



August 6, 2020

## Notice Regarding the Consolidated Financial Forecast, Dividend Forecast for the Fiscal Year ending March 31, 2021 and Reduction of Compensation for Directors and Officers

This is to announce that Nikon Corporation (hereinafter “the Company”) has resolved the consolidated financial forecast and the dividend forecast for the First Half and Full-Year of the fiscal year ending March 31, 2021 announced as undecided on May 28, 2020, are decided as below, reflecting our recent business performance trend.

The Company also decided to reduce compensation for Directors and Officers.

### 1. Consolidated Financial Forecast

#### (1) Consolidated Financial Forecast for the First Half of the Fiscal Year ending March 31, 2021

(From April 1, 2020 to September 30, 2020)

|  | Revenue<br>(Millions of yen) | Operating Profit<br>(Millions of yen) | Profit Before<br>Income Taxes<br>(Millions of yen) | Profit Attributable<br>to Owners of the<br>Parent<br>(Millions of yen) | Basic Earnings<br>per Share<br>Attributable to<br>Owners of the<br>Parent<br>(Yen) |
|--|------------------------------|---------------------------------------|--|--|--|
| Previous Forecast (A)<br>(announced on May 28, 2020)                 | —                            | —                                     | —  | —  | —  |
| New Forecast (B)   | 165,000                      | -40,000                               | -35,000  | -25,000  | -68.10   |
| Difference (B)-(A)   | —                            | —                                     | —  | —  | —  |
| Change (%)   | —                            | —                                     | —  | —  | —  |
| (Reference)<br>Results of the First Half ended<br>September 30, 2019 | 291,052                      | 17,504                                | 20,138   | 16,343   | 41.70  |

#### (2) Consolidated Financial Forecast for the Fiscal Year ending March 31, 2021

(From April 1, 2020 to March 31, 2021)

|  | Revenue<br>(Millions of yen) | Operating Profit<br>(Millions of yen) | Profit Before<br>Income Taxes<br>(Millions of yen) | Profit Attributable<br>to Owners of the<br>Parent<br>(Millions of yen) | Basic Earnings<br>per Share<br>Attributable to<br>Owners of the<br>Parent<br>(Yen) |
|--|------------------------------|---------------------------------------|--|--|--|
| Previous Forecast (A)<br>(announced on May 28, 2020)       | —                            | —                                     | —  | —  | —  |
| New Forecast (B)   | 420,000                      | -75,000                               | -70,000  | -50,000  | -136.19  |
| Difference (B)-(A)   | —                            | —                                     | —  | —  | —  |
| Change (%)   | —                            | —                                     | —  | —  | —  |
| (Reference)<br>Results of the Year ended<br>March 31, 2020 | 591,012                      | 6,751                                 | 11,864   | 7,693  | 19.93  |

### 2. Background of the Consolidated Financial Forecast

Although uncertainty of the future remains as the spread of COVID-19 is continuing, the Company has decided to announce its consolidated earnings forecast for the fiscal year ending March 31, 2021, which the Company has announced as undecided, based on the information and forecasts available at this time.

In the Imaging Products Business, operating losses are prospected to be inevitable in the fiscal year ending March 31, 2021, as demand has been significantly declining due to market shrinkage and the impact of COVID-19. While the whole industry is in a period of change, further measures are required, such as accelerating restructuring and moving measures forward, aiming early achievement of profitability.

In the Precision Equipment Business, the Company expects steady demand over the mid/long-term due to the demand of high definition displays in the FPD Lithography Business and with the advancement of 5G/IoT in the

Semiconductor Lithography Business. However, due to the fact that the dispatch of engineers are essential to system installation at overseas customers' sites, which is affected by travel restrictions caused by COVID-19, and the Semiconductor Lithography Business is in shifting point of demand cycle in the fiscal year ending March 31, 2021, earnings are forecasted to fall below the expectations of the Medium-Term Management Plan.

It is highly probable that the operating profits of Healthcare Business and Industrial Metrology and Others also will not reach the Medium-Term Management Plan.

In addition to these, the Company posts a loss of ¥20.0B on an operating profit basis, as preparation for the future risks in each business including the Imaging Products Business. Overall forecast for the fiscal year ending March 31, 2021 as described above.

The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from the expected figures due to various factors in the future.

### 3. Dividend Forecast

|  | Dividend per share |          |          |
|--|--------------------|----------|----------|
|  | Second Quarter-end | Year-end | Annual   |
| Previous Forecast<br>(announced on May 28, 2020)       | Yen<br>—           | Yen<br>— | Yen<br>— |
| New Forecast   | 10.00              | 10.00    | 20.00    |
| (Reference)<br>Results of Year ended March<br>31, 2020 | 30.00              | 10.00    | 40.00    |

### 4. Reason for Dividend Forecast

Consolidated Financial Forecast for the fiscal year ending March 31, 2021 is a severe outlook as item 1. Based on the shareholder return policy of total return ratio of 40% or more for the cumulative Medium-Term Management Plan from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022, we have decided ¥20.0 per share as dividend forecast for the fiscal year ending March 31, 2021, comprehensively considering liquidity on hand, future profit plan, and capital allocation surplus for building a foundation for growth.

### 5. Reduction of Compensation for Directors and Officers

Based on the financial forecast for the fiscal year ending March 31, 2021 and the company's circumstances, compensation for the Company's directors and officers will be as follows in order to clarify management responsibilities, etc.

#### (1) Monthly Compensation

Monthly fixed-rate compensation for the Chairman of the Board and Officers will be reduced by up to 20% according to positions for the time being from September 2020.

#### (2) Bonuses

Bonuses for officers for the fiscal year ending March 31, 2021 will not be paid.

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