



# Financial results for the 2nd quarter of the year ending March 31, 2024

November 9, 2023

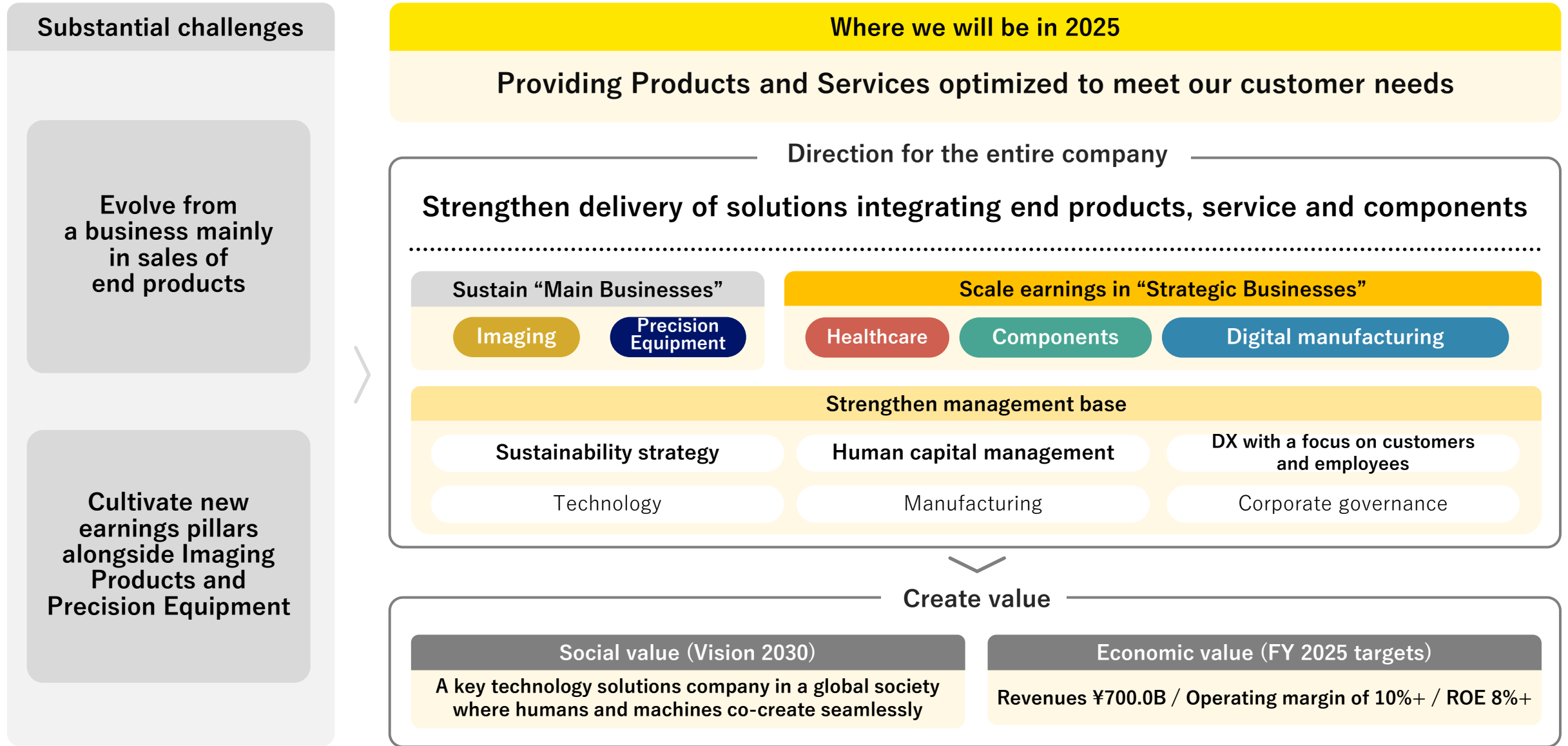
1. Progress of the Medium-Term Management Plan

2. Financial results for the 2nd quarter of the year ending March 31, 2024

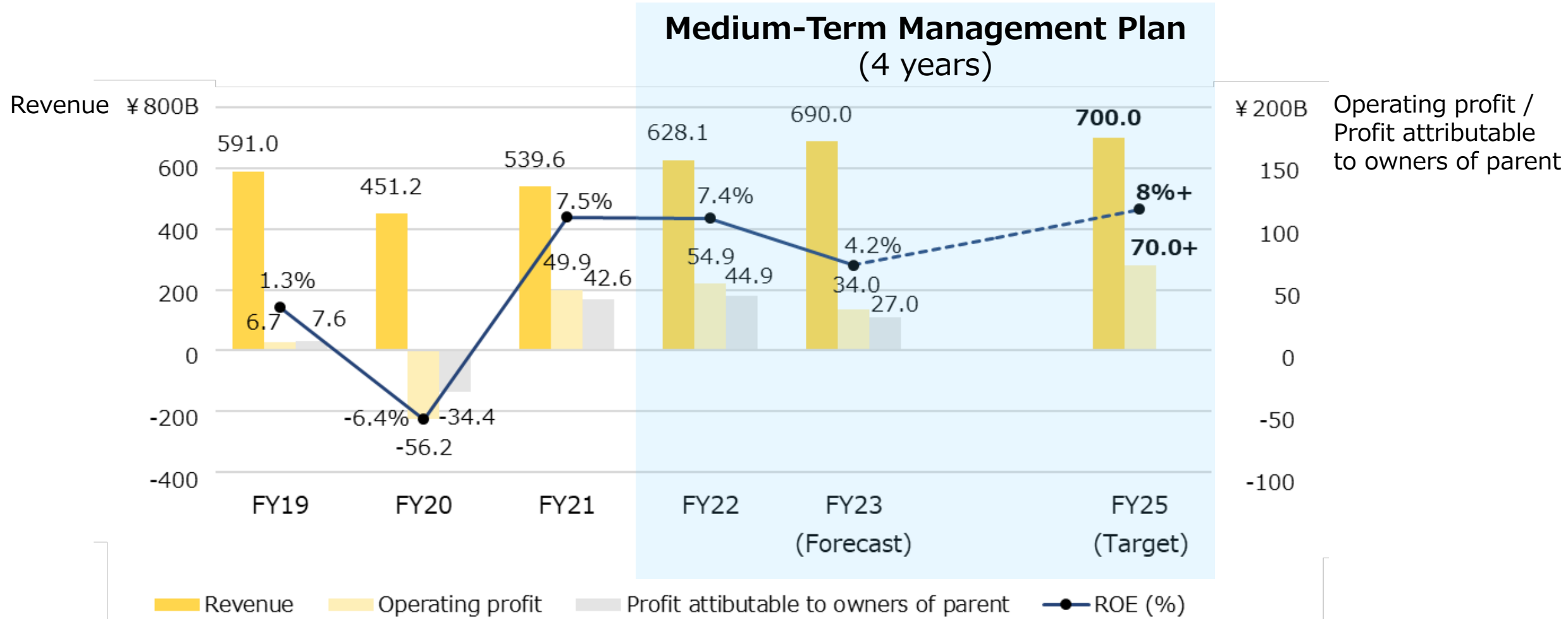
3. Forecast for the year ending March 31, 2024

# Medium-Term Management Plan: Overview

Source: Progress Report on Medium-Term Management Plan slide deck



# Year 2: Earnings are stagnating, but strategy is progressing as planned



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

# Strategic progress and challenges

## Quality of life

### Imaging Products

Rolling out mirrorless cameras with cutting-edge features (the Z 8 and the Z f) and continuing to expand the lineup of interchangeable lenses.

### Healthcare

Expanding digital microscope lineup and drug discovery support services.

## Industry

### Precision Equipment

Integrated our FPD Lithography BU and Semiconductor Lithography BU, newly created the Precision Equipment Business Division, and revitalizing the organization with benefits of cross-functional structure.

### Components

Despite near-term impact from market condition, we are making solid progress acquiring customers in semiconductor-related fields.

### Digital Manufacturing

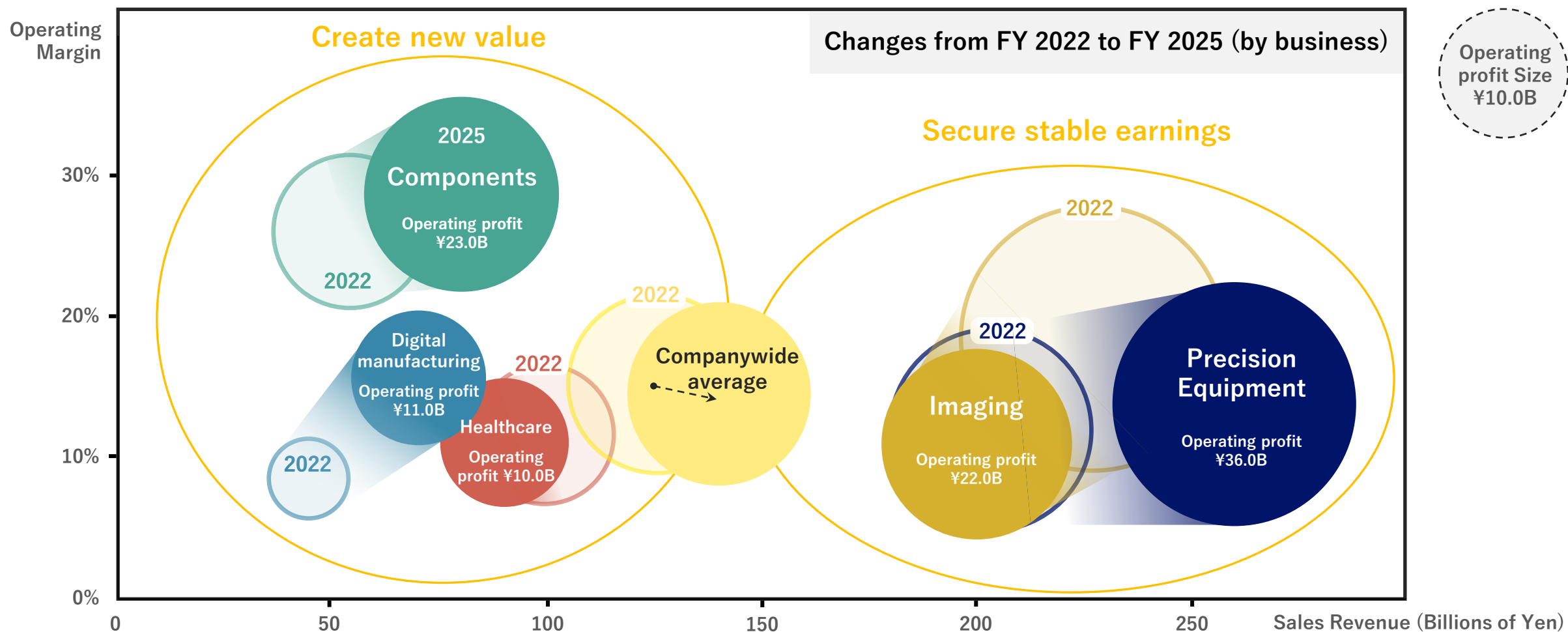
Newly created the Advanced Manufacturing (ADM) BU, established a global HQ of ADM BU in the US, and made Nikon SLM Solutions a wholly owned subsidiary to drive growth in the Material Processing Business.

Imaging Products and Healthcare are progressing well. Precision Equipment is responding to environmental changes. We are focused on strengthening management control of overseas subsidiaries.

# Revenue Portfolio:

## Will revise our FY2025 targets based on results from the Plan's first 2 years

(FY2025 figures still reflect targets from our Plan released in April 2022. The revised targets will be announced in May 2024.)



**Generate diverse revenues from common core of optical and precision technologies and strengthen resilience against uncertainties and risks**

\*Company average is a simple average of the 5 businesses. Figures expressed are before deducting companywide and other expenses (FY22 -¥38.0B, FY25 -¥32.0B). FY25 targets assume the following exchange rates: ¥115/USD and ¥130/EUR.

1. Progress of the Medium-Term Management Plan

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3. Forecast for the year ending March 31, 2024

# 1H of the year ending March 31, 2024: Summary



## 1H actual (YoY)

- Revenue : ¥331.2B (Up ¥42.9B YoY)
- Operating profit : ¥ 13.6B (Down ¥10.8B YoY)
- Profit attributable to owners of parent : ¥ 9.8B (Down ¥ 9.0B YoY)
- Revenues grew on strong sales in the Imaging Products Business, increased sales volumes of ArF lithography systems, and consolidation of SLM in the Digital Manufacturing Business.
- Operating profit down on lower sales volumes of FPD lithography systems, the effects of reduced revenue in the Components Business, and increased expenses resulting from the SLM acquisition, etc.

## vs. previous forecast (Aug. 8)

- Revenue : Up ¥6.2B
- Operating profit : Down ¥1.4B
- Profit attributable to owners of parent : Down ¥2.2B
- Revenue beat forecast on strength in the Healthcare businesses and FX effect.
- Operating profit was lower than forecast due to recording a provision in the Healthcare Business and Morf3D's restructuring cost in the Digital Manufacturing Business, etc.



# 1H of the year ending March 31, 2024: Financial Highlights



Billions of Yen	FY2023/3 1H Actual (A)	Previous Forecast (Aug. 8) (B)	FY2024/3 1H Actual (C)	Change Amount (C)-(A)	Change Amount (C)-(B)
<b>Revenue</b>	288.3	325.0	<b>331.2</b>	+42.9	+6.2
<b>Operating profit</b> % vs Revenue	24.4 8.5%	15.0 4.6%	<b>13.6</b> 4.1%	-10.8 -4.4P	-1.4 -0.5P
<b>Profit before tax</b> % vs Revenue	26.0 9.0%	17.0 5.2%	<b>15.2</b> 4.6%	-10.8 -4.4P	-1.8 -0.6P
<b>Profit attributable to owners of parent</b> % vs Revenue	18.8 6.5%	12.0 3.7%	<b>9.8</b> 3.0%	-9.0 -3.5P	-2.2 -0.7P
<b>FCF</b>	-19.0	-	<b>-25.9</b>	-6.9	-
Exchange Rate: US\$	¥134	¥134	<b>¥141</b>	Impact on Revenue	
				+10.4	+9.2
EURO	¥139	¥147	<b>¥153</b>	Impact on Operating profit	
				+1.8	+0.8

# 1H of the year ending March 31, 2024: Performance by Segment



Billions of Yen		FY2023/3 1H	Previous Forecast	FY2024/3 1H	Change Amount	Change Amount
		Actual (A)	(Aug. 8) (B)	Actual (C)	(C)-(A)	(C)-(B)
<b>Imaging Products Business</b>	Revenue	114.5	135.0	<b>137.6</b>	+23.1	+2.6
	Operating profit	22.2	25.0	<b>25.2</b>	+3.0	+0.2
	% vs Revenue	19.4%	18.5%	<b>18.3%</b>	-1.1P	-0.2P
<b>Precision Equipment Business</b>	Revenue	83.3	95.0	<b>96.0</b>	+12.7	+1.0
	Operating profit	6.2	2.0	<b>3.2</b>	-3.0	+1.2
	% vs Revenue	7.5%	2.1%	<b>3.4%</b>	-4.1P	+1.3P
<b>Healthcare Business</b>	Revenue	46.6	45.0	<b>51.2</b>	+4.6	+6.2
	Operating profit	3.6	4.0	<b>2.7</b>	-0.9	-1.3
	% vs Revenue	7.9%	8.9%	<b>5.4%</b>	-2.5P	-3.5P
<b>Components Business</b>	Revenue	25.6	20.0	<b>18.7</b>	-6.9	-1.3
	Operating profit	11.3	6.0	<b>5.9</b>	-5.4	-0.1
	% vs Revenue	44.1%	30.0%	<b>31.7%</b>	-12.4P	+1.7P
<b>Digital Manufacturing Business</b>	Revenue	16.2	28.0	<b>26.1</b>	+9.9	-1.9
	Operating profit	-2.8	-6.0	<b>-9.5</b>	-6.7	-3.5
	% vs Revenue	-17.7%	-21.4%	<b>-36.6%</b>	-18.9P	-15.2P
<b>Others</b> (incl. Corporate expenses, etc.)	Revenue	1.7	2.0	<b>1.4</b>	-0.3	-0.6
	Operating profit	-16.2	-16.0	<b>-13.9</b>	+2.3	+2.1
<b>Consolidated</b>	Revenue	288.3	325.0	<b>331.2</b>	+42.9	+6.2
	Operating profit	24.4	15.0	<b>13.6</b>	-10.8	-1.4
	% vs Revenue	8.5%	4.6%	<b>4.1%</b>	-4.4P	-0.5P

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

# Q2 of the year ending March 31, 2024: Financial Highlights



Billions of Yen	FY2023/3 Q2	FY2024/3 Q2	Change	
	Actual (A)	Actual (B)	Amount (B)-(A)	% (B)/(A)
<b>Revenue</b>	142.7	<b>173.1</b>	+30.4	+21.4%
<b>Operating profit</b>	9.1	<b>10.4</b>	+1.3	+14.1%
% vs Revenue	6.4%	<b>6.0%</b>	-0.4P	
<b>Profit before tax</b>	9.5	<b>10.4</b>	+0.9	+9.6%
% vs Revenue	6.7%	<b>6.0%</b>	-0.7P	
<b>Profit attributable to owners of parent</b>	7.0	<b>7.3</b>	+0.3	+3.0%
% vs Revenue	4.9%	<b>4.2%</b>	-0.7P	
<b>FCF</b>	-15.9	<b>-25.3</b>	-9.4	-
Exchange Rate: US\$	¥138	<b>¥145</b>	Impact on Revenue +5.2	
EURO	¥139	<b>¥157</b>	Impact on Operating profit +0.7	

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

# 1H of the year ending March 31, 2024: Imaging Products Business



Billions of Yen	FY2023/3 1H Actual (A)	Previous Forecast (Aug. 8) (B)	FY2024/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	114.5	135.0	<b>137.6</b>	+23.1	+2.6
<b>Operating profit</b>	22.2	25.0	<b>25.2</b>	+3.0	+0.2
% vs Revenue	19.4%	18.5%	<b>18.3%</b>	-1.1P	-0.2P
<b>Digital Camera- Interchangeable Lens type (units: 1,000)</b>	370	-	<b>390</b>	+20	-
<b>Interchangeable Lens (units: 1,000)</b>	610	-	<b>610</b>	±0	-

- **YoY:** Both revenue and operating profit grew. Sales volumes of mirrorless cameras, mainly the Z 8, and interchangeable lens of mirrorless cameras increased. ASP rose with the shift toward mid/high-end cameras. And the weaker yen helped.
- **Vs. previous forecast:** Both revenue and operating profit grew. Basically, in line.

# 1H of the year ending March 31, 2024: Precision Equipment Business



Billions of Yen	FY2023/3 1H Actual (A)	Previous Forecast (Aug. 8) (B)	FY2024/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	83.3	95.0	<b>96.0</b>	+12.7	+1.0
<b>Operating profit</b>	6.2	2.0	<b>3.2</b>	-3.0	+1.2
% vs Revenue	7.5%	2.1%	<b>3.4%</b>	-4.1P	+1.3P
<b>FPD Lithography Systems (units)</b>	13	-	<b>4</b>	-9	-
<b>Semiconductor Lithography Systems New/Refurbised (units)</b>	8/8	-	<b>11/3</b>	+3/-5	-

- **YoY:** Revenue grew on increased sales volumes of mainly ArF lithography systems. Operating profit declined on lower service revenue and sales volumes of FPD lithography systems.
- **Vs. previous forecast:** Both revenue and operating profit were higher on benefits from increased service earnings by advanced sales of parts, and postponement of some expenses.

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

# 1H of the year ending March 31, 2024: Healthcare Business



Billions of Yen	FY2023/3 1H Actual (A)	Previous Forecast (Aug. 8) (B)	FY2024/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	46.6	45.0	<b>51.2</b>	+4.6	+6.2
<b>Operating profit</b>	3.6	4.0	<b>2.7</b>	-0.9	-1.3
% vs Revenue	7.9%	8.9%	<b>5.4%</b>	-2.5P	-3.5P

- **YoY:** Revenue grew on strength in sales in North America and China in Life Science Solutions. Operating profit declined due to recording ¥1.4B provision for some customers' transactions, etc.
- **Vs. previous forecast:** Revenue grew on strength in Life Science Solutions. Operating profit declined due to the provision above.

# 1H of the year ending March 31, 2024: Components Business



Billions of Yen	FY2023/3 1H Actual (A)	Previous Forecast (Aug. 8) (B)	FY2024/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	25.6	20.0	<b>18.7</b>	-6.9	-1.3
<b>Operating profit</b>	11.3	6.0	<b>5.9</b>	-5.4	-0.1
% vs Revenue	44.1%	30.0%	<b>31.7%</b>	-12.4P	+1.7P

- **YoY:** Revenue and profit declined as demand for optical parts receded due to lower utilization rates at semiconductor device makers and some EUV related component and optical component product deliveries were delayed.
- **Vs. previous forecast:** Operating profit was in line with forecast. Although delays in the sale of some products reduced revenue, product mix changed, and expenses were pushed out.

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

# 1H of the year ending March 31, 2024: Digital Manufacturing Business



Billions of Yen	FY2023/3 1H Actual (A)	Previous Forecast (Aug. 8) (B)	FY2024/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	16.2	28.0	<b>26.1</b>	+9.9	-1.9
<b>Operating profit</b>	-2.8	-6.0	<b>-9.5</b>	-6.7	-3.5
% vs Revenue	-17.7%	-21.4%	<b>-36.6%</b>	-18.9P	-15.2P

- **YoY:** Revenues were up with the consolidation of SLM. However, operating profit was down on SLM's operating loss and the depreciation cost of intangible-asset resulting from the SLM acquisition, as well as increased upfront investments in the Industrial Metrology Business.
- **Vs. previous forecast:** Revenue was down as sales of some systems were postponed in the ADM Business. Operating profit was down on the effect of reduced revenue in the ADM Business and ¥1.1B Morf3D's restructuring cost, etc.

Note: FY2023/3 results have been re-stated to reflect segmentation changes.  
Completed acquiring all shares of Nikon SLM Solutions AG and making it a wholly owned subsidiary.



1. Progress of the Medium-Term Management Plan
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3. Forecast for the year ending March 31, 2024

# Forecast for the year ending March 31, 2024: Summary



## Revenue

- **Company total forecast: ¥690.0B** (Revised upward ¥20.0B vs. previous forecast)
  - Revising upward ¥20.0B because revenue increase in the Imaging Products and the Healthcare Businesses, including FX effect, is expected to be more than revenue decrease in the other business segments.

## Operating profit

- **Company total forecast: ¥ 34.0B** (Revised downward ¥9.0B vs. previous forecast)
  - Imaging Products to revise upward ¥2.0B to reflect revenue upward, despite rising costs of parts procurement and increased sales promotion expenses, etc.
  - Precision Equipment to revise downward ¥4.0B due to the postponement of semiconductor lithography system installations into next fiscal year.
  - Healthcare to revise downward ¥1.5B due to recording a provision and rising costs of parts procurement.
  - Components to revise downward ¥5.0B due to the postponement of sales of EUV and other semiconductor-related components into next fiscal year.
  - Digital Manufacturing to revise downward ¥4.0B to reflect revenue downward and one-time costs related to the restructuring cost, etc.
  - Corporate expenses, etc. to revised upward ¥3.5B to reflect 1H results, etc.

## Profit attributable to owners of parent

- **Company total forecast: ¥ 27.0B** (Revised downward ¥8.0B vs. previous forecast)

## Shareholder returns

- **Dividends: interim ¥25, annual (planned) ¥50** (Unchanged from previous forecast)

## Exchange rate

- **US\$ ¥141, EURO ¥152** (Changed to US\$ ¥140, EURO ¥150 for 2H)

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



Billions of Yen	FY2023/3 Actual (A)	Previous Forecast (Aug. 8) (B)	New Forecast (Nov. 9) (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	628.1	670.0	<b>690.0</b>	+61.9	+20.0
<b>Operating profit</b>	54.9	43.0	<b>34.0</b>	-20.9	-9.0
% vs Revenue	8.7%	6.4%	<b>4.9%</b>	-3.8P	-1.5P
<b>Profit before tax</b>	57.0	46.0	<b>37.0</b>	-20.0	-9.0
% vs Revenue	9.1%	6.9%	<b>5.4%</b>	-3.7P	-1.5P
<b>Profit attributable to owners of parent</b>	44.9	35.0	<b>27.0</b>	-17.9	-8.0
% vs Revenue	7.2%	5.2%	<b>3.9%</b>	-3.3P	-1.3P
<b>ROE</b>	7.4%	5.6%	<b>4.2%</b>	-3.2P	-1.4P
<b>EPS</b>	¥125.46	¥101.09	<b>¥77.96</b>	-¥47.50	-¥23.13
<b>Annual Dividends</b>	¥45	¥50	<b>¥50</b>	+¥5	±¥0
Exchange Rate: US\$	¥135	¥132	<b>¥141</b>	Impact on Revenue	
				+15.4	+19.2
EURO	¥141	¥146	<b>¥152</b>	Impact on Operating profit	
				+3.3	+3.1

Note: The numbers of issued shares assumed for EPS forecast calculation: approx. 346.2M shares for previous forecast (Aug. 8) and approx. 346.3M shares for new forecast (Nov. 9).

# Forecast for the year ending March 31, 2024:

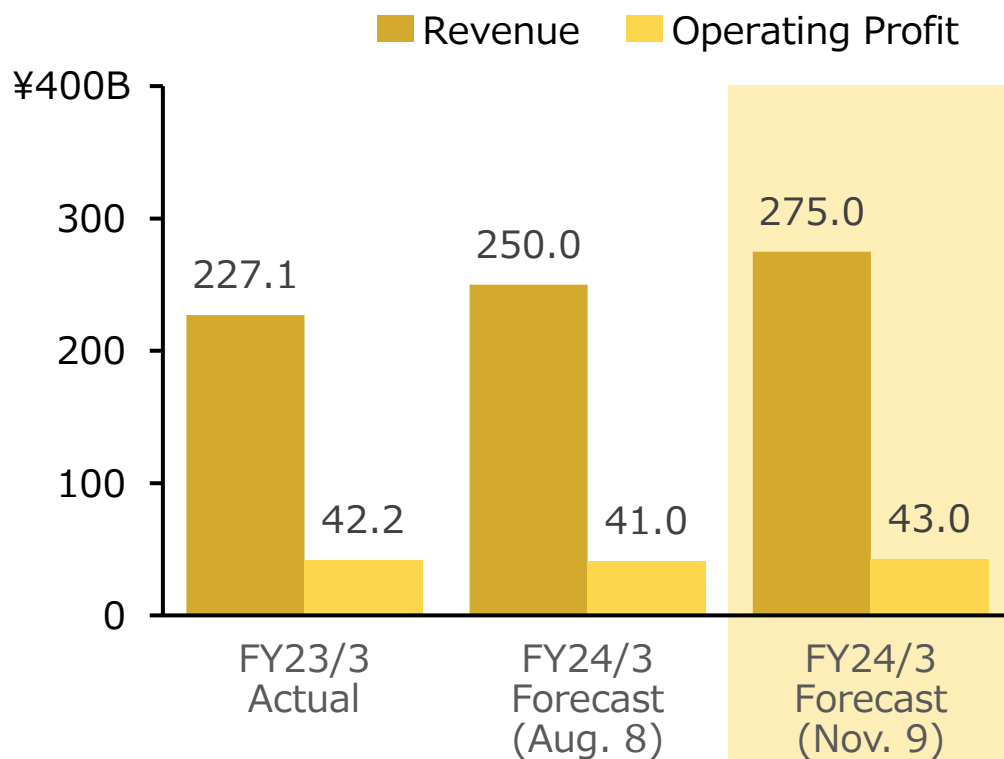
## Forecast by Segment



Billions of Yen		FY2023/3 Actual (A)	Previous Forecast (Aug. 8) (B)	New Forecast (Nov. 9) (C)	Change (C)-(A)	Change (C)-(B)
<b>Imaging Products Business</b>	Revenue	227.1	250.0	<b>275.0</b>	+47.9	+25.0
	Operating profit	42.2	41.0	<b>43.0</b>	+0.8	+2.0
	% vs Revenue	18.6%	16.4%	<b>15.6%</b>	-3.0P	-0.8P
<b>Precision Equipment Business</b>	Revenue	203.2	205.0	<b>200.0</b>	-3.2	-5.0
	Operating profit	24.5	12.0	<b>8.0</b>	-16.5	-4.0
	% vs Revenue	12.1%	5.9%	<b>4.0%</b>	-8.1P	-1.9P
<b>Healthcare Business</b>	Revenue	99.3	95.0	<b>103.0</b>	+3.7	+8.0
	Operating profit	11.5	11.0	<b>9.5</b>	-2.0	-1.5
	% vs Revenue	11.7%	11.6%	<b>9.2%</b>	-2.5P	-2.4P
<b>Components Business</b>	Revenue	53.0	53.0	<b>47.0</b>	-6.0	-6.0
	Operating profit	22.0	20.0	<b>15.0</b>	-7.0	-5.0
	% vs Revenue	41.6%	37.7%	<b>31.9%</b>	-9.7P	-5.8P
<b>Digital Manufacturing Business</b>	Revenue	42.0	64.0	<b>62.0</b>	+20.0	-2.0
	Operating profit	-10.1	-9.0	<b>-13.0</b>	-2.9	-4.0
	% vs Revenue	-24.1%	-14.1%	<b>-21.0%</b>	+3.1P	-6.9P
<b>Others</b> (incl. Corporate expenses, etc.)	Revenue	3.2	3.0	<b>3.0</b>	-0.2	±0.0
	Operating profit	-35.3	-32.0	<b>-28.5</b>	+6.8	+3.5
<b>Consolidated</b>	Revenue	628.1	670.0	<b>690.0</b>	+61.9	+20.0
	Operating profit	54.9	43.0	<b>34.0</b>	-20.9	-9.0
	% vs Revenue	8.7%	6.4%	<b>4.9%</b>	-3.8P	-1.5P

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

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



- **Revenue: Up ¥25.0B vs. previous forecast**  
**(Up ¥47.9B YoY)**

- Growth trends in the market for digital camera-interchangeable lens type are greater than expected in the previous forecast.
- Raising our sales volume forecasts of digital camera-interchangeable lens type and interchangeable lens to reflect strong sales of mirrorless cameras.
- Revising upward our forecast by ¥25.0B to reflect the increased sales volume forecasts and changed FX assumptions.

- **Operating Profit: Up ¥2.0B vs. previous forecast**  
**(Up ¥0.8B YoY)**

- Revising upward our forecast by ¥2.0B on increased sales forecast and changed FX assumptions, despite rising costs of parts procurement and increased sales promotion expenses.

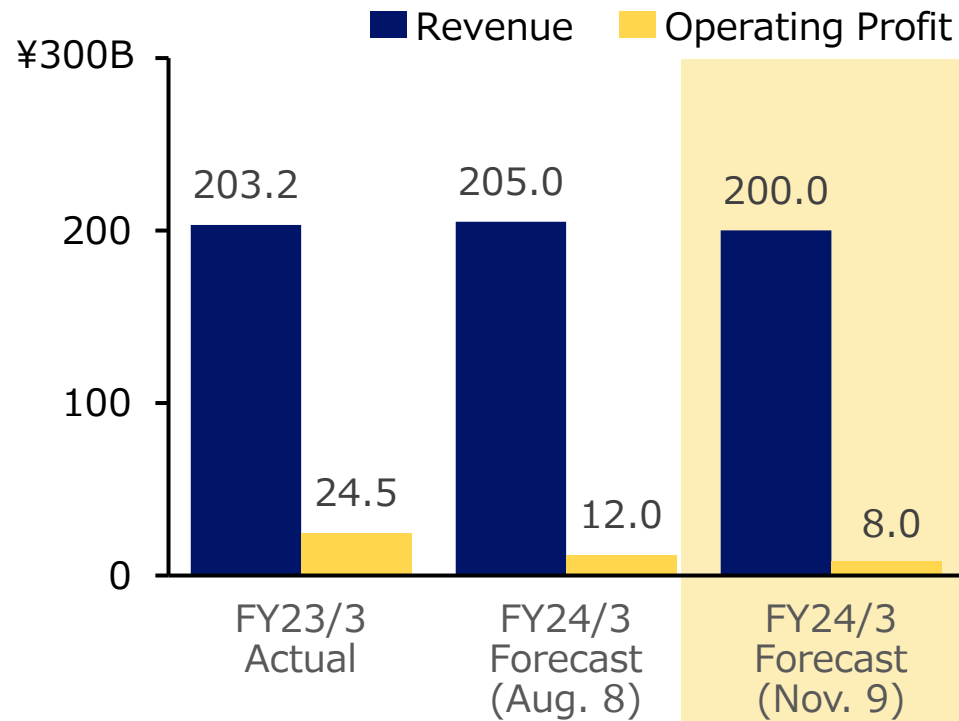
## Digital Camera-Interchangeable Lens type (units: 1,000)

Market Scale	5,810	5,800	6,300
Nikon	700	750	800

## Interchangeable Lens (units:1,000)

Market Scale	9,400	9,400	10,000
Nikon	1,160	1,200	1,250

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



## FPD Lithography Systems (units)

Market Scale (CY22/23)	79	50	45
Nikon	29	12	13

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

Market Scale (CY22/23)	480	430	430
Nikon	27/18	33/15	30/16

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

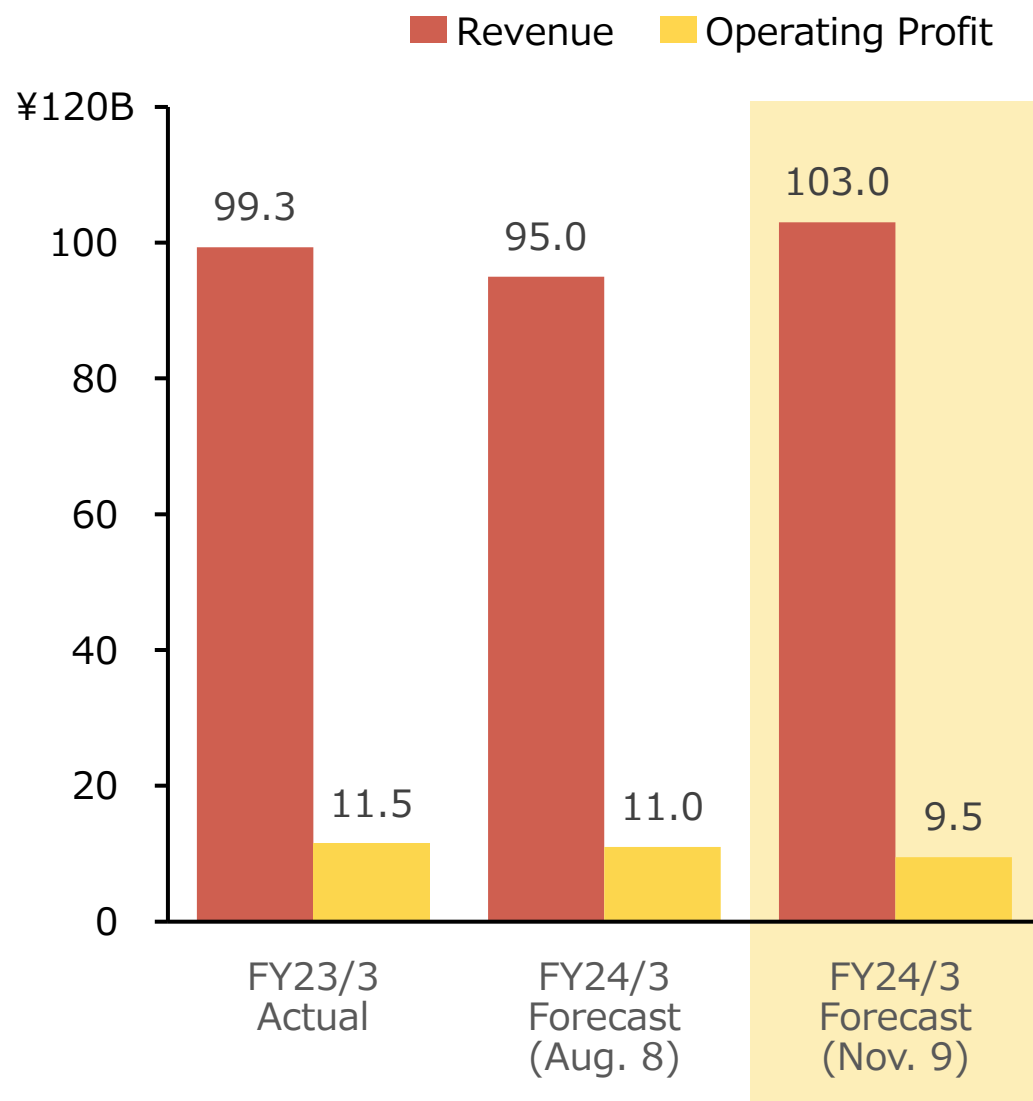
### • Revenue: Down ¥5.0B vs. previous forecast (Down ¥3.2B YoY)

- Revising downward our forecast ¥5.0B due to the postponement of ArF lithography system installations into next fiscal year, etc.
- In YoY, sales volumes of semiconductor lithography systems are to rise on expanded sales to customers other than our core customer. However, overall revenues for the business will decline on substantially reduced sales volumes of FPD lithography systems due to the postponement of customer capex.

### • Operating Profit: Down ¥4.0B vs. previous forecast (Down ¥16.5B YoY)

- Revising downward our forecast by ¥4.0B due to the postponement of ArF lithography system installations into next fiscal year and increased R&D expenditures
- Operating profit is expected to decline YoY due to lower sales volumes in FPD lithography systems. Operating profit in the business overall will decline on reduced service revenue in the Semiconductor Lithography Business.

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



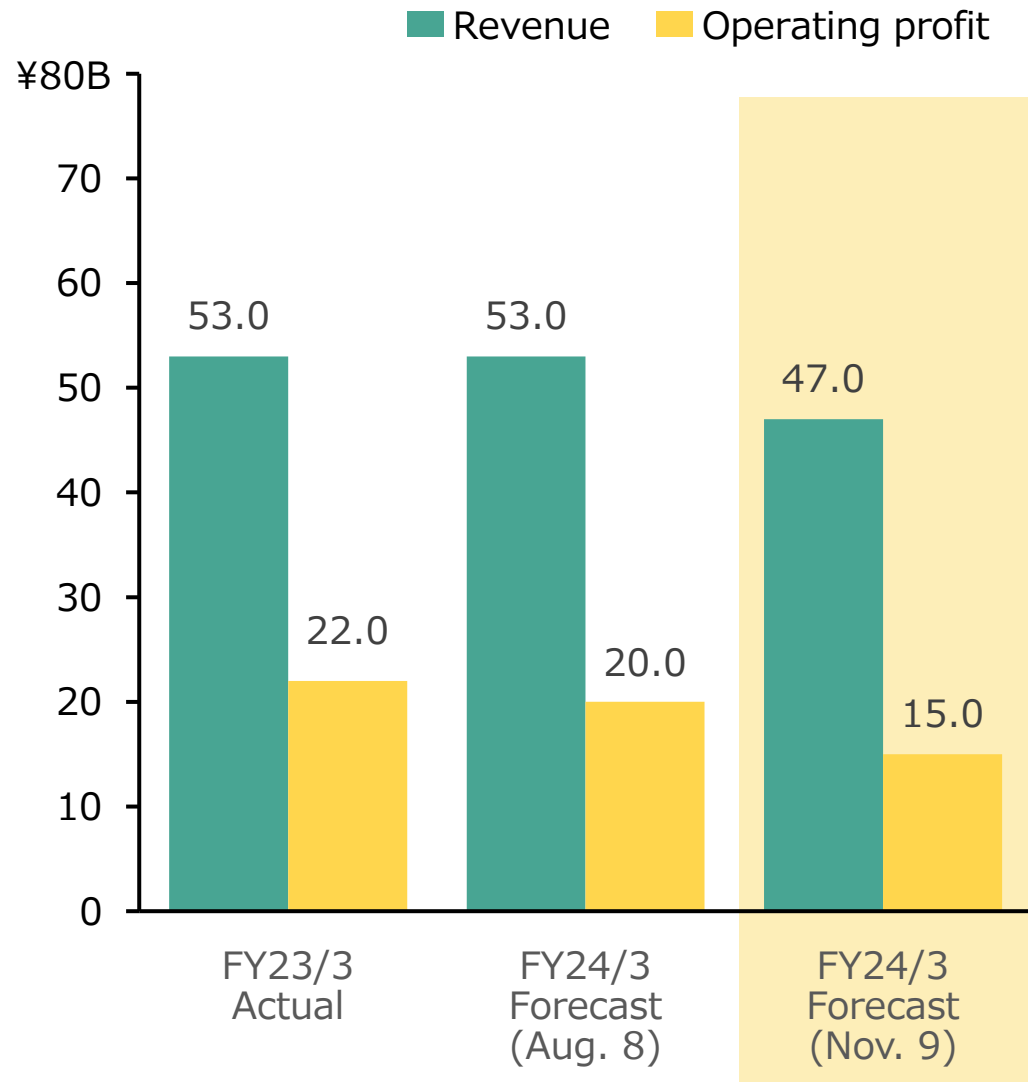
- **Revenue: Up ¥8.0B vs. previous forecast**  
**(Up ¥3.7B YoY)**

- Revising upward our forecast by ¥8.0B to reflect strong 1H sales and changed FX assumptions.
- 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 be flat YoY despite stable growth in retinal diagnostic imaging systems market because the effects of last year's major deals will disappear.

- **Operating Profit: Down ¥1.5B vs. previous forecast**  
**(Down ¥2.0B YoY)**

- Although the effect of increased revenue is expected, operating profit is expected to be ¥9.5B due to rising costs of parts procurement and recorded ¥1.4B provision for some customers' transactions, etc.

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



- **Revenue: Down ¥6.0B vs. previous forecast**

**(Down ¥6.0B YoY)**

- Revising downward our forecast. Demand for optical parts is receding due to lower utilization rates at semiconductor device makers. In addition, sales of some EUV related components and optical components have been postponed into next fiscal year as customers adjust production levels and push out investments.

- **Operating profit: Down ¥5.0B vs. previous forecast**

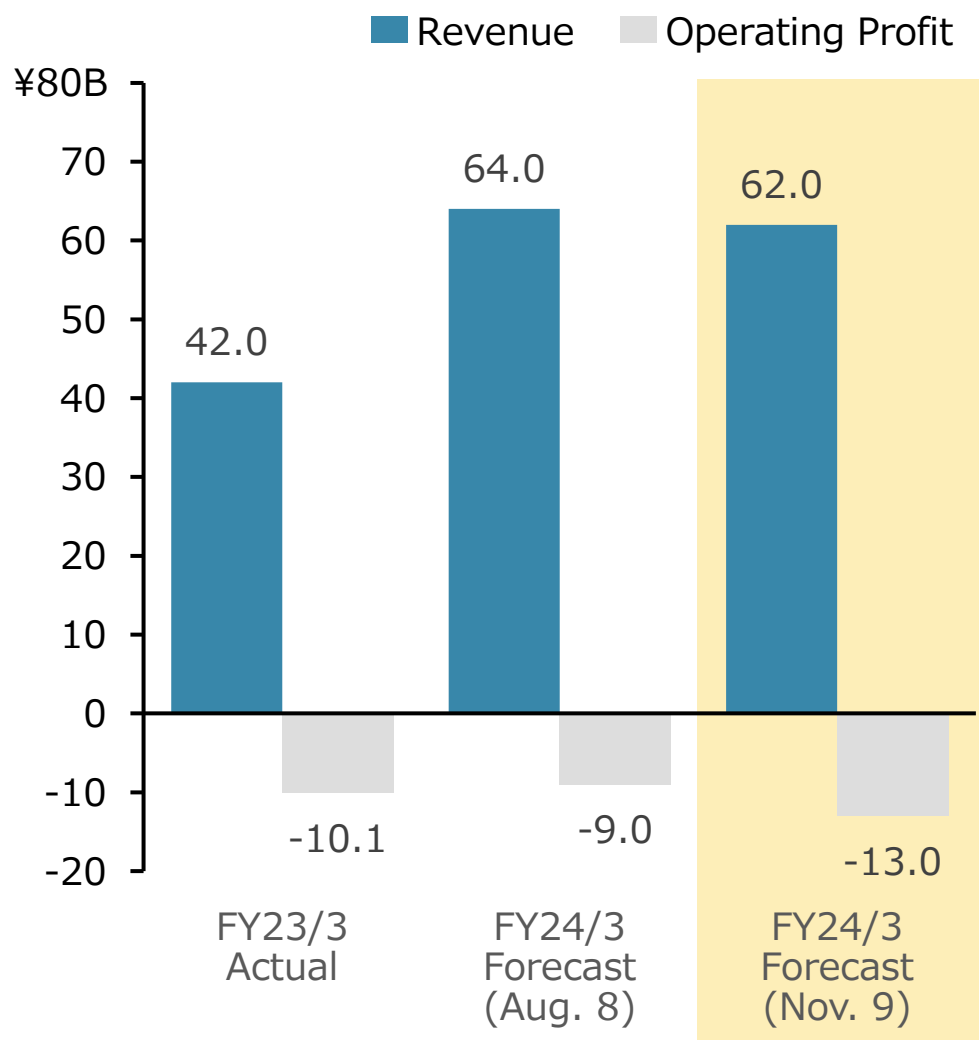
**(Down ¥7.0B YoY)**

- Revising downward our forecast due to lower sales of optical parts and the postponement of sales of some EUV related components and optical components into next fiscal year
- Operating profit is expected to decline YoY as sales decline and a lull in the collection of upfront investment in some component products related to semiconductor that have entered a 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: Down ¥2.0B vs. previous forecast (Up ¥20.0B YoY)**

- Revising downward our forecast as customers in the ADM Business revise investment plans, while the Industrial Metrology Business should trend mostly in line with plan.

- **Operating Profit: Down ¥4.0B vs. previous forecast (Down ¥2.9B YoY)**

- Revising downward our forecast due to lower revenues in the ADM Business, the booking of Morf3D's restructuring costs, negative impact of FX, and product mix changes in the Industrial Metrology Business.

<Reference>

Depreciation cost (estimation) of intangible assets obtained by SLM acquisition: ¥3.9B per year

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