



Financial Results for the 1st quarter of the year ending March 31, 2024

August 8, 2023

1. Financial results for the 1st quarter of the year ending March 31, 2024

2. Forecast for the year ending March 31, 2024

Actual (YoY)

- Revenue : ¥158.1B (Up ¥ 12.5B YoY)
- Operating profit : ¥ 3.2B (Down ¥ 12.1B YoY)
- Profit attributable to owners of parent : ¥ 2.5B (Down ¥ 9.3B YoY)
- Revenue up on strong sales in the Imaging Products and the Healthcare Businesses, and consolidation of SLM in the Digital Manufacturing Business.
- Operating profit down on lower sales volumes of FPD lithography systems, the effect of reduced revenue in the Components Business, and increased expenses resulting from the SLM acquisition.

1st quarter of the year ending March 31, 2024: Financial Highlights



Billions of Yen	FY2023/3 Q1	FY2024/3 Q1	Change	
	Actual (A)	Actual (B)	Amount (B)-(A)	% (B)/(A)
Revenue	145.6	158.1	+12.5	+8.6%
Operating profit % vs Revenue	15.3 10.5%	3.2 2.1%	-12.1	-78.6%
Profit before tax % vs Revenue	16.5 11.3%	4.8 3.0%	-11.7	-70.8%
Profit attributable to owners of parent % vs Revenue	11.8 8.1%	2.5 1.6%	-9.3	-78.3%
FCF	-3.1	-0.6	+2.5	-
Exchange Rate: US\$	¥130	¥137	Impact on Revenue +5.1	
EURO	¥138	¥150	Impact on Operating profit +1.1	

Despite the decline in profit attributable to owners of parent, the size of negative FCF shrank YoY thanks to an increase of advances received and the sale of investment securities (¥6.1B), etc.

1st quarter of the year ending March 31, 2024: Performance by Segment



Billions of Yen		FY2023/3 Q1	FY2024/3 Q1	Change	
		Actual (A)	Actual (B)	Amount (B)-(A)	% (B)/(A)
Imaging Products Business	Revenue	61.2	74.4	+13.2	+21.4%
	Operating profit	13.6	15.3	+1.7	+12.4%
	% vs Revenue	22.2%	20.6%	-1.6P	
Precision Equipment Business	Revenue	41.4	37.3	-4.1	-9.9%
	Operating profit	3.9	-3.6	-7.5	-193.2%
	% vs Revenue	9.4%	-9.8%	-19.2P	
Healthcare Business	Revenue	21.7	25.2	+3.5	+16.2%
	Operating profit	0.8	1.8	+1.0	+113.5%
	% vs Revenue	4.1%	7.4%	+3.3P	
Components Business	Revenue	12.8	8.4	-4.4	-33.8%
	Operating profit	5.9	2.4	-3.5	-59.0%
	% vs Revenue	46.2%	28.6%	-17.6P	
Digital Manufacturing Business	Revenue	7.4	11.9	+4.5	+60.9%
	Operating profit	-0.9	-4.7	-3.8	-
	% vs Revenue	-12.6%	-40.0%	-27.4P	
Others (incl. Corporate expenses, etc)	Revenue	0.9	0.6	-0.3	-26.3%
	Operating profit	-8.0	-7.8	+0.2	-
Consolidated	Revenue	145.6	158.1	+12.5	+8.6%
	Operating profit	15.3	3.2	-12.1	-78.6%
	% vs Revenue	10.5%	2.1%	-8.4P	

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

1st quarter of the year ending March 31, 2024: Imaging Products Business



Billions of Yen	FY2023/3 Q1 Actual (A)	FY2024/3 Q1 Actual (B)	Change (B)-(A)
Revenue	61.2	74.4	+13.2
Operating profit	13.6	15.3	+1.7
% vs Revenue	22.2%	20.6%	
Digital Camera- Interchangeable Lens type (units: 1,000)	200	220	+20
Interchangeable Lens (units: 1,000)	340	330	-10

Q1 YoY : Increased revenue and operating profit

- In addition to an increase in sales volumes of mirrorless cameras centered on the Z 8 and Z 30, ASP rose due to the shift toward mid/high-end cameras. Revenue and profit also increased with help from a weaker yen.

1st quarter of the year ending March 31, 2024: Precision Equipment Business



Billions of Yen	FY2023/3 Q1 Actual (A)	FY2024/3 Q1 Actual (B)	Change (B)-(A)
Revenue	41.4	37.3	-4.1
Operating profit	3.9	-3.6	-7.5
% vs Revenue	9.4%	-9.8%	
FPD Lithography Systems (units)	7	2	-5
Semiconductor Lithography Systems New/Refurbised (units)	4/4	4/0	±0/-4

Q1 YoY : Decreased revenue and operating profit

- Revenue and operating profit down due to service revenue decline driven by lower utilization rate of lithography systems at semiconductor manufacturers, lower sales volumes of FPD lithography systems including G10.5, and expense increase such as R&D.

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

1st quarter of the year ending March 31, 2024: Healthcare Business



Billions of Yen	FY2023/3 Q1 Actual (A)	FY2024/3 Q1 Actual (B)	Change (B)-(A)
Revenue	21.7	25.2	+3.5
Operating profit	0.8	1.8	+1.0
% vs Revenue	4.1%	7.4%	

Q1 YoY : Increased revenue and operating profit

- Revenue and operating profit up on strong sales of Life Science Solutions in North America and China, and Eye Care Solutions in North America.

1st quarter of the year ending March 31, 2024: Components Business



Billions of Yen	FY2023/3 Q1 Actual (A)	FY2024/3 Q1 Actual (B)	Change (B)-(A)
Revenue	12.8	8.4	-4.4
Operating profit	5.9	2.4	-3.5
% vs Revenue	46.2%	28.6%	

Q1 YoY : Decreased revenue and operating profit

- Revenue and operating profit were down. Demand of optical light source parts declined due to lower utilization rate of lithography systems at semiconductor manufacturers. Some deliveries of EUV related components and optical components delayed. In addition, sales of encoders and photomask substrates for FPD decreased YoY.

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

1st quarter of the year ending March 31, 2024: Digital Manufacturing Business



Billions of Yen	FY2023/3 Q1 Actual (A)	FY2024/3 Q1 Actual (B)	Change (B)-(A)
Revenue	7.4	11.9	+4.5
Operating profit	-0.9	-4.7	-3.8
% vs Revenue	-12.6%	-40.0%	

Q1 YoY : Increased revenue and decreased operating profit

- Revenue up with the consolidation of SLM. However, operating profit down on the depreciation cost of intangible assets and one-time costs related to the SLM acquisition, as well as increased upfront investments in the Industrial Metrology Business.

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

1. Financial results for the 1st quarter of the year ending March 31, 2024

2. Forecast for the year ending March 31, 2024

Summary for forecasts for the first half and the full year ending March 31, 2024



Forecast for 1H of the year

- **Revenue** : **¥325.0B** (Revised downward ¥10.0B vs. previous forecast)
- **Operating profit** : **¥ 15.0B** (Revised downward ¥5.0B vs. previous forecast)
- **Profit attributable to owners of parent: ¥12.0B** (Revised downward ¥5.0B vs. previous forecast)
 - The Imaging Products Business to revise upward ¥10.0B in revenue and ¥3.0B in operating profit to reflect an increase of sales volume forecast.
 - The Precision Equipment Business to revise downward ¥15.0B in revenue and ¥5.0B in operating profit due to expected lower service revenue and the postponement of some system installation completions into 2H in semiconductor lithography systems.
 - Revised downward ¥4.0B in revenue and ¥2.0B in operating profit in the Components Business, and ¥1.0B in both revenue and operating profit in the Digital Manufacturing Business, as some sales are expected to delay to 2H.

Forecast for the full year

- **Revenue** : **¥670.0B** (Revised upward ¥5.0B vs. previous forecast)
- **Operating profit** : **¥ 43.0B** (Unchanged from previous forecast)
- **Profit attributable to owners of parent: ¥35.0B** (Unchanged from previous forecast)
 - The Imaging Products Business to revise upward ¥10.0B in revenue and ¥3.0B in operating profit to reflect an increase of sales volume forecast.
 - The Precision Equipment Business to revise downward ¥5.0B in revenue and ¥3.0B in operating profit due to expected lower service revenue from semiconductor lithography systems.
- **Exchange rate : US\$ ¥132, EURO ¥146**
(From 2Q onwards, US\$ ¥130 (unchanged), EURO ¥145 (changed from previous forecast))

Forecast for the year ending March 31, 2024: Financial Highlights



Billions of Yen	FY2023/3 Actual (A)	Previous Forecast (May 11) (B)	New Forecast (Aug. 8) (C)	Change (C)-(A)	Change (C)-(B)
Revenue	628.1	665.0	670.0	+41.9	+5.0
Operating profit	54.9	43.0	43.0	-11.9	±0.0
% vs Revenue	8.7%	6.5%	6.4%		
Profit before tax	57.0	46.0	46.0	-11.0	±0.0
% vs Revenue	9.1%	6.9%	6.9%		
Profit attributable to owners of parent	44.9	35.0	35.0	-9.9	±0.0
% vs Revenue	7.2%	5.3%	5.2%		
ROE	7.4%	5.6%	5.6%	-1.8P	±0.0P
EPS	¥125.46	¥101.11	¥101.09	-¥24.37	-¥0.02
Annual Dividends	¥45	¥50	¥50	+¥5	±¥0
Exchange Rate: US\$	¥135	¥130	¥132	Impact on Revenue	
				-2.5	+8.0
EURO	¥141	¥140	¥146	Impact on Operating profit	
				-0.4	+1.9

Note: The numbers of issued shares assumed for EPS forecast calculation: approx. 346.1M shares for previous forecast (May 11) and approx. 346.2M shares for new forecast (Aug. 8)

Forecast for the year ending March 31, 2024: Financial Highlights (Changes from Previous Forecast)



Billions of Yen	Previous Forecast (May 11) (A)			New Forecast (Aug. 8) (B)			Change (B)-(A)		
	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year
Revenue	335.0	330.0	665.0	325.0	345.0	670.0	-10.0	+15.0	+5.0
Operating profit % vs Revenue	20.0 6.0%	23.0 7.0%	43.0 6.5%	15.0 4.6%	28.0 8.1%	43.0 6.4%	-5.0	+5.0	±0.0
Profit before tax % vs Revenue	22.0 6.6%	24.0 7.3%	46.0 6.9%	17.0 5.2%	29.0 8.4%	46.0 6.9%	-5.0	+5.0	±0.0
Profit attributable to owners of parent % vs Revenue	17.0 5.1%	18.0 5.5%	35.0 5.3%	12.0 3.7%	23.0 6.7%	35.0 5.2%	-5.0	+5.0	±0.0
ROE	5.6%			5.6%			±0.0P		
EPS	¥101.11			¥101.09			-¥0.02		
Annual Dividends	¥50			¥50			±¥0		
Exchange Rate: US\$	¥130	¥130	¥130	¥134	¥130	¥132	+¥4	±¥0	+¥2
EURO	¥140	¥140	¥140	¥147	¥145	¥146	+¥7	+¥5	+¥6

Note: The numbers of issued shares assumed for EPS forecast calculation: approx. 346.1M shares for previous forecast (May 11) and approx. 346.2M shares for new forecast (Aug. 8)

Forecast for the year ending March 31, 2024:

Forecast by Segment



Billions of Yen		FY2023/3 Actual (A)	Previous Forecast (May 11) (B)	New Forecast (Aug. 8) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	227.1	240.0	250.0	+22.9	+10.0
	Operating profit	42.2	38.0	41.0	-1.2	+3.0
	% vs Revenue	18.6%	15.8%	16.4%	-2.2P	+0.6P
Precision Equipment Business	Revenue	203.2	210.0	205.0	+1.8	-5.0
	Operating profit	24.5	15.0	12.0	-12.5	-3.0
	% vs Revenue	12.1%	7.1%	5.9%	-6.2P	-1.2P
Healthcare Business	Revenue	99.3	95.0	95.0	-4.3	±0.0
	Operating profit	11.5	11.0	11.0	-0.5	±0.0
	% vs Revenue	11.7%	11.6%	11.6%	-0.1P	±0.0P
Components Business	Revenue	53.0	53.0	53.0	±0.0	±0.0
	Operating profit	22.0	20.0	20.0	-2.0	±0.0
	% vs Revenue	41.6%	37.7%	37.7%	-3.9P	±0.0P
Digital Manufacturing Business	Revenue	42.0	64.0	64.0	+22.0	±0.0
	Operating profit	-10.1	-9.0	-9.0	+1.1	±0.0
	% vs Revenue	-24.1%	-14.1%	-14.1%	+10.0P	±0.0P
Others (incl. Corporate expenses, etc.)	Revenue	3.2	3.0	3.0	-0.2	±0.0
	Operating profit	-35.3	-32.0	-32.0	+3.3	±0.0
Consolidated	Revenue	628.1	665.0	670.0	+41.9	+5.0
	Operating profit	54.9	43.0	43.0	-11.9	±0.0
	% vs Revenue	8.7%	6.5%	6.4%	-2.3P	-0.1P

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

Forecast for the year ending March 31, 2024:

Forecast by Segment



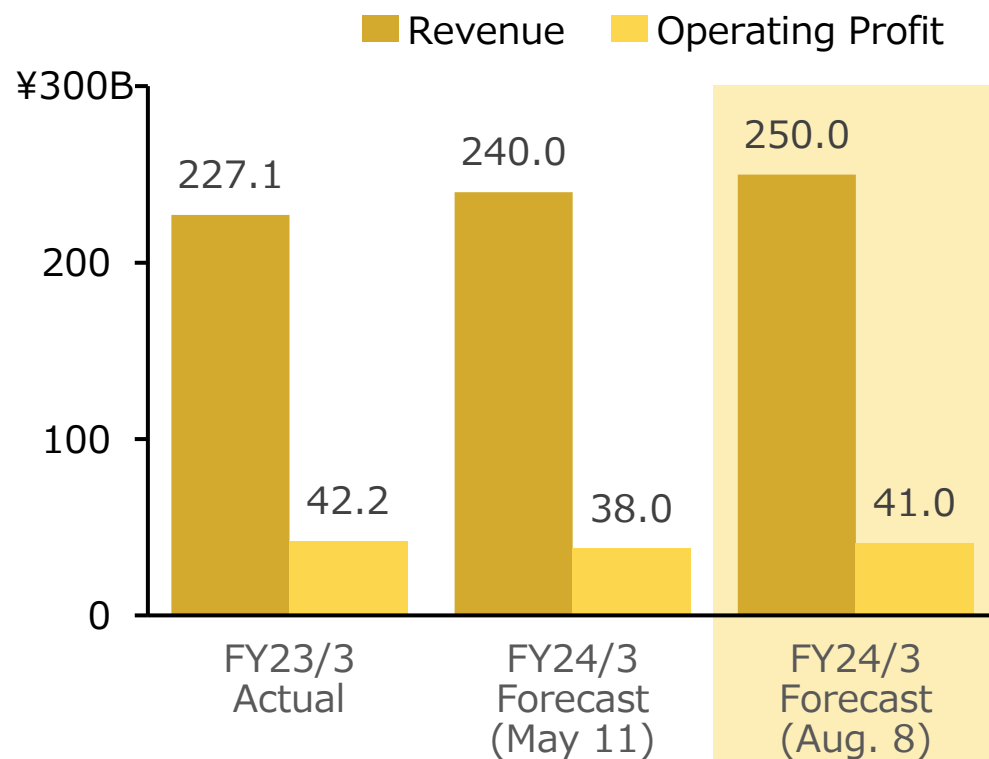
Billions of Yen		FY2023/3			FY2024/3 Forecast		
		1H	2H	Full Year	1H	2H	Full Year
Imaging Products Business	Revenue	114.5	112.6	227.1	135.0	115.0	250.0
	Operating profit	22.2	20.0	42.2	25.0	16.0	41.0
Precision Equipment Business	Revenue	83.3	119.9	203.2	95.0	110.0	205.0
	Operating profit	6.2	18.3	24.5	2.0	10.0	12.0
Healthcare Business	Revenue	46.6	52.7	99.3	45.0	50.0	95.0
	Operating profit	3.6	7.9	11.5	4.0	7.0	11.0
Components Business	Revenue	25.6	27.4	53.0	20.0	33.0	53.0
	Operating profit	11.3	10.7	22.0	6.0	14.0	20.0
Digital Manufacturing Business	Revenue	16.2	25.8	42.0	28.0	36.0	64.0
	Operating profit	-2.8	-7.3	-10.1	-6.0	-3.0	-9.0
Others	Revenue	1.7	1.5	3.2	2.0	1.0	3.0
	Operating profit	1.0	1.6	2.6	1.0	3.0	4.0
Corporate expenses, etc.	Operating profit	-17.2	-20.8	-38.0	-17.0	-19.0	-36.0
	Broken out: Expense related to investment in growth	-10.1	-11.6	-21.7	-10.0	-10.0	-20.0
	Broken out: Expense for administration department	-5.8	-7.7	-13.5	-7.0	-9.0	-16.0
	Broken out: Elimination of intersegment transactions	-1.2	-1.5	-2.7	-	-	-
Consolidated	Revenue	288.3	339.8	628.1	325.0	345.0	670.0
	Operating profit	24.4	30.5	54.9	15.0	28.0	43.0

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

"Expense related to investment in growth" is expenses mainly related to basic research, expense related to the creation of new businesses, and expense related to manufacturing innovation.

"Expense for administration department" is the general administrative expenses for head office functions, and corporate P/L non-attributable to any reportable segments.

Forecast for the year ending March 31, 2024: Imaging Products Business



• Revenue: Up ¥10.0B vs. previous forecast (Up ¥22.9B YoY)

- Growth trends in the market for digital camera-interchangeable lens type are greater than previous forecast.
- Raising our sales volume forecasts of digital camera-interchangeable lens type and interchangeable lens to reflect our good sales condition centering our new products such as the Z 8.
- Revising upward our forecast by ¥10.0B to reflect the increase in sales volume forecasts.
- Revenue to grow YoY due to an increase of sales volume and ASP.

• Operating Profit: Up ¥3.0B vs. previous forecast (Down ¥1.2B YoY)

- Revising upward our forecast by ¥3.0B to reflect the revision to the revenue forecast.
- Expected profit decline YoY on an increased expenses such as sales promotion expenses due to the market normalization following resolved parts procurement constraints. However, the level of the profit decline become smaller compared to previous forecast.

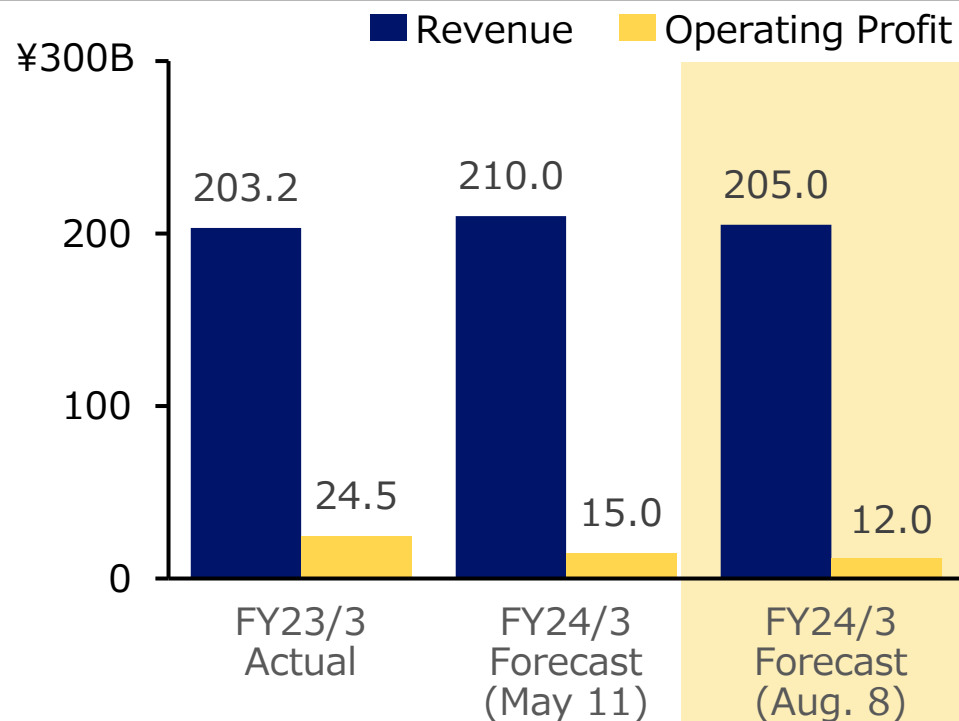
Digital Camera-Interchangeable Lens type (units: 1,000)

Market Scale	5,810	5,500	5,800
Nikon	700	700	750

Interchangeable Lens (units: 1,000)

Market Scale	9,400	9,200	9,400
Nikon	1,160	1,150	1,200

Forecast for the year ending March 31, 2024: Precision Equipment Business



- Revenue: Down ¥5.0B vs. previous forecast
(Up ¥1.8B YoY)**

- Revising downward our forecast by ¥5.0B to reflect lower service revenue due to the decline in utilization rates at customer sites in the Semiconductor Lithography Business.
- FPD lithography system revenue to decline on substantial decrease in sales volumes due to delays in customer capex.
- Semiconductor lithography system revenue to grow on expanded sales to customers other than our core customer despite lull in demand for capex.

- Operating Profit: Down ¥3.0B vs. previous forecast
(Down ¥12.5B YoY)**

- Revising downward our forecast by ¥3.0B to reflect lower service revenue, etc.
- FPD lithography system profit to decline substantially on lower sales volumes.
- Semiconductor lithography system profit to grow on increased sales volumes of ArF lithography systems.
- The total Precision Equipment Business profit to decline as increased profit in the Semiconductor Lithography Business will be unable to absorb the decline in the FPD Lithography Business.

FPD Lithography Systems (units)

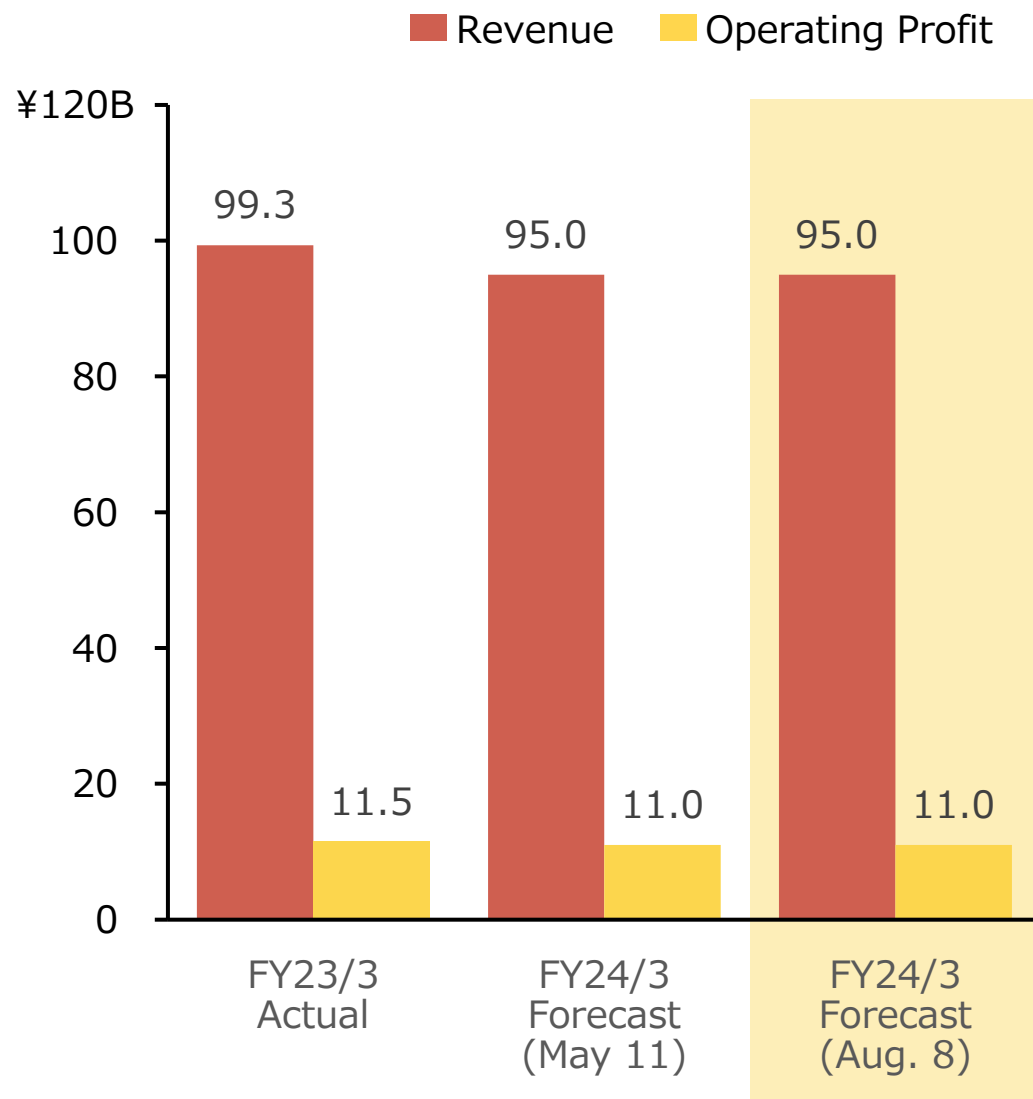
Market Scale (CY22/23)	79	50	50
Nikon	29	12	12

Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY22/23)	480	430	430
Nikon	27/18	33/15	33/15

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

Forecast for the year ending March 31, 2024: Healthcare Business



- **Revenue: Unchanged from previous forecast**

(Down ¥4.3B YoY)

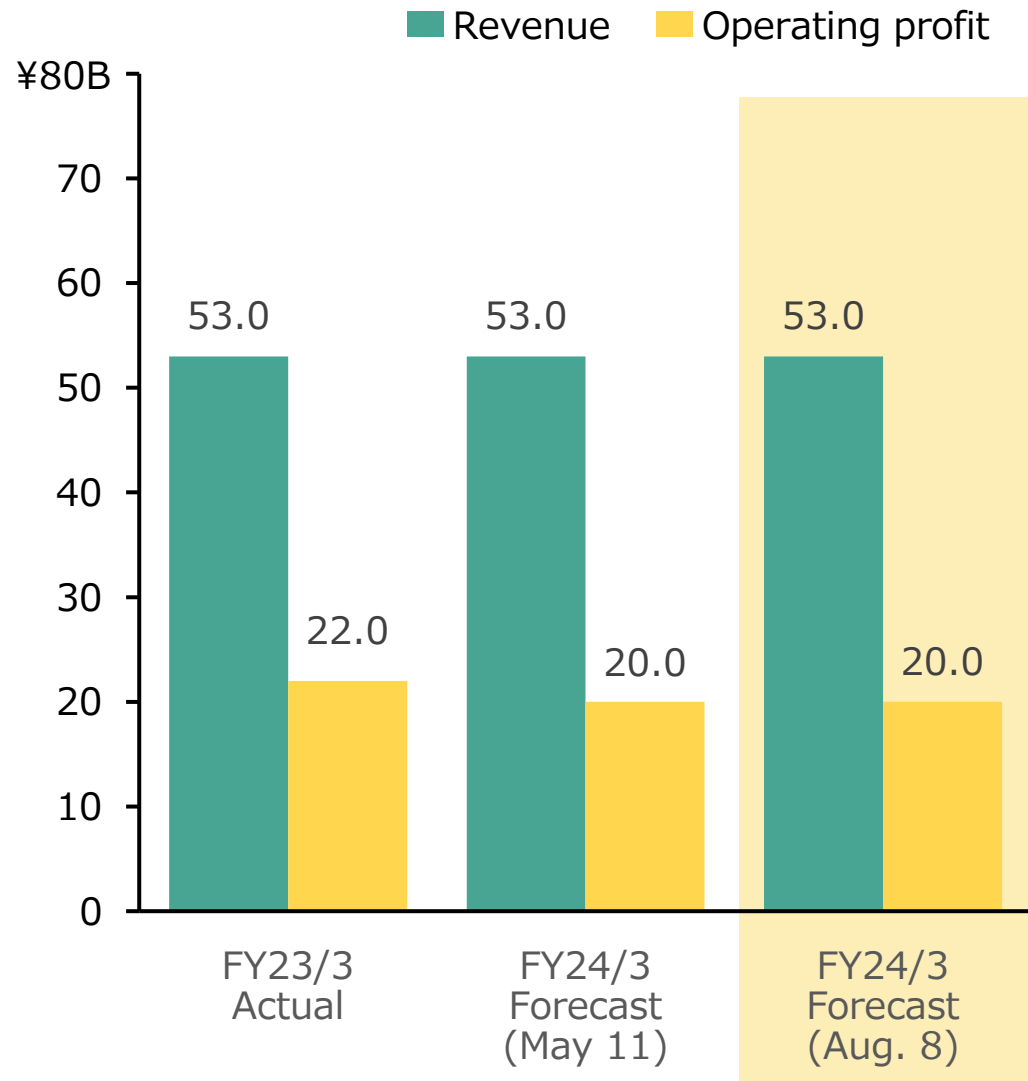
- In Life Science Solutions, we expect sales expansion mainly in North America and China on development of the private sector market and strengthening of drug discovery support and solutions.
- In Eye Care Solutions, we expect revenue to decline despite stable growth in retinal diagnostic imaging systems as the effects of last year's major deals disappear.
- Revenue to decline moderately YoY due to the loss of last year's major deals and differences of FX assumptions.

- **Operating Profit: Unchanged from previous forecast**

(Down ¥0.5B YoY)

- Expect ¥11.0B in operating profit as same as previous forecast, based on the strong revenue forecast.

Forecast for the year ending March 31, 2024: Components Business



- **Revenue: Unchanged from previous forecast**

(Same level YoY)

- The semiconductor market has entered an adjustment phase, and the delivery of some EUV related components and optical parts and optical components expect to shift from 1H into 2H compared to our plan at the beginning of the fiscal year.

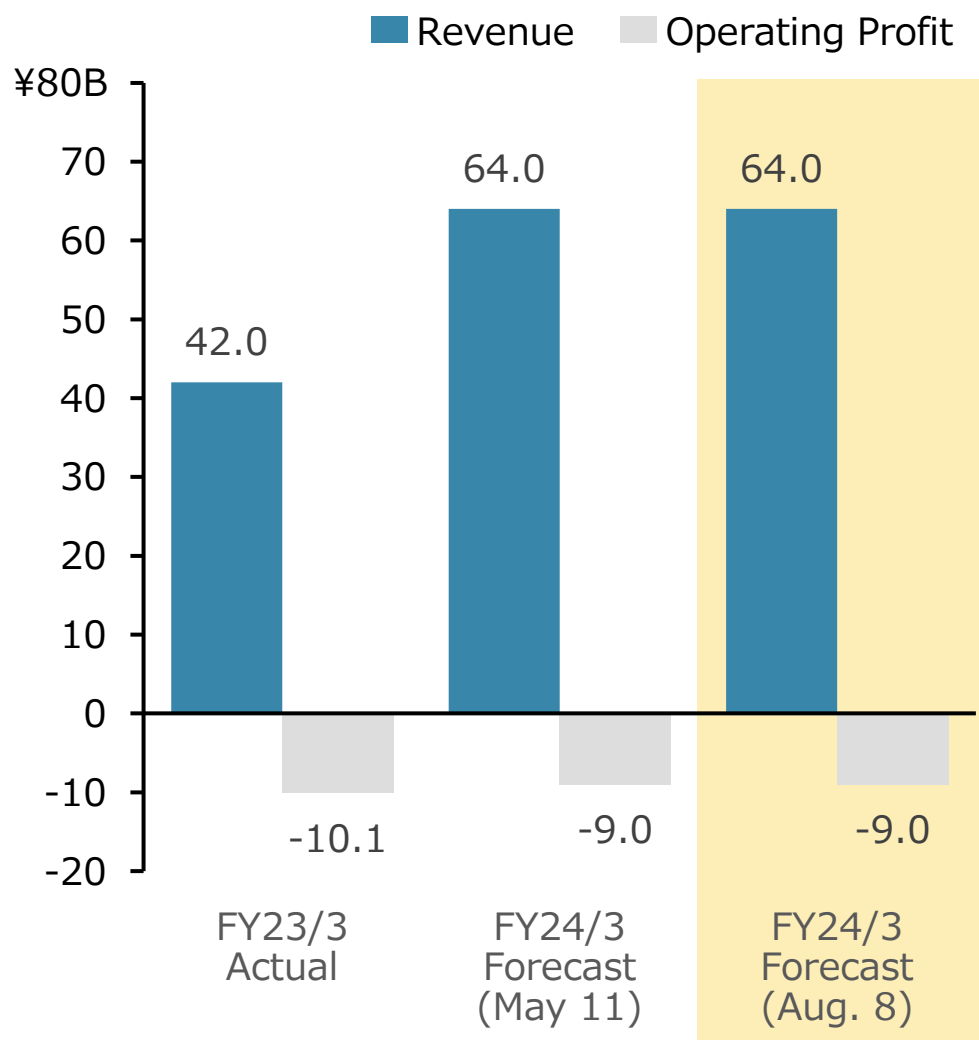
- **Operating profit: Unchanged from previous forecast**

(Down ¥2.0B)

- Profit to decline in semiconductor related fields, impacted by a lull in the collection of upfront investment in some component products to enter mass production phase.

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

Forecast for the year ending March 31, 2024: Digital Manufacturing Business



• Revenue: Unchanged from previous forecast

- In the Industrial Metrology Business, some product sales to shift from 1H into 2H due to sluggish market condition of semiconductor and electronic parts, despite expect to grow revenue on expanded sales of video measuring systems and X-ray and CT systems, etc.
- The full-year contribution from SLM, which was acquired last fiscal year, to the Advanced Manufacturing (ADM) Business.

• Operating Profit: Unchanged from previous forecast

- The Industrial Metrology Business profit to decline slightly YoY due to upfront investments and a one-time spike in materials costs, despite profit growth from increased sales.
- Operating profit in the ADM Business will be loss on the impact of upfront investments such as R&D costs, one-time costs associated with setting up the new BU, and the depreciation cost of intangible assets obtained by the SLM acquisition (approx. ¥3.6B).
- The total Digital Manufacturing Business will make an operating loss.

SLM standalone business performance FY23 1H (Jan-Jun)

From the disclosures as of August 7 as a publicity-traded company in Germany

- Revenue: EUR51.9M (record revenue, Up EUR9.4M YoY)
- EBITDA: EUR8.4M loss (EUR3.0M loss in the previous year)

Note: FY2023/3 results have been re-stated to reflect segmentation changes.

The SLM's AGM held on July 13, 2023, resolved to squeeze out its minority shareholders.

SLM changed their official company name from "SLM Solutions Group AG" to "Nikon SLM Solutions AG" on July 24, 2023.