operating profit: Up ¥5.3B YoY (Up ¥1.0B vs. previous forecast)**
  - Raised full year forecast ¥1.0B vs. previous forecast to reflect 1H results, where strength in optical parts and optical components contributed to operating profits.

# Forecast for the year ending March 31, 2023: Industrial Metrology and Others



- **Revenue: Up ¥3.0B YoY (Up ¥2.0B vs. previous forecast)**
  - In the Industrial Metrology Business, we expect strength in sales of video measuring systems and expanded sales of x-ray inspection systems, etc.
  - Raised full year forecast ¥2.0B vs. previous forecast to reflect 1H results.
- **Operating profit: Up ¥1.6B YoY (Up ¥0.5B vs. previous forecast)**
  - Operating profit to grow on improved utilization rates at domestic production subsidiaries included in "Others".
  - In the Industrial Metrology Business, we expect increase in expenses for new product R&D and measures to strengthen sales infrastructure.
  - Raised full year forecast ¥0.5B vs. previous forecast on effects from increased revenues.