



August 4, 2016

## Consolidated Financial Results of the First Quarter Ended June 30, 2016 (Japanese Standards)

### Company name: NIKON CORPORATION

Code number: 7731; Stock listings: Tokyo Stock Exchange

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Note: Amounts less than 1 million yen are omitted.

### 1. Consolidated Results of the First Quarter Ended June 30, 2016 (From April 1, 2016 to June 30, 2016)

#### (1) Financial Results (Percentage represents comparison change to the corresponding previous quarterly period)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2016	169,352	(8.9)	14,931	188.4	17,088	109.2	11,486	176.2
Three months ended June 30, 2015	185,888	—	5,177	—	8,166	—	4,158	—

(Note) Comprehensive Income: Three months ended June 30, 2016: (17,290) million yen; — %  
 Three months ended June 30, 2015: 12,050 million yen; — %

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Three months ended June 30, 2016	28.99	28.92
Three months ended June 30, 2015	10.48	10.46

(Note) The year-on-year percentage for the three months ended June 30, 2015 is not shown above as the change in the accounting policy was applied retrospectively.

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
The first quarter ended June 30, 2016	911,414	507,025	55.4
The year ended March 31, 2016	966,578	528,280	54.5

(Reference) Equity: The first quarter ended June 30, 2016: 505,200 million yen  
 The year ended March 31, 2016: 526,410 million yen

(Note) The figures for the year ended March 31, 2016 were adjusted retrospectively in accordance with the change in the accounting policy.

### 2. Dividends

	Dividend per Share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	—	8.00	—	10.00	18.00
Year ending March 31, 2017	—	—	—	—	—
Year ending March 31, 2017 (Planned)	—	12.00	—	—	—

(Notes) Revision of cash dividend forecast for this period: Yes

The year-end dividend forecast for the year ending March 31, 2017 is yet to be determined.

### 3. Forecasts for Year Ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Percentage represents comparison to previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half ending September 30, 2016	360,000	(9.7)	23,000	53.6	25,000	20.7	15,000	29.8	37.86
Full year	820,000	0.1	46,000	45.1	49,000	29.4	30,000	64.3	75.72

(Notes) Revision of forecast for this period: Yes

The percentage change from the corresponding period the previous year was calculated with the figures adjusted retrospectively in accordance with the change in accounting policy.

### 4. Others

(1) Changes of significant subsidiaries during the current fiscal year: None

(Note) This refers to presence/absence of changes to specified subsidiaries accompanying changes in scope of consolidation in the period under review.

(2) Adoption of special accounting methods: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of corrections

1. Changes in accounting policies in accordance with the revision of accounting standards: None
2. Changes in accounting policies other than the above: Yes
3. Changes in accounting estimate: None
4. Revision restatements: None

(Note) For details, please refer to "2. Notes regarding Summary Information (Others), (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Corrections."

(4) Number of shares issued (common stock)

1. Number of shares issued as of the term end (including treasury stocks):

First quarter ended June 30, 2016	400,878,921 shares
Year ended March 31, 2016	400,878,921 shares

2. Number of treasury stock as of the term end:

First quarter ended June 30, 2016	4,684,796 shares
Year ended March 31, 2016	4,687,767 shares

3. Average number of shares during the term (quarterly total):

First quarter ended June 30, 2016	396,191,562 shares
First quarter ended June 30, 2015	396,746,189 shares

(Note) NIKON CORPORATION (the "Company") introduced the Executive Compensation BIP trust. The Company's shares held by the trust are included in the number of treasury stock.

(※Indication of quarterly review procedures implementation status)

This quarterly financial results report is exempt from quarterly review procedures under Japanese Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

(※Appropriate use of business forecasts; other special items)

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

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## 1. Performance and Financial Position

### (1) Qualitative Information regarding the Consolidated Operating Results

During the three months ended June 30, 2016, in the Precision Equipment Business, while capital investments in the semiconductor-related field were down slightly compared to the previous fiscal year, capital investments in the FPD-related field, primarily in mid-to-small size displays, received a boost. In the Imaging Products Business, the Digital Camera-Interchangeable Lens Type market and the compact digital camera market remained weak. In the Instruments Business, although market demands were sluggish in Japan and Europe, the microscope-related field saw a strong performance in Asia. Capital investments in the industrial metrology-related field were flat in the U.S. and Asia. In the Medical Business, the retinal diagnostic imaging equipment remained solid in the U.S. and the Asia/Oceania.

As a result, net sales for the three months ended June 30, 2016 fell 16,535 million yen (8.9%) year on year to 169,352 million yen, while operating income rose 9,754 million yen (188.4%) year on year to 14,931 million yen, ordinary income increased 8,921 million yen (109.2%) year on year to 17,088 million yen, and net income attributable to owners of the parent increased 7,328 million yen (176.2%) year on year to 11,486 million yen.

In addition, the accounting policy for the revenue recognition of the FPD Lithography System in the Precision Equipment Business was changed from the first quarter ended June 30, 2016. The year-on-year comparisons above were made with the figures adjusted retrospectively in accordance with the change. For details, see "2. Notes Regarding Summary Information (Others), (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Corrections."

Performance by segment is as follows.

In the Precision Equipment Business, although sales dropped in the Semiconductor Lithography System field, the FPD Lithography System field saw a significant growth particularly in unit sales of mid-to-small size displays, benefited from the extension of capital investments in China. As a result, the business overall posted drastic increases in both sales and profits compared to the same period the previous fiscal year.

In the Imaging Products Business, sales and profits both declined due to the shrinking digital camera market, the effects of foreign exchange, and the impact from the suppliers being disrupted by the 2016 Kumamoto earthquake. However, efforts were made to secure profits through cost reductions and the improvement of the product mix with strong sales of the D5 and D500 of the Digital Camera-Interchangeable Lens Type.

In the Instruments Business, while the microscope field remained flat in Japan, it showed a strong performance mainly in China together with its efforts to reduce costs. In the industrial metrology field, semiconductor inspection systems remained solid in both Japan and Asia.

In the Medical Business, sales of Optos Plc's retinal diagnostic imaging equipment held steady in the U.S. and Asia/Oceania.

### (2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of June 30, 2016 decreased 55,163 million yen from the end of the previous fiscal year to 911,414 million yen. This is mainly because current assets decreased 38,869 million yen due to a decrease in cash and deposits, caused by the redemption of bond payable and foreign exchange impacts on translating cash and deposit held by overseas subsidiaries, and also a decrease in notes and accounts receivable-trade. In addition, non-current assets dropped 16,293 million yen attributable to decreases in property, plant and equipment, intangible assets, and investment securities along with falls in market value of securities.

The balance of total liabilities as of June 30, 2016 decreased 33,908 million yen from the end of the previous fiscal year to 404,389 million yen. This is primarily due to the redemption of bond payable, the repayment of long-term loan payable, and a decrease in notes and accounts payable-trade.

The balance of total net assets as of June 30, 2016 decreased 21,254 million yen from the end of the previous fiscal year to 507,025 million yen. Although retained earnings increased as a result of posting net income, foreign currency translation adjustment decreased due to foreign exchange impacts associated with yen appreciation.

During the three months ended June 30, 2016, although 16,941 million yen of income before income tax was recorded mainly due to increases in income driven by the boost in sales of FPD Lithography System, 9,711 million yen of net cash was provided by operating activities (34,042 million yen of net cash was provided in the same period the previous year), since the sales of FPD Lithography System for the current year were paid in advance last year, and the collection of notes and accounts receivable-trade also fell year on year.

While the expenditure a year earlier soared to acquire shares of Optos Plc, the expenditure for the current year was primarily to purchase property, plant, and equipment, which led net cash used in investing activities to 11,466 million yen. (64,727 million yen of net cash was used in the same period the previous fiscal year).

In financing activities, 17,444 million yen of net cash was used (8,655 million yen of net cash was used in the same period the previous fiscal year) mainly for the repayment of long-term loan payable and the redemption of bond payable.

In addition, along with the appreciation of yen, effect of exchange rate change on cash and cash equivalents decreased 16,776 million yen.

As a result of the above, the balance of cash and cash equivalents as of June 30, 2016 fell 35,976 million yen

from the end of the previous fiscal year to 215,234 million yen.

(Note) As reported in "2. Notes regarding Summary Information (Others), (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Corrections," from the first quarter ended June 30, 2016, the accounting policy for the revenue recognition of the overseas sales of FPD Lithography System in the Precision Equipment Business, where the revenue had been recognized on either the shipping dates or the time of delivery to the locations designated by customers, was changed to recognize at the point when the installation is completed. The comparisons above were made with the figures adjusted retrospectively for the first quarter ended June 30, 2015 and the year ended March 31, 2016 in accordance with the change.

(3) Qualitative Information regarding the Consolidated Financial Forecasts

For the first half ending September 30, 2016, the forecast announced on May 13, 2016 is revised as below, as net sales in the Precision Equipment Business are expected to fall below the previous estimate due to the sales of some products in the FPD-related field expected to be deferred, while the results in the Imaging Products Business are anticipated to exceed the prior forecast thanks to the launch of new products and cost reductions, etc. despite ongoing appreciation of yen in the foreign exchange market and the impact on the supply chain from the Kumamoto Earthquake April 2016.

For the year ending March 31, 2017, the forecast announced on May 13, 2016 is revised as below, since net sales are expected to be down from the prior estimate due to the effects of the yen appreciation. Although the new forecast for net sales has been revised downward, the forecast for profits will remain unchanged reflecting various factors including the Group-wide efforts to reduce costs.

(Note) The foreign currency exchange rates from the second quarter of the fiscal year ending March 31, 2017 are based on the rates of 105 yen to the U.S. dollar and 115 yen to the euro.

Revised Consolidated Financial Forecast for the First Half Ending September 30, 2016  
(From April 1, 2016 to September 30, 2016)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share of Common Stock
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A)	363,000	19,000	21,000	14,000	35.32
Revised Forecast (B)	360,000	23,000	25,000	15,000	37.86
Difference (B-A)	(3,000)	4,000	4,000	1,000	—
Change (%)	(0.8)	21.1	19.0	7.1	—
(Reference) Results of First Half Ended September 30, 2015 (Second Quarter of the Fiscal Year Ended March 31, 2016)	398,822	14,972	20,709	11,557	29.14

Revised Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2017  
(From April 1, 2016 to March 31, 2017)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share of Common Stock
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A)	840,000	46,000	49,000	30,000	75.68
Revised Forecast (B)	820,000	46,000	49,000	30,000	75.72
Difference (B-A)	(20,000)	—	—	—	—
Change (%)	(2.4)	—	—	—	—
(Reference) Results for the Fiscal Year Ended March 31, 2016	819,388	31,698	37,868	18,254	46.05

(Note) The results for the first half ended September 30, 2015 and the fiscal year ended March 31, 2016 were adjusted retrospectively in accordance with the change in the accounting policy.

## 2. Notes regarding Summary Information (Others)

### (1) Changes in Significant Consolidated Subsidiaries

Not applicable

### (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Corrections (Change in the Accounting Policy for the Revenue Recognition)

In the Precision Equipment Business, taking into consideration the terms of the contract and other relevant information, the revenue from sale transactions of the FPD Lithography System for customers abroad had been recognized on either the shipping dates or the time of delivery to the locations designated by customers. From the three months ended June 30, 2016, however, the accounting policy was changed to recognize the revenue at the point when the installation is completed, as it better reflects the practice of the revenue for the following reasons; sales of the FPD Lithography System, which is suitable for the production of high-definition displays, have made up a growing proportion of the Group's total revenue; the installation of the system demands a more elaborate procedure than the conventional ones and is thus likely to require sophisticated work for longer periods.

The change in the accounting policy was applied retrospectively, and the consolidated quarterly and full-year financial statements for the previous fiscal year were adjusted retrospectively in accordance with the change.

As a result, net sales for the first quarter ended June 30, 2015 increased 3,648 million yen compared with the figures prior to the retrospective application. Operating income, ordinary income and income before income taxes for the same period increased 1,250 million yen, respectively. In addition, the beginning balance of retained earnings for the same period declined 8,790 million yen, as the cumulative effect of the change was reflected on the net assets at the beginning of the previous fiscal year.

Impacts on the segment information are stated in the relevant section.

### (3) Additional Information

(Applying Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

"Revised Implementation Guidance on Recoverability of Deferred Tax Assets"(ASBJ Guidance No.26, March 28, 2016) was applied from the first quarter ended June 30, 2016.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	256,595	224,227
Notes and accounts receivable-trade	98,416	81,417
Merchandise and finished goods	118,224	126,747
Work in process	118,526	117,545
Raw materials and supplies	26,667	26,234
Other	66,400	69,442
Allowance for doubtful accounts	(2,433)	(2,086)
Total current assets	682,397	643,528
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,010	46,061
Machinery, equipment and vehicles, net	38,277	35,066
Land	15,681	15,447
Construction in progress	3,566	4,796
Other, net	22,123	20,571
Total property, plant and equipment	127,659	121,942
Intangible assets		
Goodwill	20,766	18,544
Other	43,135	40,022
Total intangible assets	63,901	58,566
Investments and other assets		
Investment securities	73,970	69,958
Other	18,691	17,453
Allowance for doubtful accounts	(43)	(33)
Total investments and other assets	92,618	87,377
Total non-current assets	284,180	267,886
Total assets	966,578	911,414

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	117,399	108,896
Short-term loans payable	16,500	13,600
Current portion of bonds	10,000	—
Advances received	102,997	99,457
Income taxes payable	4,011	4,506
Provision for product warranties	7,066	6,294
Other	69,929	63,145
<b>Total current liabilities</b>	<b>327,903</b>	<b>295,899</b>
<b>Non-current liabilities</b>		
Bonds payable	40,000	40,000
Long-term loans payable	44,200	44,200
Net defined benefit liability	8,902	7,806
Asset retirement obligations	3,657	3,619
Other	13,634	12,863
<b>Total non-current liabilities</b>	<b>110,394</b>	<b>108,489</b>
<b>Total liabilities</b>	<b>438,298</b>	<b>404,389</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	65,475	65,475
Capital surplus	80,624	80,624
Retained earnings	376,002	383,519
Treasury stock	(13,255)	(13,245)
<b>Total shareholders' equity</b>	<b>508,847</b>	<b>516,373</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	11,735	8,730
Deferred gains or losses on hedges	(35)	702
Foreign currency translation adjustment	12,550	(14,833)
Remeasurements of defined benefit plans	(6,687)	(5,772)
<b>Total accumulated other comprehensive income</b>	<b>17,563</b>	<b>(11,172)</b>
Subscription rights to shares	1,339	1,374
Non-controlling interests	530	449
<b>Total net assets</b>	<b>528,280</b>	<b>507,025</b>
<b>Total liabilities and net assets</b>	<b>966,578</b>	<b>911,414</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## ① Consolidated Statement of Income

Three months ended June 30, 2016

(Millions of yen)

	Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)
Net sales	185,888	169,352
Cost of sales	114,509	93,823
Gross profit	71,379	75,528
Selling, general and administrative expenses	66,201	60,597
Operating income	5,177	14,931
Non-operating income		
Interest income	392	474
Dividends income	653	726
Dividends income of life insurance	490	486
Equity in earnings of affiliates	585	643
Other	2,281	1,035
Total non-operating income	4,404	3,366
Non-operating expenses		
Interest expenses	315	271
Foreign exchange losses	569	288
Other	531	650
Total non-operating expenses	1,416	1,209
Ordinary income	8,166	17,088
Extraordinary income		
Gain on sales of non-current assets	8	31
Gain on sales of investment securities	102	172
Total extraordinary income	110	204
Extraordinary loss		
Loss on sales of non-current assets	1	4
Loss on valuation of investment securities	—	346
Total extraordinary losses	1	350
Income before income taxes	8,275	16,941
Income taxes	4,083	5,443
Net income	4,192	11,497
Net income attributable to non-controlling interests	33	11
Net income attributable to owners of the parent	4,158	11,486

② Consolidated Statement of Comprehensive Income  
 Three months ended June 30, 2016

(Millions of yen)

	Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)
Net income	4,192	11,497
Other comprehensive income		
Valuation difference on available-for-sale securities	1,648	(3,004)
Deferred gains or losses on hedges	1,069	737
Foreign currency translation adjustment	5,177	(27,436)
Remeasurements of defined benefit plans	(38)	915
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	7,858	(28,788)
Comprehensive income	12,050	(17,290)
(Breakdown)		
Comprehensive income attributable to owners of the parent	12,008	(17,249)
Comprehensive income attributable to non-controlling interests	42	(40)

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	8,275	16,941
Depreciation and amortization	9,133	8,182
Increase (decrease) in allowance for doubtful accounts	(261)	(168)
Increase (decrease) in provision for product warranties	(890)	(420)
Increase (decrease) in net defined benefit liability	(500)	(417)
Interest and dividends income	(1,046)	(1,201)
Equity in (earnings) losses of affiliates	(585)	(643)
Interest expenses	315	271
Loss (gain) on sales of non-current assets	(7)	(27)
Loss (gain) on sales of investment securities	(102)	(172)
Loss (gain) on valuation of investment securities	—	346
Decrease (increase) in notes and accounts receivable-trade	26,757	11,819
Decrease (increase) in inventories	(17,473)	(15,400)
Increase (decrease) in notes and accounts payable-trade	3,840	(7,722)
Increase (decrease) in advances received	15,282	(2,738)
Increase (decrease) in accrued expenses	(5,787)	(6,745)
Other, net	1,497	10,361
Subtotal	38,447	12,265
Interest and dividends income received	1,004	1,132
Interest expenses paid	(177)	(143)
Income taxes (paid) refund	(5,232)	(3,543)
Net cash provided by (used in) operating activities	34,042	9,711
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(4,812)	(5,554)
Proceeds from sales of property, plant and equipment	134	86
Purchase of investment securities	(650)	(360)
Proceeds from sales of investment securities	112	195
Purchase of ownership interests in subsidiaries with a change in consolidation scope	(43,562)	—
Net decrease (increase) in loans receivable	(80)	(0)
Other, net	(15,868)	(5,833)
Net cash provided by (used in) investing activities	(64,727)	(11,466)
Net cash provided by (used in) financing activities		
Repayments of long-term loans payable	—	(2,900)
Redemption of bonds	—	(10,000)
Cash dividends paid	(8,375)	(3,850)
Cash dividends paid to non-controlling interests	(24)	(39)
Other, net	(256)	(654)
Net cash provided by (used in) financing activities	(8,655)	(17,444)
Effect of exchange rate change on cash and cash equivalents	2,697	(16,776)
Net increase (decrease) in cash and cash equivalents	(36,643)	(35,976)
Cash and cash equivalents at beginning of period	259,625	251,210
Cash and cash equivalents at end of period	222,981	215,234

## (4) Note regarding Going Concern Assumption

Not applicable

## (5) Segment Information

## 1. Information on Sales and Profit (Loss) by Reportable Segment

For the three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(Millions of yen)

	Reportable Segments					Other <sup>1</sup>	Total	Reconciliation <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Medical	Total				
Sales									
Outside customers	28,201	137,115	14,075	—	179,393	6,495	185,888	—	185,888
Intersegment sales or transfer	90	103	201	—	395	4,901	5,297	(5,297)	—
Total	28,292	137,219	14,277	—	179,788	11,397	191,185	(5,297)	185,888
Operating income (loss)	272	13,457	(1,722)	(1,298)	10,709	620	11,329	(6,152)	5,177

Notes: 1. The “Other” category consists of operations not included in the reportable segments such as the Glass Business, the Customized Products Business, etc.

2. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 89 million yen and corporate expenses of minus 6,242 million yen.

3. Reconciliation is made between segment profit (loss) and operating income reported in the consolidated financial statements.

For the three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)

(Millions of yen)

	Reportable Segments					Other <sup>1</sup>	Total	Reconciliation <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Medical	Total				
Sales									
Outside customers	51,889	94,454	13,444	4,205	163,994	5,358	169,352	—	169,352
Intersegment sales or transfer	55	151	158	15	381	5,110	5,491	(5,491)	—
Total	51,945	94,606	13,603	4,220	164,375	10,468	174,844	(5,491)	169,352
Operating income (loss)	14,520	9,430	(1,754)	(1,445)	20,751	967	21,719	(6,787)	14,931

Notes: 1. The “Other” category consists of operations not included in the reportable segments, such as the Glass Business, the Customized Products Business, etc.

2. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 98 million yen and corporate expenses of minus 6,885 million yen.

3. Reconciliation is made between segment profit (loss) and operating income reported in the consolidated financial statements.

## 2. Information on Changes in the Reportable Segments

As reported in “2. Notes Regarding Summary Information (Others), (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Corrections,” the accounting policy for the revenue recognition of the Precision Equipment Business was changed and applied retrospectively.

As a result, sales and operating income of the Precision Equipment Business for the three months ended June 30, 2015 increased 3,648 million yen and 1,250 million yen, respectively.

- (6) Note in Event of Significant Change in Shareholders' Equity  
Not applicable

(7) Business Combinations and Others  
(Business Combination by Acquisition)

With regard to the acquisition of Optos Plc effective on May 22, 2015, the provisional accounting treatment that had been adopted during the three months ended June 30, 2015 was finalized subsequently in the following three months ended September 30, 2015.

In line with the above, the revisions made to the initial allocation of the acquisition cost were reflected on the relevant information used for year-on-year comparisons to the consolidated financial statements for the first quarter ended June 30, 2016.

Account	Amount
Goodwill (Prior)	35,751 million yen
Intangible Assets	(19,631) million yen
Deferred Tax Liabilities	5,889 million yen
Total Amount of Revisions	(13,742) million yen
Goodwill (Revised)	22,009 million yen

In addition, the revisions above had no impact on consolidated statements of income for the three months ended June 30, 2015.

(Supplementary Information) Effect of applying the change in the accounting policy retrospectively

The effect of applying the change in the accounting policy for the revenue recognition retrospectively to the year ended March 31, 2016 is as follow:

(As previously reported)

		Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	First half ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Consolidated	Net sales	182,240	392,677	822,915
	Operating income	3,927	14,537	36,701
	Ordinary income	6,916	20,273	42,870
	Income before income taxes	7,025	20,394	33,581
	Net income attributable to owners of the parent	3,304	11,254	22,192

Precision Equipment	Net sales	24,553	78,945	182,416
	Operating income (loss)	(977)	4,045	14,607

(As adjusted)

		Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	First half ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Consolidated	Net sales	185,888	398,822	819,388
	Operating income	5,177	14,972	31,698
	Ordinary income	8,166	20,709	37,868
	Income before income taxes	8,275	20,829	28,578
	Net income attributable to owners of the parent	4,158	11,557	18,254

Precision Equipment	Net sales	28,201	85,089	178,888
	Operating income (loss)	272	4,481	9,605

(Effect of retrospective application of the change)

		Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	First half ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Consolidated	Net sales	3,648	6,144	(3,527)
	Operating income	1,250	435	(5,002)
	Ordinary income	1,250	435	(5,002)
	Income before income taxes	1,250	435	(5,002)
	Net income attributable to owners of the parent	853	302	(3,937)

Precision Equipment	Net sales	3,648	6,144	(3,527)
	Operating income (loss)	1,250	435	(5,002)