



Financial Results for the 3rd quarter of the year ending March 31, 2020

February 6, 2020

Summary for the 3rd quarter of the year ending March 31, 2020



Q3	Results	Revenue : ¥153.4B	Operating Profit : ¥4.0B
	YoY results	Revenue : Down ¥37.1B	Operating Profit : Down ¥17.9B
Q1-Q3	Results	Revenue : ¥444.4B	Operating Profit : ¥21.5B
	YoY Results	Revenue : Down ¥81.8B	Operating Profit : Down ¥31.0B
		<ul style="list-style-type: none"> - Imaging Products: Revenue and profit decreased substantially due to lower DSLR sales although ML camera sales showed steady increase. Restructuring is progressing as planned. - Precision Equipment: Revenue and profit decreased substantially due to lower revenue in FPD. - Healthcare : Revenue showed increase thanks to steady sales of retinal diagnostic imaging system. Deficit was suppressed as planned. - Industrial Metrology & Others : Revenue and profit decreased due to the impact of reduced capex by customers. 	

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

3rd quarter of the year ending March 31, 2020: Financial Highlights



Billions of yen		FY2019/3 Q3 (A)	FY2020/3 Q3 (B)	Change (B)-(A)
Revenue		190.5	153.4	-37.1
Operating Profit		21.9	4.0	-17.9
	% vs Revenue	11.5%	2.6%	
Profit before income taxes		23.2	5.8	-17.4
	% vs Revenue	12.2%	3.8%	
Profit attributable to owners of the parent		17.9	3.9	-14.0
	% vs Revenue	9.4%	2.5%	
FCF		16.9	0.8	-16.1
Exchange Rate :				Impact on Revenue
	US \$	¥113	¥109	-5.0
	EURO	¥129	¥120	Impact on Operating Profit
				-1.6

3rd quarter of the year ending March 31, 2020: Financial Highlights by Segments



Billions of yen		FY2019/3 Q3 (A)	FY2020/3 Q3 (B)	Change (B)-(A)
Imaging Products Business	Revenue	90.5	70.0	-23%
	Operating Profit	8.6	-0.8	-¥9.4B
Precision Equipment Business	Revenue	64.7	51.5	-20%
	Operating Profit	17.4	10.4	-¥7.0B
Healthcare Business	Revenue	16.3	16.5	+1%
	Operating Profit	-0.2	-0.4	-¥0.2B
Industrial Metrology and Others	Revenue	19.0	15.5	-18%
	Operating Profit	2.1	1.2	-¥0.9B
Corporate P/L non-attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-6.0	-6.3	-¥0.3B
Consolidated	Revenue	190.5	153.4	-19%
	Operating Profit	21.9	4.0	-¥17.9B

1st to 3rd quarter of the year ending March 31, 2020: Financial Highlights



Billions of yen	FY2019/ Q1-Q3 (A)	FY2020/3 Q1-Q3 (B)	Change (B)-(A)
Revenue	526.2	444.4	-81.8
Operating Profit	52.5	21.5	-31.0
% vs Revenue	10.0%	4.8%	
Profit before income taxes	57.0	25.9	-31.1
% vs Revenue	10.8%	5.8%	
Profit attributable to owners of the parent	40.7	20.2	-20.5
% vs Revenue	7.7%	4.5%	
FCF	48.1	4.7	-43.4
Exchange Rate :			Impact on Revenue
US \$	¥111	¥109	-11.9
EURO	¥129	¥121	Impact on Operating Profit
			-3.8

FCF decreased YoY due to reduced profit attributable to owners of the parent and the changes of payment terms for the domestic partner companies, etc.

1st to 3rd quarter of the year ending March 31, 2020: Financial Highlights by Segments



Billions of yen		FY2019/3 Q1-Q3 (A)	FY2020/3 Q1-Q3 (B)	Change (B)-(A)
Imaging Products Business	Revenue	241.4	189.0	-22%
	Operating Profit	21.8 (22.2)	1.2 (2.0)	-¥20.6B
Precision Equipment Business	Revenue	186.3	166.6	-11%
	Operating Profit	47.2 (47.2)	35.8 (35.8)	-¥11.4B
Healthcare Business	Revenue	45.7	46.5	+2%
	Operating Profit	-2.5 (-2.5)	-1.6 (-1.6)	+¥0.9B
Industrial Metrology and Others	Revenue	52.7	42.2	-20%
	Operating Profit	4.8 (5.6)	3.6 (3.6)	-¥1.2B
Corporate P/L non-attributable to any reportable segments	Revenue	-	-	-
	Operating Profit	-18.8 (-18.8)	-17.4 (-15.7)	+¥1.4B
Consolidated	Revenue	526.2	444.4	-16%
	Operating Profit	52.5 (53.8)	21.5 (24.1)	-¥31.0B

Corporate P/L non-attributable to any reportable segments includes 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 ¥0.3B for FY2019/3 and -¥1.8B for FY2020/3.

3rd quarter of the year ending March 31, 2020: Imaging Products Business



Billions of yen	FY2019/3		FY2020/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) – (A)	(D) – (B)
Revenue	90.5	241.4	70.0	189.0	-20.5	-52.4
Operating Profit	8.6	21.8	-0.8	1.2	-9.4	-20.6
% vs Revenue	9.5%	9.0%	-1.1%	0.6%		
Digital Camera- Interchangeable Lens type (units sold: 1,000)	640	1,710	580	1,380	-60	-330
Interchangeable Lens (units sold: 1,000)	1,020	2,670	950	2,260	-70	-410
Compact DSC (units sold: 1,000)	450	1,300	230	730	-220	-570

- Q3 YoY Change:** Revenue and profit substantially decreased due to sales volume reduction, average unit price dropped caused by product mix change in DCIL, and higher initial development cost for new products, etc. ML enjoyed increase both in revenue and sales volume, thanks to Z 50 launched last November. Restructuring is underway as planned. The cost of ¥0.8B was posted to optimize functions of sales and production.

3rd quarter of the year ending March 31, 2020: Precision Equipment Business



Billions of yen	FY2019/3		FY2020/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) - (A)	(D) - (B)
Revenue	64.7	186.3	51.5	166.6	-13.2	-19.7
Operating Profit	17.4	47.2	10.4	35.8	-7.0	-11.4
% vs Revenue	26.9%	25.3%	20.2%	21.5%		
FPD Lithography Systems (Units)	18	54	6	24	-12	-30
Semiconductor Lithography systems New/Refurbished (Units)	4/2	12/11	5/5	19/9	+1/+3	+7/-2

- Q3 YoY Change:** After the peak of customers' capex for G6/G8, FPD suffered a large reduction in sales units. Semiconductor equipment sales volume grew both in new and refurbished systems. In overall, the negative impact by FPD could not be fully offset and this Business ended with decreased revenue and profit.

3rd quarter of the year ending March 31, 2020: Healthcare Business



Billions of yen	FY2019/3		FY2020/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) - (A)	(D) - (B)
Revenue	16.3	45.7	16.5	46.5	+0.2	+0.8
Operating Profit	-0.2	-2.5	-0.4	-1.6	-0.2	+0.9
% vs Revenue	-1.2%	-5.5%	-2.4%	-3.4%		

- Q3 YoY Change:** Both biological microscope and retinal diagnostic imaging system have been maintaining the revenue and profit. In three quarters, retinal diagnostic imaging system posted the record sales, contributing to improvement in overall revenue. Deficit was suppressed by focusing investment themes, etc.

3rd quarter of the year ending March 31, 2020: Industrial Metrology Business and Others



Billions of yen	FY2019/3		FY2020/3		Change	
	Q3 (A)	Q1-Q3 (B)	Q3 (C)	Q1-Q3 (D)	(C) - (A)	(D) - (B)
Revenue	19.0	52.7	15.5	42.2	-3.5	-10.5
Operating Profit	2.1	4.8	1.2	3.6	-0.9	-1.2
% vs Revenue	11.1%	9.1%	7.7%	8.5%		

- Q3 YoY Change:** Revenue was largely affected by decreased customers' capex, as in 1H, in both Industrial Metrology and Other businesses. Revenue has been staying below the planned level, but profit has been proceeding nearly as planned with reduction of expenses, etc.

1. Financial results for the 3rd quarter of the year ending March 31, 2020

2. Forecast for the year ending March 31, 2020

Forecast for the year ending March 31, 2020



Revenue

- **Company total forecast: ¥620B** (unchanged)

Operating profit

- **Company total forecast: ¥20B** (unchanged)

Profit attributable to owners of the parent

- **Company total forecast: ¥17B** (unchanged)

Shareholder Returns

- **Annual Dividend: ¥60, Interim Dividend: ¥30** (unchanged from previous forecast and FY)
- **Buy-back**
 - **Acquired approx. 14M shares in buy-back period from Nov. 2019 to Jan. 2020** (equivalent to approx. 3.5% of the outstanding shares excluding Treasury Stock)
 - **Approx. ¥20.3B has been spent to date while the upper limit is set to ¥30.0B (68% progress)**
 - **Newly acquired own shares will be all canceled by the end of this fiscal year (planned).**

Note: The forecast above does not reflect the future impact of Novel Coronavirus outbreak.

The number of shares acquired in this fiscal year is approx. 20.7M shares including those acquired in Q1 of FY2020/3, which amounts to approx. ¥30.3B.

Forecast for the year ending March 31, 2020: Financial Highlights



Billions of yen	FY2019/3 (A)	Previous Forecast (Nov. 7) (B)	New Forecast (Feb. 6) (C)	Change (C)-(A)	Change (C)-(B)
Revenue	708.6	620.0	620.0	-88.6	±0
Operating Profit	82.6	20.0	20.0	-62.6	±0
% vs Revenue	11.7%	3.2%	3.2%		
Profit before income taxes	87.9	23.0	23.0	-64.9	±0
% vs Revenue	12.4%	3.7%	3.7%		
Profit attributable to owners of the parent	66.5	17.0	17.0	-49.5	±0
% vs Revenue	9.4%	2.7%	2.7%		
EPS	¥167.86	¥43.26	¥43.26	-¥124.6	±0
Annual Dividends	¥60	¥60	¥60	±0	±0
FCF	43.5	15.0	15.0	-28.5	±0
Exchange Rate :				Impact on Revenue	
US \$	¥111	¥107	¥108	-15.8	2.7
EURO	¥128	¥121	¥121	Impact on Operating Profit	
				-4.7	0.2

Note: EPS (Basic Earning per Share) = Profit attributable to owner of the parent / Average number of shares during the term
Only the new forecast is calculated by approx. 0.393B shares, an average over the number of shares at the end of FY2019/3, approx. 0.396B, and the expected number of shares at the end of FY2020/3.

Forecast for the year ending March 31, 2020: Financial Highlights by Segments

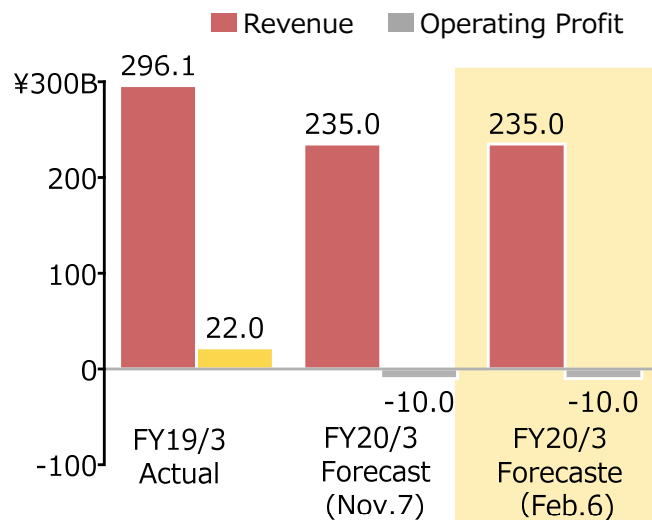


Billions of yen		FY2019/3 (A)	Previous Forecast (Nov.7) (B)	New Forecast (Feb.6) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	296.1	235.0	235.0	-20.6%	±0%
	Operating Profit	22.0 (22.6)	-10.0 (-5.0)	-10.0 (-5.0)	-¥32.0B	±¥0B
Precision Equipment Business	Revenue	274.5	255.0	255.0	-7.1%	±0%
	Operating Profit	81.7 (81.7)	51.0 (51.0)	51.0 (51.0)	-¥30.7B	±¥0B
Healthcare Business	Revenue	65.4	65.0	65.0	-0.6%	±0%
	Operating Profit	-1.9 (-1.9)	-1.0 (-1.0)	-1.0 (-1.0)	+¥0.9B	±¥0B
Industrial Metrology and Others	Revenue	72.5	65.0	65.0	-10.3%	±0%
	Operating Profit	6.9 (7.5)	4.0 (4.0)	4.0 (4.0)	-¥2.9B	±¥0B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—	—	—
	Operating Profit	-26.1 (-25.6)	-24.0 (-22.3)	-24.0 (-22.3)	+¥2.1B	±¥0B
Consolidated	Revenue	708.6	620.0	620.0	-12.5%	±0%
	Operating Profit	82.6 (84.4)	20.0 (26.7)	20.0 (26.7)	-¥62.6B	±¥0B

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 ¥0.6B for FY2019/3 and -¥1.8B for FY2020/3.

Forecast for the year ending March 31, 2020: Imaging Products Business



• Revenue: forecast unchanged, down ¥61.1B YoY

- Camera market continues to shrink in Q4. Sales unit forecast is unchanged from the previous forecast.
- ML camera and Z mount lens increased their sales YoY, but negative sales impact by DSLR and CDSC was substantial.

• Operating Profit: forecast unchanged, down ¥32.0B YoY

- The restructuring relevant expenses of ¥5.0B have been posted. Operating loss of ¥5.0B is forecasted excluding the one time cost.
- In addition to decreased revenue and profit YoY, the investment to enhance ML lineup put a high burden. Although efforts are made to reduce marketing and R&D costs, etc., substantial profit reduction is expected.

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

Market Scale	10,040	7,800	7,800
Nikon	2,060	1,500	1,500

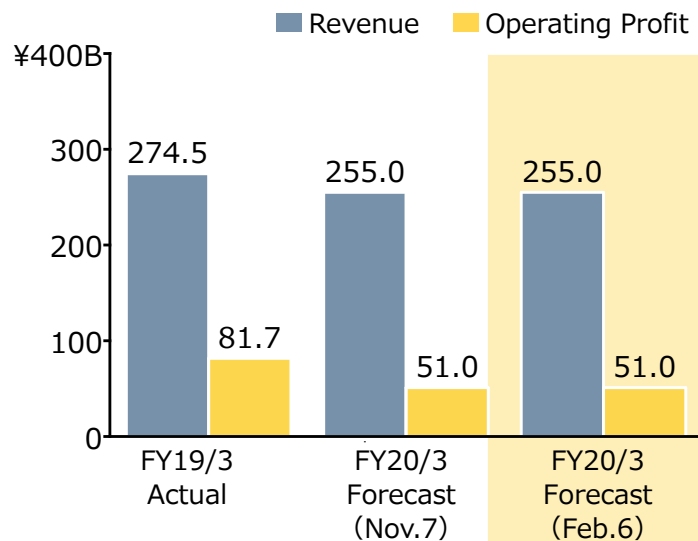
Interchangeable Lens (units:1,000)

Market Scale	16,960	13,500	13,500
Nikon	3,170	2,500	2,500

Compact DSC (units:1,000)

Market Scale	8,220	6,000	6,000
Nikon	1,600	900	900

Forecast for the year ending March 31, 2020: Precision Equipment Business



• Revenue: forecast unchanged, down ¥19.5B YoY

- FPD: Sales unit forecast by generation is unchanged. High-priced G10.5 sales expects to grow YoY, but G6/G8 sales reduction will push down the revenue.
- Semiconductor: Sales unit forecast is unchanged both for new and refurbished systems. More sales of new systems expect to increase the revenue YoY.

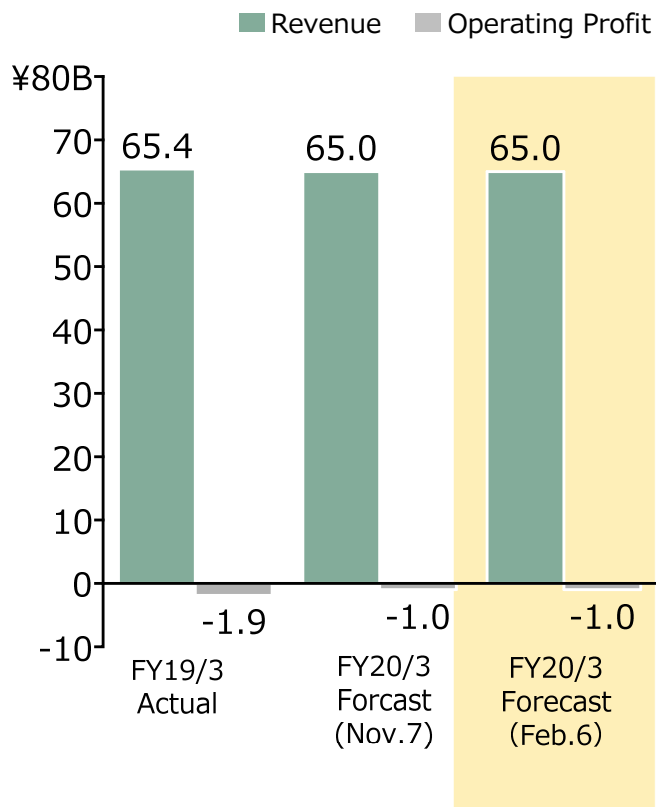
• Operating Profit: forecast unchanged, down ¥30.7B YoY

- OP for FY2019/3 included approx. ¥15B temporary profit by litigation settlement. Without this temporary profit, OP declined approx. ¥15.7B YoY.
- FPD profit reduction is partially compensated by Semiconductor profit increase YoY.

FPD Lithography Systems (units)

Market Scale (CY18/19)	142	90	90
Nikon	70	32	32
Semiconductor Lithography Systems (New/Refurbished, units)			
Market Scale (CY18/19)	300	250	280
Nikon	21/20	30/11	30/11

Forecast for the year ending March 31, 2020: Healthcare Business



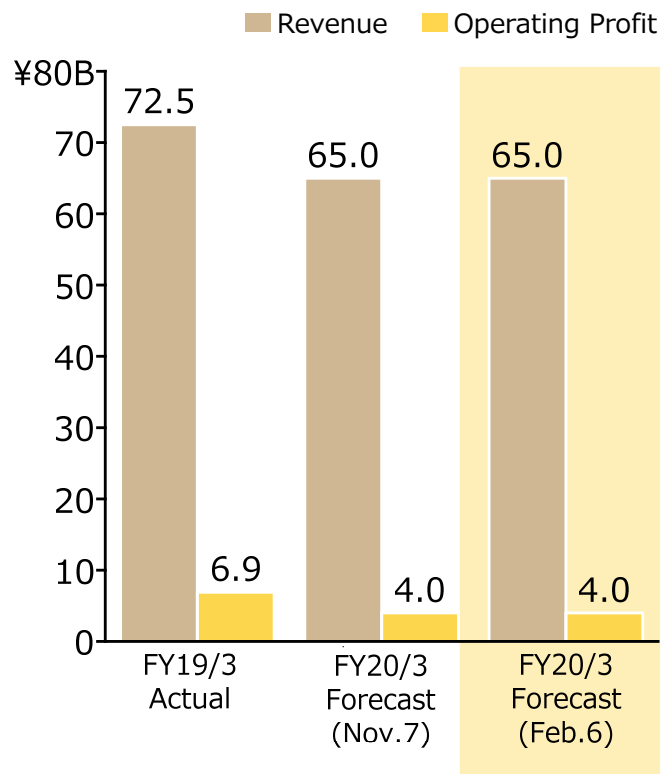
- **Revenue: forecast unchanged, down ¥0.4B YoY**

- Both biological microscope and retinal diagnostic imaging system are performing steadily as planned, yet almost flat revenue is expected due to the negative FX impact.

- **Operating Profit: forecast unchanged, up ¥0.9B YoY**

- Focused investment is conducted in the regenerative medicine and ophthalmological diagnosis fields which halve the negative profit, and generate profit in the next FY as planned.

Forecast for the year ending March 31, 2020: Industrial Metrology Business and Others



- **Revenue: forecast unchanged, down ¥7.5B YoY**

- Due to reduced customers' CAPEX mainly in Asia including China, revenue decreased YoY.
- Industrial metrology: The market shares of non-contact 3D metrology systems expect to expand steadily.

- **Operating Profit: forecast unchanged, down ¥2.9B YoY**

- To minimize the revenue drop impact on OP, efforts are made to reduce costs and expenses.
- Investment for future growth such as Precision Components & Modules Business, etc. will continue.

Reference Data

Forecast for the year ending March 31, 2020

Financial Highlights



Billions of yen	FY2017/3	FY2018/3	FY2019/3			FY2020/3 Forecast		
	Full year	Full year	1H	2H	Full year	1H	2H	Full year
Revenue	749.2	717.0	335.7	372.9	708.6	291.0	329.0	620.0
Operating Profit	0.7	56.2	30.6	52.0	82.6	17.5	2.5	20.0
% vs Revenue	0.1%	7.8%	9.1%	13.9%	11.7%	6.0%	0.8%	3.2%
Profit before income taxes	3.0	56.2	33.8	54.1	87.9	20.1	2.9	23.0
% vs Revenue	0.4%	7.8%	10.1%	14.5%	12.4%	6.9%	0.9%	3.7%
Profit attributable to owners of the parent	3.9	34.7	22.8	43.7	66.5	16.3	0.7	17.0
% vs Revenue	0.5%	4.8%	6.8%	11.7%	9.4%	5.6%	0.2%	2.7%
ROE	0.7%	6.3%	11.2%			3%		
FCF	56.6	90.2	43.5			15.0		
Exchange Rate :								
US \$	¥108	¥111	¥110	¥112	¥111	¥109	¥107	¥108
EURO	¥119	¥130	¥130	¥127	¥128	¥121	¥120	¥121

Note: From FY2019/3, a part of sales promotion expenses is deducted from revenue, which had been booked as SG&A previously. FY2019/3 Revenue is an amount after deducting ¥8.3B.

Forecast for the year ending March 31, 2020: Financial Highlights by Segments



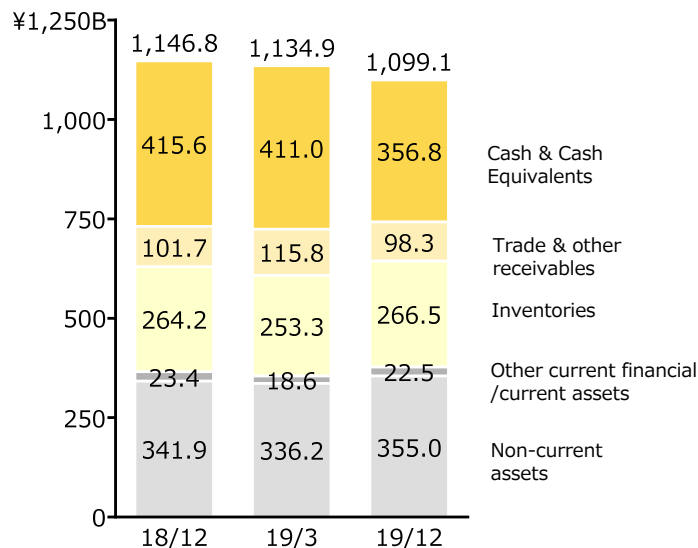
Billions of yen		FY2017/3	FY2018/3	FY2019/3			FY2020/3 Forecast		
		Full year	Full year	1H	2H	Full year	1H	2H	Full year
Imaging Products Business	Revenue	383.0	360.7	150.9	145.2	296.1	119.0	116.0	235.0
	Operating Profit	17.1 (28.1)	30.2 (36.0)	13.2 (13.6)	8.8 (9.0)	22.0 (22.6)	2.0 (2.2)	-12.0 (-7.2)	-10.0 (-5.0)
Precision Equipment Business	Revenue	248.0	226.3	121.6	152.9	274.5	115.1	139.9	255.0
	Operating Profit	13.4 (48.1)	53.3 (53.3)	29.8 (29.8)	51.9 (51.9)	81.7 (81.7)	25.4 (25.4)	25.6 (25.6)	51.0 (51.0)
Healthcare Business	Revenue	55.7	56.8	29.4	36.0	65.4	30.0	35.0	65.0
	Operating Profit	-0.6 (-0.1)	-3.2 (-3.2)	-2.3 (-2.3)	0.4 (0.4)	-1.9 (-1.9)	-1.2 (-1.2)	0.2 (0.2)	-1.0 (-1.0)
Industrial Metrology and Others	Revenue	62.4	73.2	33.7	38.8	72.5	26.7	38.3	65.0
	Operating Profit	3.7 (5.5)	5.0 (7.8)	2.7 (3.5)	4.2 (4.0)	6.9 (7.5)	2.4 (2.4)	1.6 (1.6)	4.0 (4.0)
Corporate P/L non-attributable to any reportable segments	Revenue	—	—	—	—	—	—	—	—
	Operating Profit	-32.8 (-27.5)	-29.1 (-29.1)	-12.8 (-12.8)	-13.3 (-12.8)	-26.1 (-25.6)	-11.1 (-9.4)	-12.9 (-12.9)	-24.0 (-22.3)
Consolidated	Revenue	749.2	717.0	335.7	372.9	708.6	291.0	329.0	620.0
	Operating Profit	0.7 (54.1)	56.2 (64.9)	30.6 (31.8)	52.0 (52.6)	82.6 (84.4)	17.5 (19.4)	2.5 (7.3)	20.0 (26.7)

Note: From FY2019/3, a part of sales promotion expenses is deducted from revenue, which had been booked as SG&A previously. FY2019/3 Revenue is an amount after deducting ¥8.3B. Figures in parentheses are the operating profit excluding the restructuring relevant expenses.

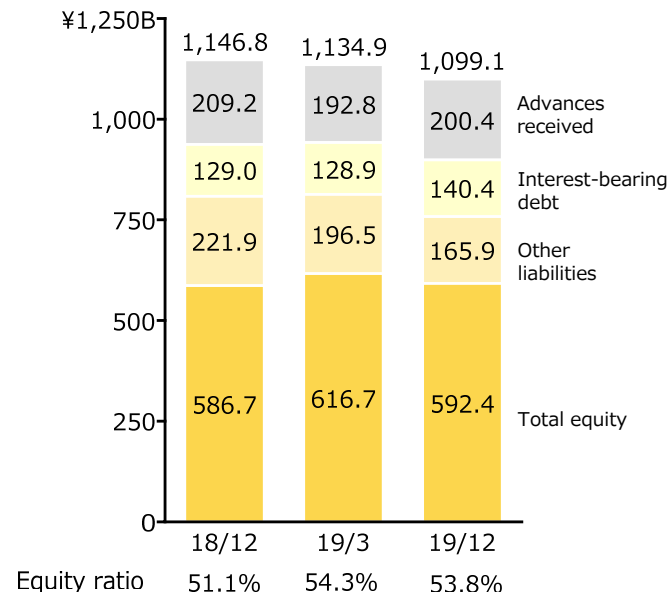
1st half of the year ending March 31, 2020: Financial Position Breakdown



ASSETS



LIABILITIES/ EQUITY



Note: A breakdown of interest-bearing debt as of December 31, 2019 is ¥29.9B in bonds and ¥110.5B in other borrowings.

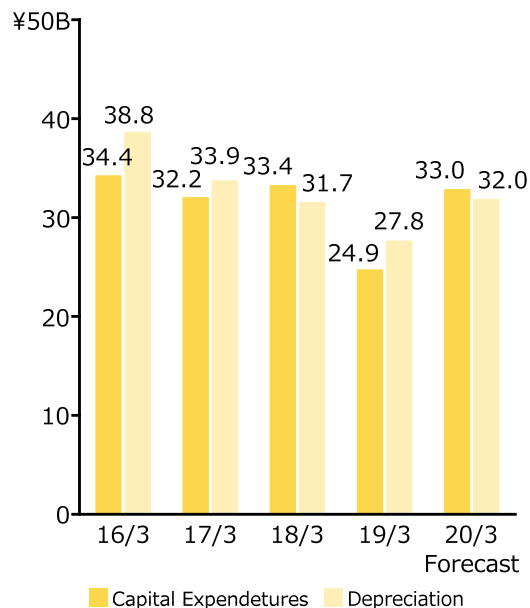
(Leases Liabilities at the beginning of FY2020/3 has increased approx. ¥17.0B upon the adoption of IFRS 16.)

Equity ratio is ratio of equity attributable to owners of the parent to total assets. Cash and Cash Equivalents excludes time deposits with maturities of three months or more.

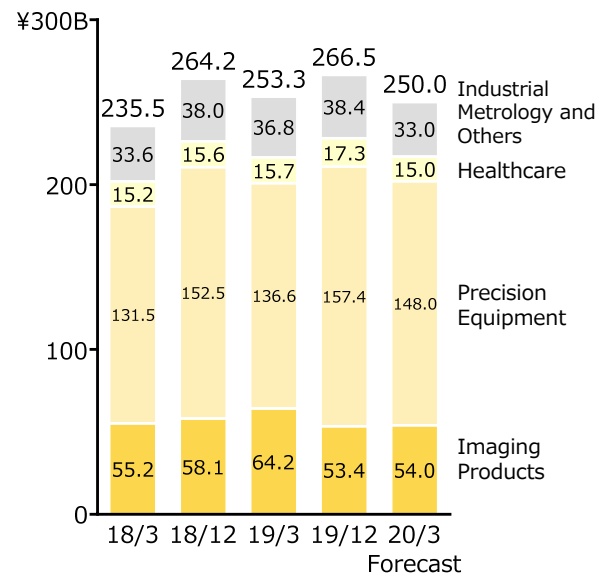
Forecast for the year ending March 31, 2020: Capital Expenditures, Depreciation and Inventory



CAPITAL EXPENDITURES, DEPRECIATION



INVENTORY BREAKDOWN



Note: In FY2020/3, "CAPITAL EXPENDITURES" includes the leased assets of approx. ¥3.0B upon the adoption of IFRS16.

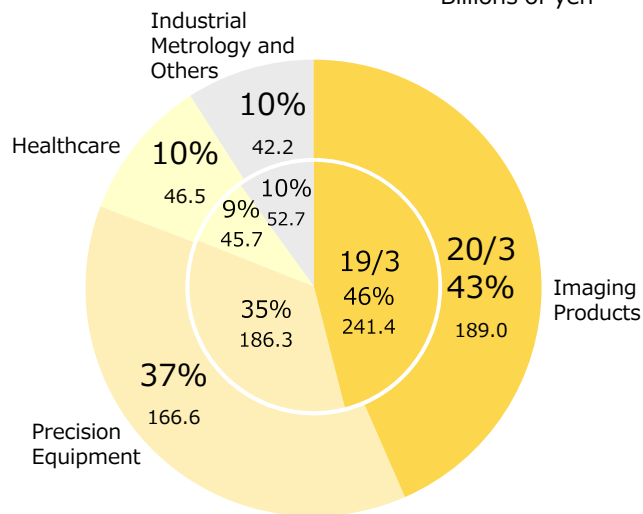
"DEPRECIATION" includes the amortization of capitalized R&D costs from the FY2018/3 and depreciation of the leased asset of approx. ¥4.0B in FY2020/3, as mentioned above.

1st to 3rd quarter of the year ending March 31, 2020: Revenue Breakdown



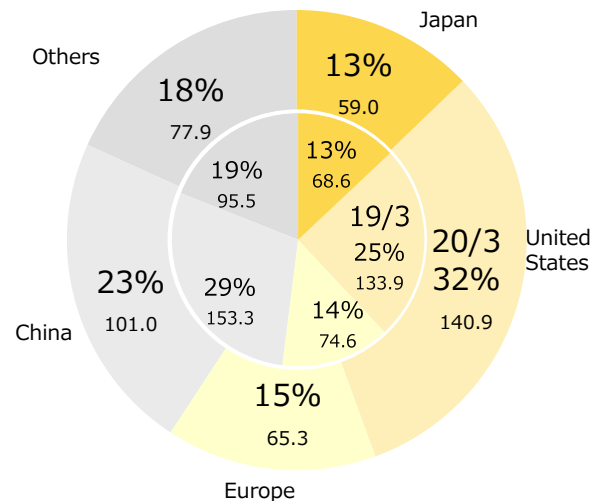
BY SEGMENT

Billions of yen



BY REGION

Billions of yen

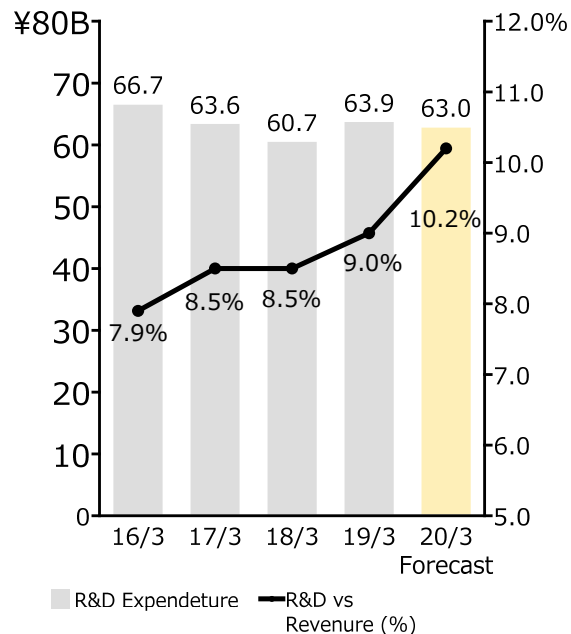


Note: The outside and inside circles show the breakdown of F2020/3 Q1-Q3 revenue of ¥444.4B and FY2019/3 Q1-Q3 revenue of ¥526.2B, respectively.

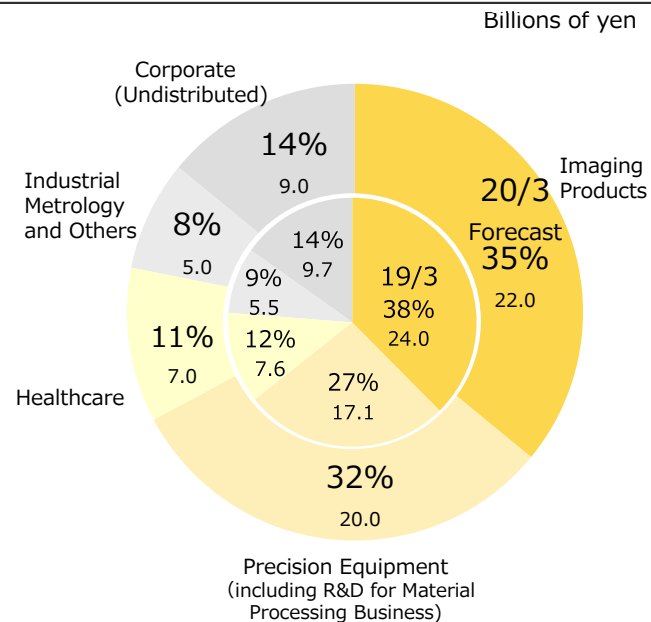
Forecast for the year ending March 31, 2020: R&D Expenditures



R&D EXPENDITURES

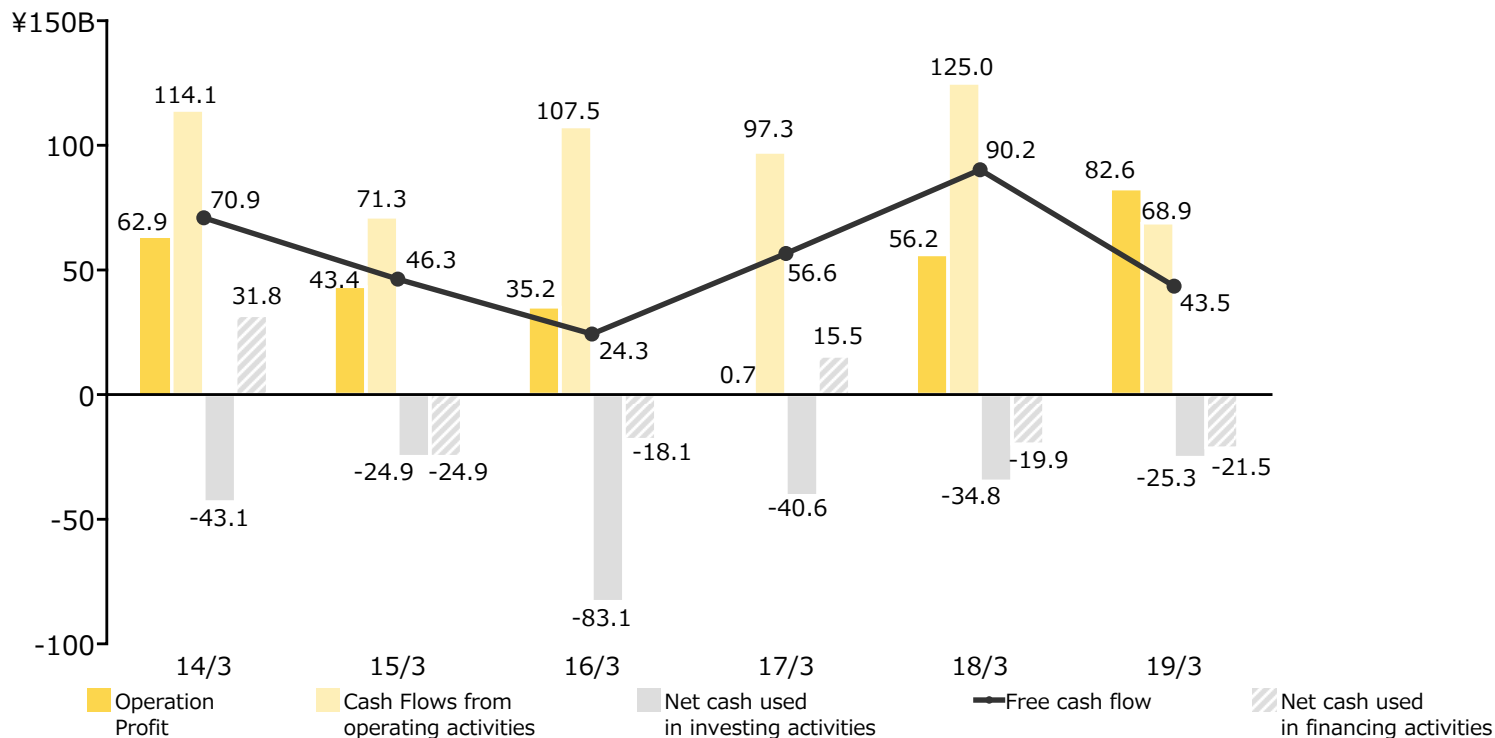


R&D EXPENDITURES BREAKDOWN



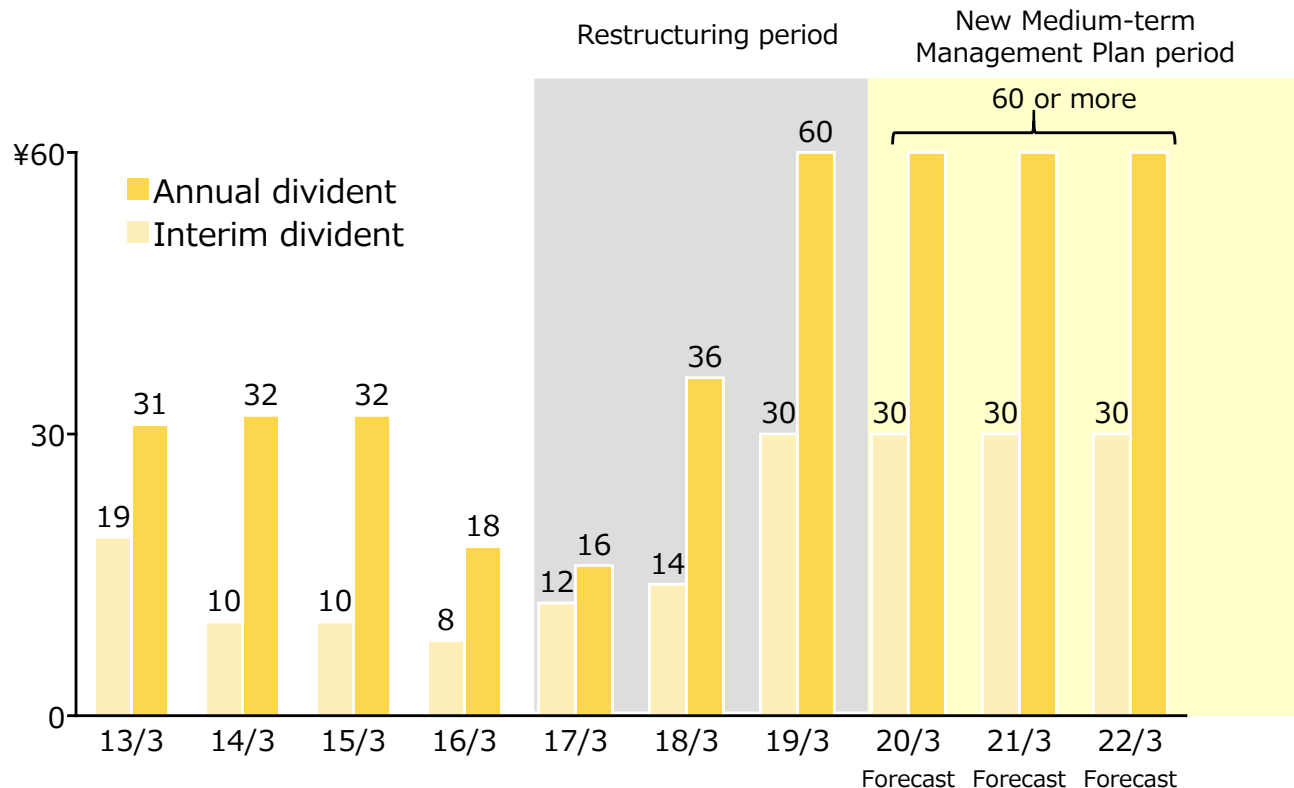
Note: R&D expenditures after FY2018/3 includes capitalization of some development expenditure.

Cash Flow History



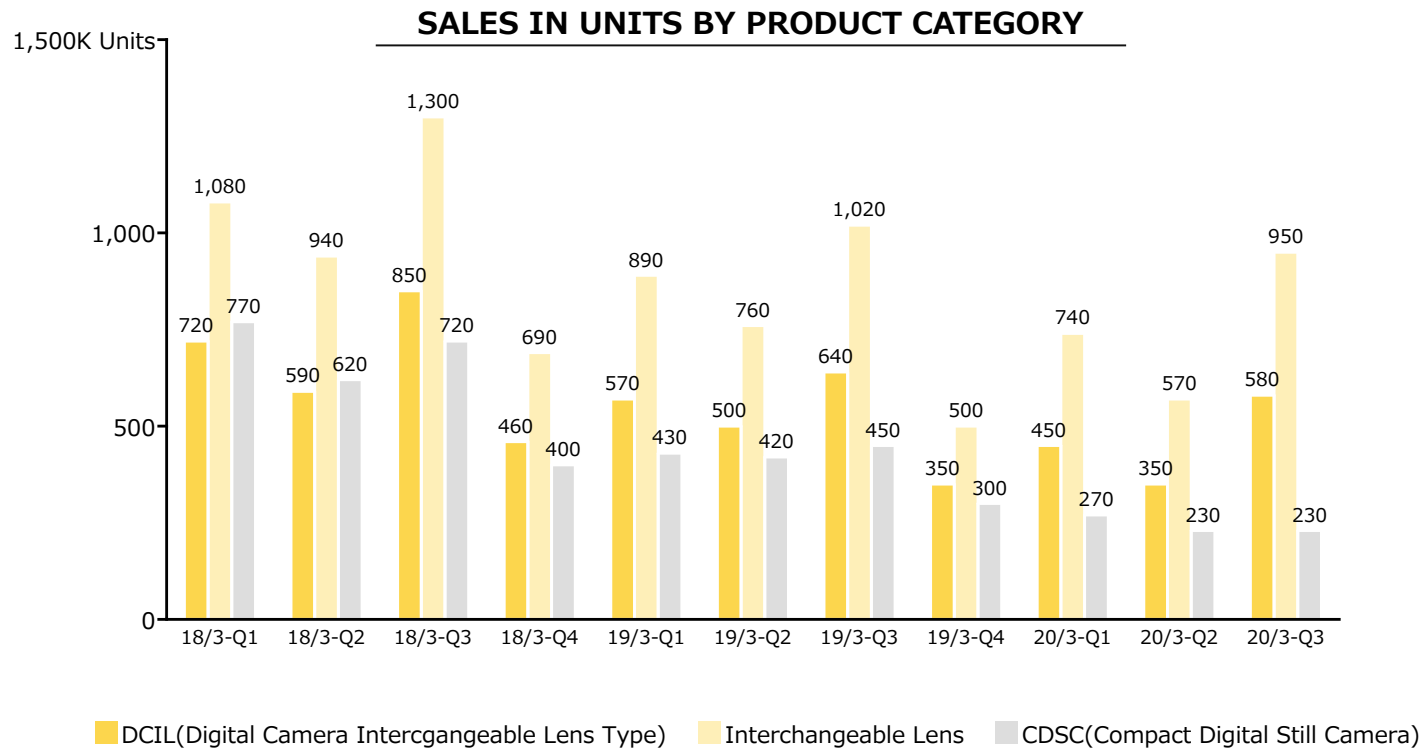
Note: FCF (free cash flows) = CF from operating activities + CF from investing activities; Japanese Standard is employed for FY2015/3 and prior, and IFRS is adopted for FY2016/3 and after.
 FCF + CF from financial activities + Effect of exchange rate changes on cash and cash equivalents = net increase (decrease) in cash and cash equivalents

Shareholder Return History and Forecast



Note: Buy-back of shares at approx. ¥10.0B was conducted in Q1 of FY2020/3. Another buy-back of approx. ¥30B is planned in the period between Q3 and Q4 of FY2020/3.

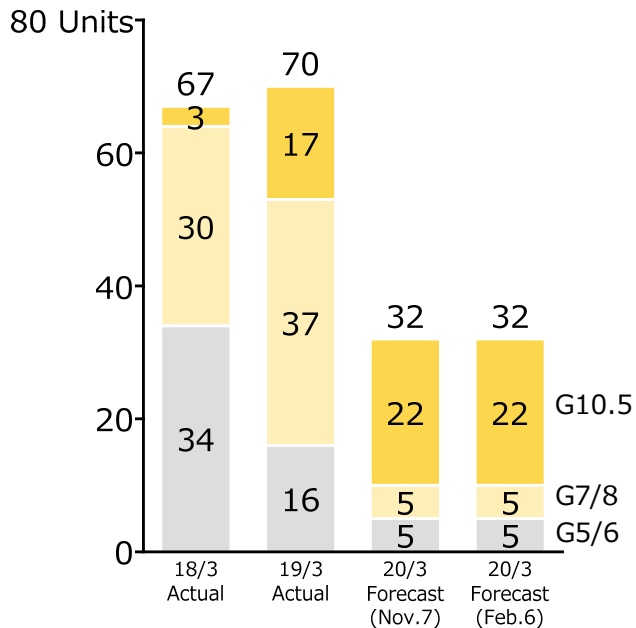
Imaging Products Business: Sales Units



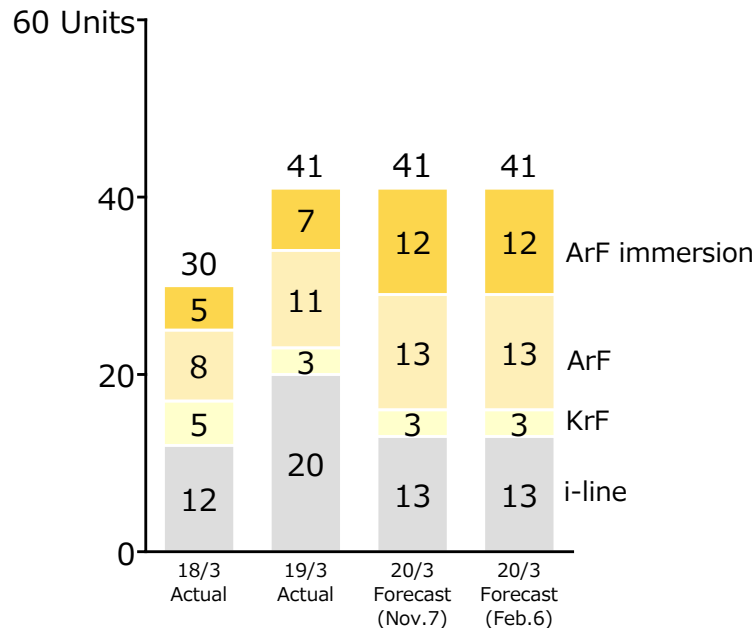
Forecast for the year ending March 31, 2020: Precision Equipment Business Sales Units



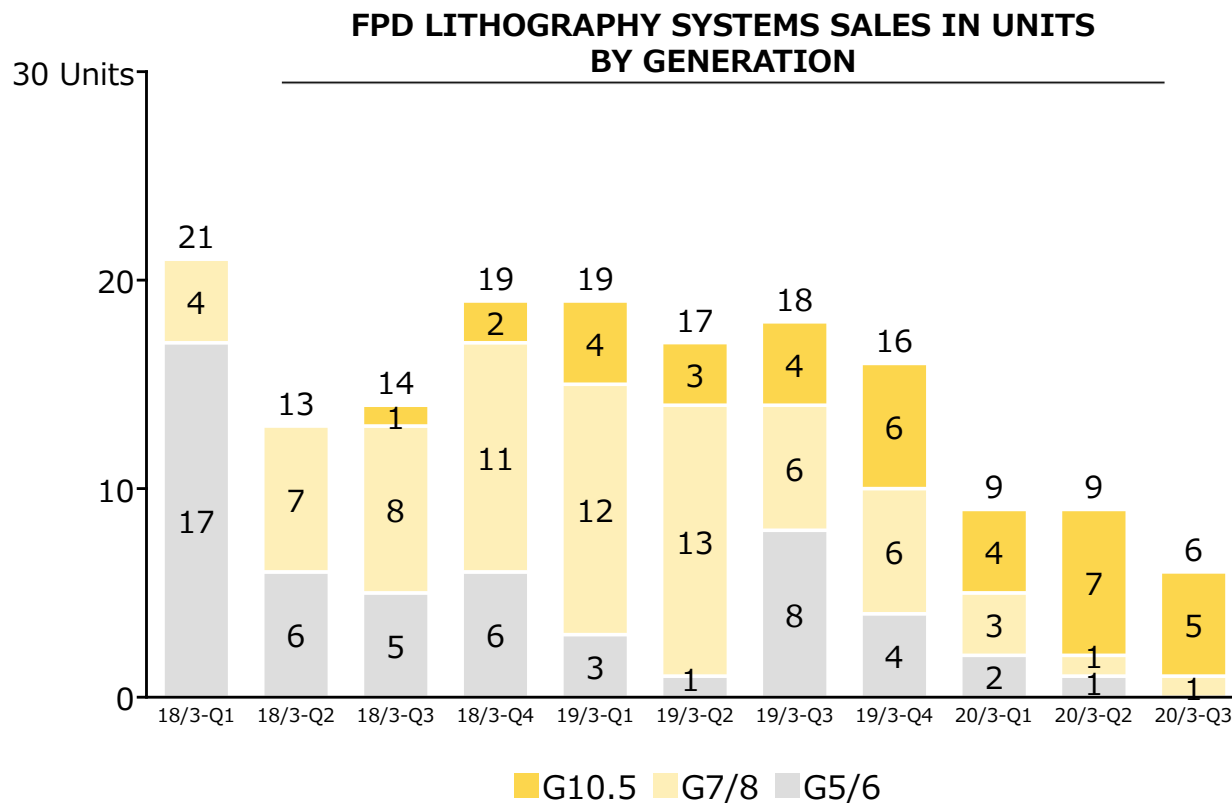
FPD LITHOGRAPHY SYSTEMS SALES BY GENERATION



SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES BY TECHNOLOGY (INCL. REFURBISHED)



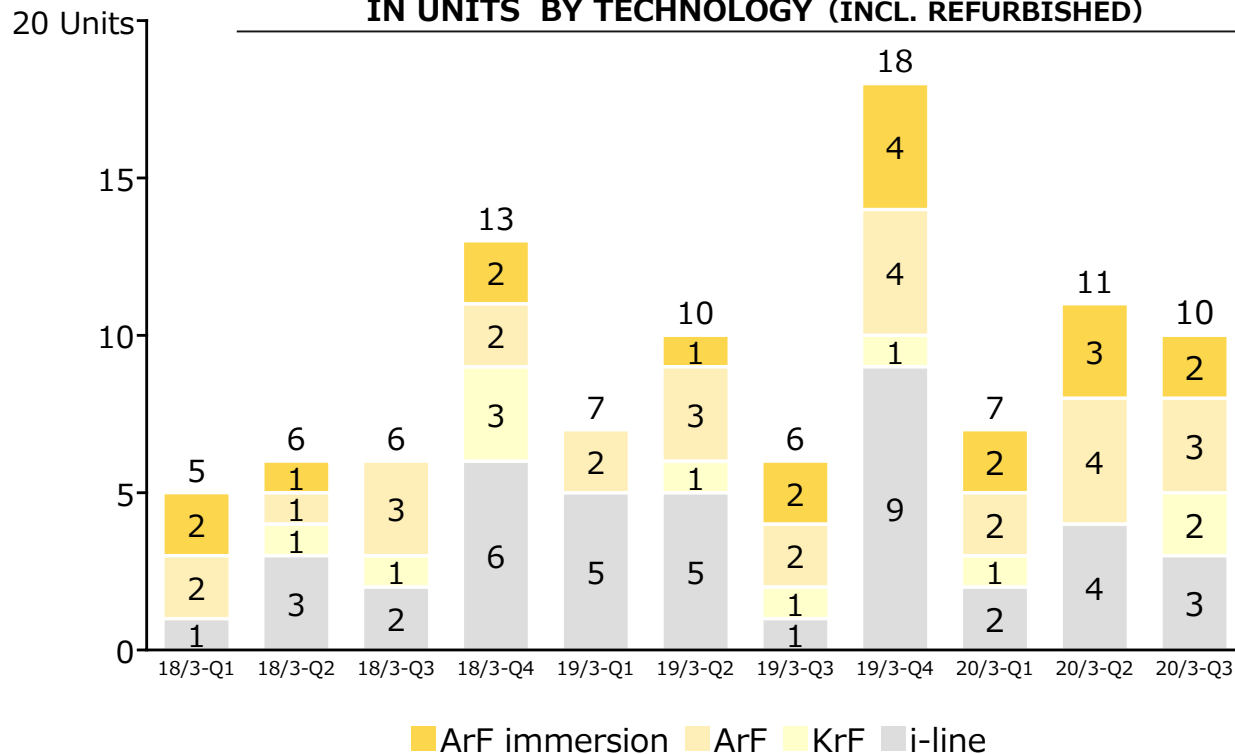
Note: The unit sales of new semiconductor lithography systems is 17 units in FY2018/3, 21 units in FY2019/3 and 30 units (forecast) in FY2020/3.



Precision Equipment Business: Sales Units



**SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES
IN UNITS BY TECHNOLOGY (INCL. REFURBISHED)**



Forecast for the year ending March 31, 2020: Foreign Exchange Impact



	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	FY2020/3 Forecast for Q4	Revenue Q4	Operating Profit Q4
US \$	¥105	Approx. ¥0.6billion	Approx. ¥0.1billion
EURO	¥120	Approx. ¥0.2billion	Approx. ¥0.1billion

Note: The foreign exchange impact above is made on the assumption that emerging-market currencies move according to the influence of US\$ and Euro.

Disclaimer Regarding Forecast and Projections



Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.

