

1. Financial results for the first half of the year ending March 2017
2. Existing medium-term management plan
3. Restructuring plan
4. Forecast for the year ending March 2017



Year-on-year

- **Net Sales:**  
decreased by ¥55.1 billion (-14%) due to a reduction in digital camera sales volume and the appreciation of the yen
- **Operating Income:**  
increased by ¥8.4 billion (+56%) aided by a sharp sales increase of FPD lithography systems, improved product mix, and substantial expense reduction in Imaging Products Business

Actual/  
forecast

- **Net Sales:**  
reduced by ¥16.3 billion due to a stronger yen impact and unachieved business targets in other businesses despite the volume increase in FPD lithography system sales
- **Operating Income:**  
improved by ¥0.3 billion due to expense reductions mainly in Imaging Products Business

Interim  
dividend

- **¥12**

Note: Forecast above is as of August 4, 2016. The financial results for FY2016/3 were adjusted retrospectively according a change in the accounting policy for the revenue recognition of the Precision Equipment Business

# First Half of the Year Ending March 31, 2017: Financial Highlights



Billions of yen	2016/3 1H (A)	Previous forecast (B) (Aug. 4)	2017/3 1H (C)	Change (C)-(A)	Change (C)-(B)
<b>Net Sales</b>	<b>398.8</b>	<b>360.0</b>	<b>343.7</b>	<b>-55.1</b>	<b>-16.3</b>
<b>Operating Income</b> % vs. Net Sales	<b>14.9</b> 3.7%	<b>23.0</b> 6.4%	<b>23.3</b> 6.8%	<b>+8.4</b>	<b>+0.3</b>
<b>Ordinary Income</b> % vs. Net Sales	<b>20.7</b> 5.2%	<b>25.0</b> 6.9%	<b>25.6</b> 7.4%	<b>+4.9</b>	<b>+0.6</b>
<b>Net Income attributable to owners of the parent</b> % vs. Net Sales	<b>11.5</b> 2.9%	<b>15.0</b> 4.2%	<b>17.7</b> 5.1%	<b>+6.2</b>	<b>+2.7</b>
<b>FCF</b>	<b>-33.9</b>	<b>-</b>	<b>17.4</b>	<b>+51.3</b>	<b>-</b>
<b>Exchange Rate:</b> US\$ EURO	<b>¥122</b> <b>¥135</b>	<b>¥107</b> <b>¥118</b>	<b>¥105</b> <b>¥118</b>	<b>Impact on Net Sales</b>	
				<b>-37.1</b>	<b>-3.9</b>
				<b>Impact on Op. Income</b>	
				<b>-8.9</b>	<b>-1.4</b>

Note: Amounts in this statement are rounded down to the nearest hundred million

# First Half of the Year Ending March 31, 2017: Financial Highlights by Segment



Billions of yen		2016/3 1H (A)	2017/3 1H (B)	Change
<b>Precision Equipment Business</b>	Net Sales	85.0	<b>115.3</b>	+36%
	Operating Income	4.4	<b>24.4</b>	+20.0
<b>Imaging Products Business</b>	Net Sales	263.6	<b>178.3</b>	-32%
	Operating Income	24.2	<b>15.2</b>	-9.0
<b>Instruments Business</b>	Net Sales	33.2	<b>30.6</b>	-8%
	Operating Income	-0.5	<b>-1.4</b>	-0.9
<b>Medical Business</b>	Net Sales	5.3	<b>9.0</b>	+70%
	Operating Income	-2.5	<b>-2.4</b>	+0.1
<b>Other</b>	Net Sales	11.4	<b>10.4</b>	-9%
	Operating Income	1.4	<b>1.8</b>	+0.4
<b>Corporate Expenses/ Elimination of Intersegment Transactions</b>	Net Sales	-	-	-
	Operating Income	-12.0	<b>-14.2</b>	-2.2
<b>Consolidated</b>	Net Sales	398.8	<b>343.7</b>	-14%
	Operating Income	14.9	<b>23.3</b>	+8.4

# Second Quarter of the Year Ending March 31, 2017: Financial Highlights



Billions of yen	2016/3 Q2 (A)	2017/3 Q2 (B)	Change (B)-(A)
<b>Net Sales</b>	<b>213.0</b>	<b>174.4</b>	<b>-38.6</b>
<b>Operating Income</b>	<b>9.8</b>	<b>8.4</b>	<b>-1.4</b>
% vs. Net Sales	4.6%	4.8%	
<b>Ordinary Income</b>	<b>12.6</b>	<b>8.6</b>	<b>-4.0</b>
% vs. Net Sales	5.9%	4.9%	
<b>Net Income attributable to owners of parent</b>	<b>7.4</b>	<b>6.3</b>	<b>-1.1</b>
% vs. Net Sales	3.5%	3.6%	
			<b>Impact on Net Sales</b>
			<b>-22.6</b>
			<b>Impact on Op. Income</b>
			<b>-4.7</b>
<b>Exchange Rate:</b>			
US\$	<b>¥122</b>	<b>¥102</b>	
EURO	<b>¥136</b>	<b>¥114</b>	

# First Half of the Year Ending March 31, 2017: Precision Equipment Business



Billions of yen	2016/3 1H (A)	Previous forecast (B) (Aug. 4)	2017/3 1H (C)	Change (C)-(A)	Change (C)-(B)
<b>Net Sales</b>	<b>85.0</b>	<b>122.0</b>	<b>115.3</b>	<b>+30.3</b>	<b>-6.7</b>
<b>Operating Income</b>	<b>4.4</b>	<b>27.0</b>	<b>24.4</b>	<b>+20.0</b>	<b>-2.6</b>
% vs. Net Sales	5.2%	22.1%	21.2%		
<b>Semiconductor Lithography systems New/Refurbished (units)</b>	<b>4/12</b>	<b>11/8</b>	<b>11/6</b>	<b>+7/-6</b>	<b>±0/-2</b>
<b>FPD Lithography Systems (units)</b>	<b>21</b>	<b>50</b>	<b>51</b>	<b>+30</b>	<b>+1</b>

- **Year-on-year:** Both sales and income increased due to substantial sales increase in FPD lithography systems for small and medium-sized high definition panels
- **Actual/forecast:** FPD lithography systems sold exceeded forecasts by one unit, but the product mix change of semiconductor lithography systems caused sales and income to underperform the forecast

# First Half of the Year Ending March 31, 2017: Imaging Products Business



Billions of yen Cameras & Lenses (1,000 of units sold)	2016/3 1H (A)	Previous forecast (B) (Aug. 4)	2017/3 1H (C)	Change (C)-(A)	Change (C)-(B)
<b>Net Sales</b>	<b>263.6</b>	<b>183.0</b>	<b>178.3</b>	<b>-85.3</b>	<b>-4.7</b>
<b>Operating Income</b> <small>% vs. Net Sales</small>	<b>24.2</b> 9.2%	<b>14.0</b> 7.7%	<b>15.2</b> 8.5%	<b>-9.0</b>	<b>+1.2</b>
<b>Digital camera - Interchangeable Lens Type</b>	<b>2,000</b>	<b>1,450</b>	<b>1,420</b>	<b>-580</b>	<b>-30</b>
<b>Interchangeable Lens</b>	<b>2,820</b>	<b>2,100</b>	<b>2,050</b>	<b>-770</b>	<b>-50</b>
<b>Compact DSC</b>	<b>3,120</b>	<b>1,350</b>	<b>1,430</b>	<b>-1,690</b>	<b>+80</b>

- **Year-on-year:** Sales and operating income declined due to a shrinking market, adverse foreign exchange, and the Kumamoto earthquakes, offsetting efforts to reduce operating expense
- **Actual/forecast:** Sales fell short of forecasts due to adverse foreign exchange and failure to meet unit sales targets for digital cameras-interchangeable lens type and interchangeable lenses. Operating income exceeded targets due to a sales strategy focused on profitability and expense reductions

# First Half of the Year Ending March 31, 2017: Instruments Business



Billions of yen	2016/3 1H (A)	Previous forecast (B) (Aug. 4)	2017/3 1H (C)	Change (C)-(A)	Change (C)-(B)
<b>Net Sales</b>	<b>33.2</b>	<b>33.0</b>	<b>30.6</b>	<b>-2.6</b>	<b>-2.4</b>
<b>Operating Income</b>	<b>-0.5</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-0.9</b>	<b>+0.1</b>
% vs. Net Sales	-%	-%	-%		

- **Year-on-year:** Sales and operating income declined due to adverse foreign exchange, etc.
- **Actual/forecast:** Sales declined due to the industrial metrology business falling short of targets. Operating loss was close to the forecast due to efforts to reduce expenses



# First Half of the Year Ending March 31, 2017: Medical Business



Billions of yen	2016/3 1H (A)	Previous forecast (B) (Aug. 4)	2017/3 1H (C)	Change (C)-(A)	Change (C)-(B)
<b>Net Sales</b>	<b>5.3</b>	<b>11.0</b>	<b>9.0</b>	<b>+3.7</b>	<b>-2.0</b>
<b>Operating Income</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.4</b>	<b>+0.1</b>	<b>+0.1</b>
% vs. Net Sales	-%	-%	-%		

- **Actual/forecast:** Sales fell short of forecasts as sales of Optos products did not meet targets. Operating losses were as forecasted due to efforts to reduce expenses

Note: In the 1<sup>st</sup> half of FY2016/3, recorded Optos Plc sales and income for three months