



# Financial results for the 2nd quarter of the year ending March 31, 2022

November 4, 2021

1. Report on status of management

2. Financial results for the 2nd quarter of the year ending March 31, 2022

3. Forecast for the year ending March 31, 2022

# Management Policy Update



<b>External environment</b>	As demand recovers, digitalization progresses. Parts procurement and impact by COVID-19 in Southeast Asia are constraints.
<b>Business performance</b>	Operating profits improve thanks to sales recovery and lower breakeven point. All segments are becoming profitable. Revised upward full-year forecast.
<b>Shareholder return</b>	Based on the recovery in business performance, dividends increased in line with our shareholder return policy of 40% or more.
<b>Business status</b>	In Imaging Products Business, become competitive by Mirror Less camera body (Z 9, Z fc etc.) and lens lineup enhancement. EUV related component expect to be a pillar of revenue.
<b>Strategy for long-term growth</b>	Focus on Digital Manufacturing, Vision Systems/Robotics and Healthcare areas.
<b>Outlook for mid/long-term</b>	Formulating the next Medium-Term Management Plan (from April 2022) based on the "vision of where we want to be" in 10 years.
<b>Sustainability</b>	Contributing to a sustainable society with the value provided by Nikon's unique.

The financial targets for the final year of current Medium-Term Management Plan are to be unable to realize. Complete restructuring centered on the Imaging Products Business by the end of this fiscal year and return to sustainable growth

# Sustainability strategy based on corporate philosophy of “Trustworthiness and Creativity”



## 12 Materialities (CSR Priority Issues)

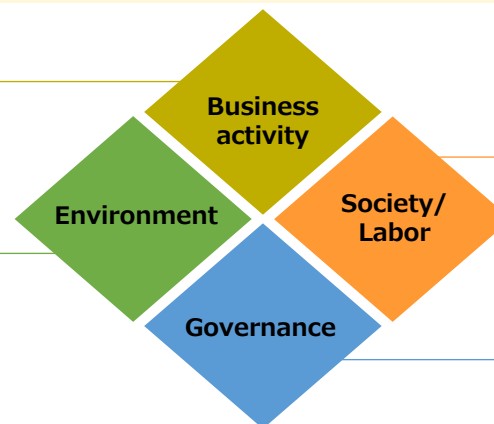
1. Creating social value through core technologies

2. Ensuring trustworthiness by maintaining and increasing quality

3. Promoting a decarbonized society

4. Promoting resource circulation

5. Preventing pollution and conserving ecosystems



6. Strengthening supply chain management

7. Respecting human rights

8. Diversity and inclusion

9. Employees' health and safety

10. Thorough compliance

11. Strengthening corporate governance

12. Strengthening risk management

### 1. Creating social value through core technologies

: Contributing to a sustainable society through Nikon's unique technology in growth areas in addition to existing businesses

Innovate the process of manufacturing

Contribute to a more comfortable society with imaging and sensing technologies

Contribute to peoples' health and quality of life

Digital Manufacturing

Vision Systems/Robotics

Healthcare

Three areas for long-term growth

### 3. Promoting a decarbonized society, 4. Promoting resource circulation, 5. Preventing pollution and conserving ecosystems

: Manufacturing with low environmental impact

Reduction of greenhouse gases  
2030 numerical targets

- Reduce emission of greenhouse gases from offices by 70% or more (compared to FY 2013)
- Shift to renewable energy for 30% of power used in business activities

# Construction Plan of New Head Office



Commenced specific consideration of new head office constructing plan in a vacant land on the premises of Oi Plant in Shinagawa-ku, Tokyo.

## New head office images



- **For enhancement of corporate value and human resources**

Aiming to strengthen development function by **consolidating advanced R&D-related division**

Creating a workplace that **supports flexible work styles**

- **Environmentally friendly**

**Expecting to be certified with “ZEB Ready”<sup>\*1</sup>** by reducing significant amount of energy with a solar shielding exterior facade system design, and VAV<sup>\*2</sup> System that responds to the office utilization rate

Planning to generate renewable energy through a solar power generation system

Considering to utilize debt finance of “Green loan” for a part of building funds

<sup>\*1</sup> ZEB Ready: Net Zero Energy Building Ready. A building that realizes a comfortable environment while reducing 50% or more of energy consumption by saving energy compared to the energy required for ordinary buildings.

<sup>\*2</sup> VAV: Variable Air Volume

## Planned site for new HQ building



## Construction Schedule (plan)

- Summer 2022: Construction Starts
- Spring 2024: Construction Completes
- Summer 2024: Operation Starts

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# Summary for the 1H of the year ending March 31, 2022



## 1H Actual

- Revenue : **¥273.0B**
- Operating profit : **¥32.1B**
- Profit attributable to owners of the parent : **¥26.4B**

## YoY

- Revenue : **Up ¥97.4B (Revenue increased in all segments)**
  - Despite partial procurement impact, revenue increased substantially in all segments, mainly driven by ASP improvement in Imaging Products Business and increased sales volumes of FPD lithography systems in Precision Equipment Business.
- Operating profit : **Up ¥78.7B**
  - Operating profit improved significantly by effect of increased in sales and no one-time costs (impairment losses of non-current assets in Imaging Products Business and disposal and write-down of inventory in Precision Equipment Business) booked in the previous year.

## vs. previous forecast (Aug. 5)

- Revenue : **Down ¥2.0B**
  - Despite upside in the Imaging products, Healthcare, and Component businesses, revenue decreased due to postpone in sales of some Semiconductor lithography equipment to 2H of the fiscal year.
- Operating profit : **Surpassed by ¥7.1B (Operating profit increased in all segments except for Industrial Metrology and Others)**
  - Operating profit increased substantially, mainly thanks to gross profit improvement and tailwinds of foreign exchange rate in Imaging Products Business, and advanced installation of some FPD Lithography system scheduled in 2H and strong service business in Precision Equipment Business.

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

# 1H of the year ending March 31, 2022: Financial Highlights



Billions of yen	FY2021/3 1H Actual (A)	Previous Forecast (Aug.5) (B)	FY2022/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)	FY2020/3 1H Actual (reference)
<b>Revenue</b>	175.6	275.0	<b>273.0</b>	+97.4	-2.0	291.0
<b>Operating Profit</b>	-46.6	25.0	<b>32.1</b>	+78.7	+7.1	17.5
% vs Revenue	-26.5%	9.1%	<b>11.8%</b>			6.0%
<b>Profit before income taxes</b>	-38.8	27.0	<b>35.9</b>	+74.7	+8.9	20.1
% vs Revenue	-22.1%	9.8%	<b>13.2%</b>			6.9%
<b>Profit attributable to owners of the parent</b>	-31.5	20.0	<b>26.4</b>	+57.9	+6.4	16.3
% vs Revenue	-17.9%	7.3%	<b>9.7%</b>			5.6%
<b>FCF</b>	-12.1	—	<b>20.8</b>	+32.9	—	3.8
Exchange Rate : US \$	¥107	¥105	<b>¥110</b>	Impact on revenue +8.4      +2.9		¥109
EURO	¥121	¥125	<b>¥131</b>	Impact on operating profit +2.7      +0.7		¥121

Although revenue was slightly lower than the previous forecast,  
In all profit items increased by approx. 30% from previous forecast.



# 1H of the year ending March 31, 2022: Financial Highlights by Segment



Billions of yen		FY2021/3 1H Actual(A)	FY2022/3 1H Actual (B)	Change (B)-(A)
Imaging Products Business	Revenue	64.3	<b>89.2</b>	+39%
	Operating Profit	-27.8	<b>12.5</b>	¥40.3B
Precision Equipment Business	Revenue	63.8	<b>119.2</b>	+87%
	Operating Profit	-7.4	<b>21.7</b>	¥29.1B
Healthcare Business	Revenue	25.7	<b>33.0</b>	+28%
	Operating Profit	-2.3	<b>0.9</b>	¥3.2B
Components Business	Revenue	10.4	<b>16.7</b>	+61%
	Operating Profit	-0.9	<b>3.4</b>	¥4.3B
Industrial Metrology and Others	Revenue	11.2	<b>14.6</b>	+30%
	Operating Profit	-0.5	<b>-1.6</b>	-¥1.1B
Corporate P/L non- attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-7.4	<b>-5.0</b>	¥2.4B
<b>Consolidated</b>	Revenue	175.6	<b>273.0</b>	+55%
	Operating Profit	-46.6	<b>32.1</b>	¥78.7B

Revenue increased significantly in all segments.  
Operating profit increased excluding Industrial Metrology and others.

Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# 2nd quarter of the year ending March 31, 2022: Financial Highlights



Billions of yen		FY2021/3 Q2 Actual (A)	FY2022/3 Q2 Actual (B)	Change (B)-(A)	FY2020/3 Q2 Actual (reference)
Revenue		110.9	<b>140.8</b>	+29.9	148.1
Operating Profit		-26.1	<b>12.2</b>	+38.3	8.2
% vs Revenue		-23.5%	<b>8.7%</b>		5.5%
Profit before income taxes		-19.6	<b>14.8</b>	+34.4	9.4
% vs Revenue		-17.7%	<b>10.5%</b>		6.3%
Profit attributable to owners of the parent		-18.0	<b>10.6</b>	+28.6	8.1
% vs Revenue		-16.2%	<b>7.5%</b>		5.5%
FCF		6.1	<b>23.6</b>	+17.5	4.5
Exchange Rate:	US \$	¥106	<b>¥110</b>	Impact on Revenue +3.6	¥107
	EURO	¥124	<b>¥130</b>	Impact on Operating Profit +1.1	¥119

Compared to Q2 in FY2020/3, revenue decreased but the profitability improvement in Imaging Products Business contributed to an increase in operating profits. FCF was contributed by the sale of some cross-shareholding stocks.

# 1H of the year ending March 31, 2022: Imaging Products Business



	FY2021/3 1H	Previous Forecast	FY2022/3 1H	Change	Change
Billions of yen	Actual (A)	(Aug. 5) (B)	Actual (C)	(C)-(A)	(C)-(B)
Revenue	64.3	85.0	89.2	+24.9	+4.2
Operating Profit	-27.8	10.0	12.5	+40.3	+2.5
% vs Revenue	-43.2%	11.8%	14.0%		
Digital Camera-Interchangeable Lens type (Units sold: 1,000)	380	—	390	+10	—
Interchangeable Lens (Units sold: 1,000)	610	—	660	+50	—
Compact DSC (Units sold: 1,000)	120	—	130	+10	—

- **YoY:** Revenue increased by improvement of sales mix with shifting to pro/hobbyist models contributing by sales of new mirrorless camera of Z fc and Z 6 II/Z 7 II launched last year. Operating profit increased significantly by no influence of impairment losses of non-current assets posted in FY2021/3 and reduction of operating cost.
- **Vs. previous forecast:** Revenue exceeded the plan due to a weaker yen and improved ASP. Operating profit also exceeded the plan by the effect of increasing revenue and cost reduction.

Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# 1H of the year ending March 31, 2022: Precision Equipment Business



Billions of yen	FY2021/3 1H Actual (A)	Previous Forecast (Aug. 5) (B)	FY2022/3 1H Actual (C)	Change (C)-(A)	Change (C)-(B)
Revenue	63.8	130.0	119.2	+55.4	-10.8
Operating Profit % vs Revenue	-7.4 -11.6%	18.0 13.8%	21.7 18.2%	+29.1	+3.7
FPD Lithography Systems (units)	5	—	30	+25	—
Semiconductor Lithography Systems New/Refurbished (units)	6/3	—	1/9	-5/+6	—

- **YoY:** FPD Lithography Business, installations delayed from previous year progressed well thanks to mitigated impact of COVID-19 in China. In Semiconductor Lithography Business, operation profit increased due to strong sales of refurbished system and service business, furthermore the reduction of disposal and write-down of inventory.
- **Vs. previous forecast:** Operating profit beat despite delays of semiconductor lithography system installations and deliveries into 2H as FPD lithography system installations were pulled forward from 2H and the semiconductor lithography system service business trended strongly.

Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# 1H of the year ending March 31, 2022: Healthcare Business



	FY2021/3 1H	Previous Forecast	FY2022/3 1H	Change	Change
Billions of yen	Actual (A)	(Aug. 5) (B)	Actual (C)	(C)-(A)	(C)-(B)
<b>Revenue</b>	<b>25.7</b>	<b>30.0</b>	<b>33.0</b>	<b>+7.3</b>	<b>+3.0</b>
<b>Operating Profit</b> % vs Revenue	<b>-2.3</b> -8.9%	<b>0.0</b> 0.0%	<b>0.9</b> 2.7%	<b>+3.2</b>	<b>+0.9</b>

- **YoY:** Revenue and operating profit increased on strength in sales in biological microscopes and retinal diagnostic imaging systems as the recovery from COVID-19.
- **Vs. previous forecast:** Sales were better than expectation in biological microscopes and retinal diagnostic imaging systems. Turned profitable for the first time in 1H. Making favorable progress toward profitability for the full year.

# 1H of the year ending March 31, 2022: Components Business



	FY2021/3 1H	Previous Forecast	FY2022/3 1H	Change	Change
Billions of yen	Actual (A)	(Aug. 5) (B)	Actual (C)	(C)-(A)	(C)-(B)
<b>Revenue</b>	<b>10.4</b>	<b>15.0</b>	<b>16.7</b>	<b>+6.3</b>	<b>+1.7</b>
<b>Operating Profit</b> % vs Revenue	<b>-0.9</b> -8.7%	<b>3.0</b> 20.0%	<b>3.4</b> 20.4%	<b>+4.3</b>	<b>+0.4</b>

- **YoY:** Expansion in the EUV related component business this year contributed to growth in revenue and profit. Sales were strong in optical parts for semiconductor related products and encoders for industrial equipment.
- **Vs. previous forecast:** Revenue and profit beat on increased sales volumes of optical parts and encoders.

Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# 1H of the year ending March 31, 2022: Industrial Metrology and Others



	FY2021/3 1H	Previous Forecast	FY2022/3 1H	Change	Change
Billions of yen	Actual (A)	(Aug. 5) (B)	Actual (C)	(C)-(A)	(C)-(B)
<b>Revenue</b>	<b>11.2</b>	<b>15.0</b>	<b>14.6</b>	<b>+3.4</b>	<b>-0.4</b>
<b>Operating Profit</b>	<b>-0.5</b>	<b>0.0</b>	<b>-1.6</b>	<b>-1.1</b>	<b>-1.6</b>
% vs Revenue	-4.5%	0.0%	-11.0%		

- **YoY:** In the Industrial Metrology Business, sales increased due to increased demand for measuring machines and microscopes, mainly for new product CNC video measuring systems. Expansion of deficit due to the impact of write-downs of inventory posted in Q1 at domestic production subsidiaries belonging to "Others".
- **Vs. previous forecast:** The Industrial Metrology Business was progressing almost as planned. Operating profit decreased due to temporary decline in utilization changed production plan at some domestic production subsidiaries belonging to "Others".

Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

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## Revenue

- **Company total forecast: ¥535.0B (Revised upward ¥15.0B vs. previous forecast)**
  - **Imaging Products Business:** Revised upward ¥5.0B to reflect better-than-expected 1H performance.
  - **Precision Equipment Business:** Revised upward ¥7.0B thanks to increased sales number of FPD lithography system, and strong service business in Precision Equipment Business.
  - **Components Business:** Revised upward ¥3.0B on increased sales volumes in optical parts for semiconductor related products.

## Operating profit

- **Company total forecast: ¥34.0B (Revised upward ¥7.0B vs. previous forecast)**
  - **Imaging Products Business:** Revised upward ¥3.0B reflecting increase in ASP in 1H, etc.
  - **Precision Equipment Business:** Revised upward ¥4.0B due to the impact of increased sales in the service business, etc.
  - **Healthcare Business:** Revised upward ¥1.0B to reflect better-than-expected 1H performance.
  - **Components Business:** Revised upward ¥0.5B on effects from increased revenues, etc.
  - **Industrial Metrology and Others:** Revised downward ¥1.5B reflecting 1H results.

## Profit attributable to owners of the parent

- **Company total forecast: ¥29.0B (Revised upward ¥7.0B vs. previous forecast)**

## Shareholder returns

- **Annual dividend ¥40, interim ¥20 (Up annual ¥10 from ¥30 of the previous forecast)**

# Forecast for the year ending March 31, 2022: Financial Highlights



Billions of yen	FY2021/3 Actual (A)	Previous Forecast (Aug. 5) (B)	New Forecast (Nov. 4) (C)	Change (C)-(A)	Change (C)-(B)
<b>Revenue</b>	451.2	520.0	<b>535.0</b>	+83.8	+15.0
<b>Operating Profit</b>	-56.2	27.0	<b>34.0</b>	+90.2	+7.0
% vs Revenue	-12.5%	5.2%	<b>6.4%</b>		
<b>Profit before income taxes</b>	-45.3	30.0	<b>39.0</b>	+84.3	+9.0
% vs Revenue	-10.0%	5.8%	<b>7.3%</b>		
<b>Profit attributable to owners of the parent</b>	-34.4	22.0	<b>29.0</b>	+63.4	+7.0
% vs Revenue	-7.6%	4.2%	<b>5.4%</b>		
<b>EPS</b>	¥-93.96	¥59.91	<b>¥78.98</b>	+¥172.94	+¥19.07
<b>Annual Dividends</b>	¥20	¥30	<b>¥40</b>	+¥20	+¥10
Exchange Rate : US \$	¥106	¥105	<b>¥107</b>	Impact on revenue	
				+¥7.7	+¥2.9
EURO	¥124	¥125	<b>¥128</b>	Impact on operating profit	
				+¥2.5	+¥0.7

Note: EPS (Basic Earning per Share) = Profit attributable to owner of the parent / Average number of shares during the term  
Above EPS are calculated by approx. 0.367B shares both at the end of FY2021/3 and FY2022/3.

# Forecast for the year ending March 31, 2022: Financial Highlights by Segment



Billions of yen		FY2021/3 Actual (A)	Previous Forecast (Aug. 5) (B)	New Forecast (Nov.4) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	150.2	<b>170.0</b>	<b>175.0</b>	+16.5%	+2.9%
	Operating Profit	-36.3 (- 33.0)	<b>12.0</b>	<b>15.0</b>	+¥51.3B	+¥3.0B
	Revenue	184.7	<b>210.0</b>	<b>217.0</b>	+17.5%	+3.3%
Precision Equipment Business	Operating Profit	-0.6 (- 0.6)	<b>19.0</b>	<b>23.0</b>	+¥23.6B	+¥4.0B
	Revenue	62.8	<b>70.0</b>	<b>70.0</b>	+11.5%	±0.0%
Healthcare Business	Operating Profit	-3.0 (- 3.0)	<b>1.0</b>	<b>2.0</b>	+¥5.0B	+¥1.0B
	Revenue	25.7	<b>35.0</b>	<b>38.0</b>	+47.9%	±8.6%
Components Business	Operating Profit	0.1 (0.1)	<b>8.0</b>	<b>8.5</b>	+¥8.4B	+¥0.5B
	Revenue	27.6	<b>35.0</b>	<b>35.0</b>	+26.8%	±0.0%
Industrial Metrology and Others	Operating Profit	-1.2 (- 0.3)	<b>3.0</b>	<b>1.5</b>	+¥2.7B	-¥1.5B
	Revenue	—	—	—	—	—
Corporate P/L non- attributable to any reportable segments	Operating Profit	-15.0 (- 15.0)	<b>-16.0</b>	<b>-16.0</b>	-¥1.0B	±¥0
	Revenue	451.2	<b>520.0</b>	<b>535.0</b>	+18.6%	+2.9%
<b>Consolidated</b>	Operating Profit	-56.2 (- 51.9)	<b>27.0</b>	<b>34.0</b>	+¥90.2B	+¥7.0B

Note: Figures in parentheses are the operating profit excluding the restructuring relevant expenses.  
In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# Forecast for the year ending March 31, 2022: Financial Highlights by Segments (2H)



Billions of yen		FY2022/3		
		1H	2H	Full year
Imaging Products Business	Revenue	89.2	85.8	175.0
	Operating Profit	12.5	2.5	15.0
Precision Equipment Business	Revenue	119.2	97.8	217.0
	Operating Profit	21.7	1.3	23.0
Healthcare Business	Revenue	33.0	37.0	70.0
	Operating Profit	0.9	1.1	2.0
Components Business	Revenue	16.7	21.3	38.0
	Operating Profit	3.4	5.1	8.5
Industrial Metrology and Others	Revenue	14.6	20.4	35.0
	Operating Profit	-1.6	3.1	1.5
Corporate P/L non-attributable to any reportable segments	Revenue	-	-	-
	Operating Profit	-5.0	-11.0	-16.0
Consolidated	Revenue	273.0	262.0	535.0
	Operating Profit	32.1	1.9	34.0

## • Revenue in 2H: ¥262.0B

(¥11.0B decrease vs. 1H)

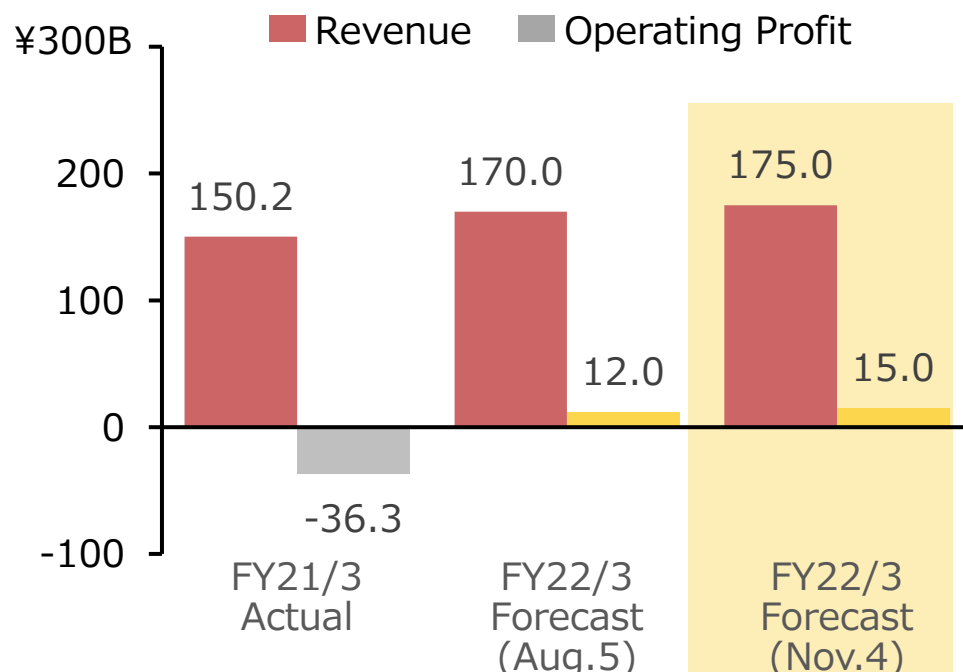
- **Precision Equipment Business:** Forecast to decrease ¥21.4B. Installations of FPD lithography system for large panel size were concentrated in 1H.

## • Operating profit in 2H: ¥1.9B

(¥30.2B decrease vs. 1H)

- **Imaging Products Business:** Forecast to decrease ¥10.0B due to increased initial costs for new products and R&D expenditure in 2H.
- **Precision Equipment Business:** Forecast to decrease ¥20.4B due to products mix change and postponement of R&D expenditure.
- **Corporate P/L non-attributable to any reportable segments:** Unchanged from ¥16.0B of the previous full year forecast. The gain from unused land sales (¥2.3B) was included in 1H.

# Forecast for the year ending March 31, 2022: Imaging Products Business



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

Market Scale	5,520	5,800	5,400
Nikon	840	750	750

## Interchangeable lenses (units:1,000)

Market Scale	9,110	9,700	9,200
Nikon	1,350	1,300	1,300

## Compact DSC(units:1,000)

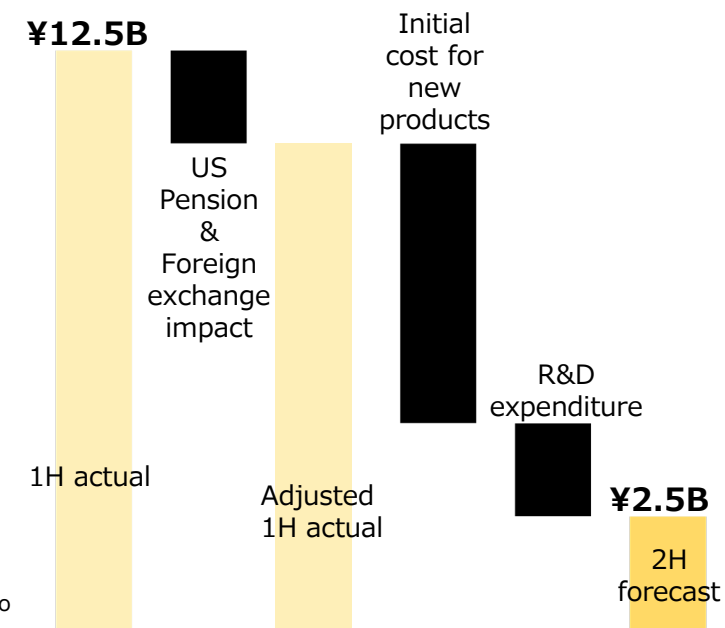
Market Scale	3,430	3,200	2,850
Nikon	260	250	200

### • Revenue: Revised upward ¥5.0B, up ¥24.8B YoY

- The market size of digital cameras and lenses is expected to remain at the same level as last year due to parts procurement constraints, but demand for mid/high end camera and lens is strong.
- Launching the mirrorless flagship model Z 9 following well received new mirrorless camera of Z fc. By the end of this fiscal year, we plan to expand Z-mount mirrorless lens lineup to approx. 30 and improve the tie ratio.
- Revised upward ¥5.0B of full year forecast reflecting 1H upside of ¥4.2B.

### • Operating Profit: Revised upward ¥3.0B, up ¥51.3B YoY

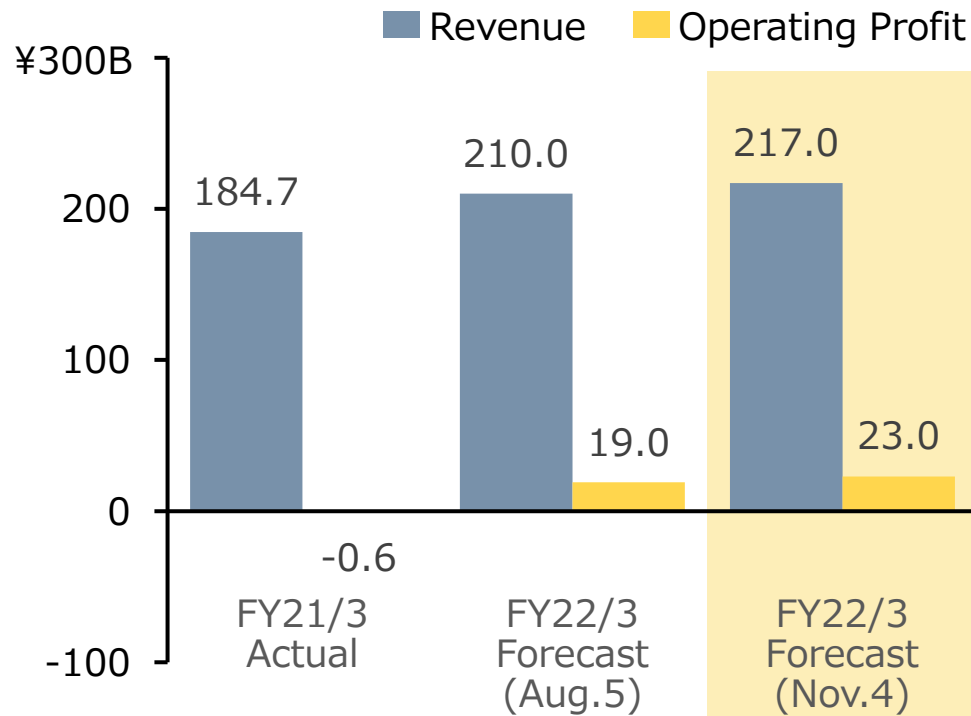
- Full-year operating profit is expected to increase by ¥3.0B to ¥15.0B mainly due to reflecting 1H upside of ¥2.5B from the previous forecast.
- The problem of parts procurement has become more apparent, and required various measures to focus on stable parts procurement.



Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

"US Pension" is temporary benefits associated with revisions to the pension system of U.S. subsidiaries. Almost the same amount of expenses is expected to be impacted negatively to operating profit for FY2022/3 Q4 onward.  
"Foreign exchange impact" derived from the gap between the assumption of exchange rates (1USD= ¥105, 1EUR=¥125) and 1H actual rates. 2H Operating profit forecast is based on the assumption of the forementioned rates.

# Forecast for the year ending March 31, 2022: Precision Equipment Business



## FPD Lithography Systems (units)

	FY21/3 Actual	FY22/3 Forecast (Aug.5)	FY22/3 Forecast (Nov.4)
Market Scale (CY19/20)	52	120	120
Nikon	29	45	46

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

	FY21/3 Actual	FY22/3 Forecast (Aug.5)	FY22/3 Forecast (Nov.4)
Market Scale (CY19/20)	330	370	370
Nikon	16/11	13/15	12/20

### • Revenue: Revised upward ¥7.0B, up ¥32.3B YoY

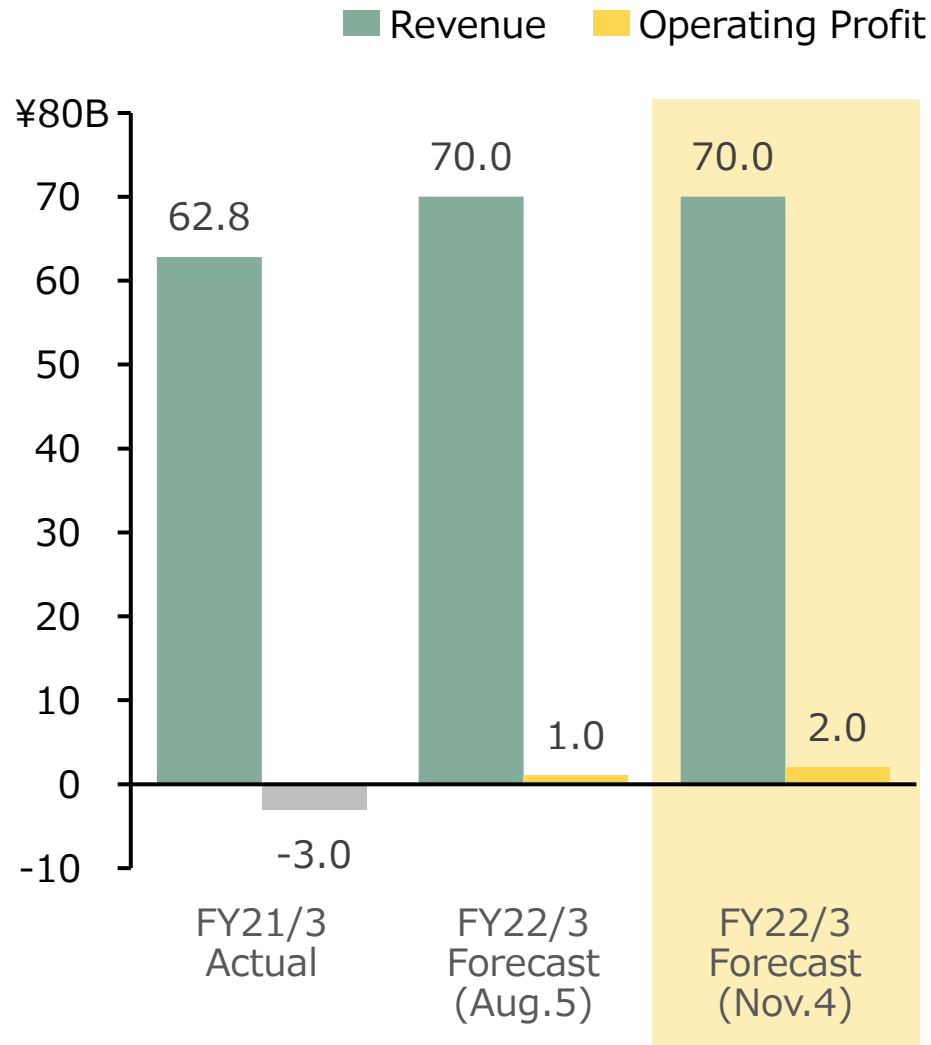
- FPD: Capex in large and mid-sized panels remains strong. Revenue is expected to increase from the previous forecast due to an increase of 1 system for large panels.
- SPE: 12 new systems will be planned, decreased by 1 unit from the previous forecast, which expected to be deferred from 2H to the next fiscal year. On the other hand, Revenue is expected to increase from the previous forecast because reflecting of the booming semiconductor market, sales of refurbished system to increase, and the service business such as maintenance remains strong.

### Operating profit: Revised upward ¥4.0B, up ¥23.6B YoY

- Projecting ¥23.0B in operating profit, up ¥4.0B from the previous forecast, due to increased revenue in both FPD and Semiconductor Lithography Businesses.
- Constraint on parts procurement, impact of logistics disruption on systems delivery, and strengthening immigration restrictions in countries in sales by the impact of COVID-19 remains risk.

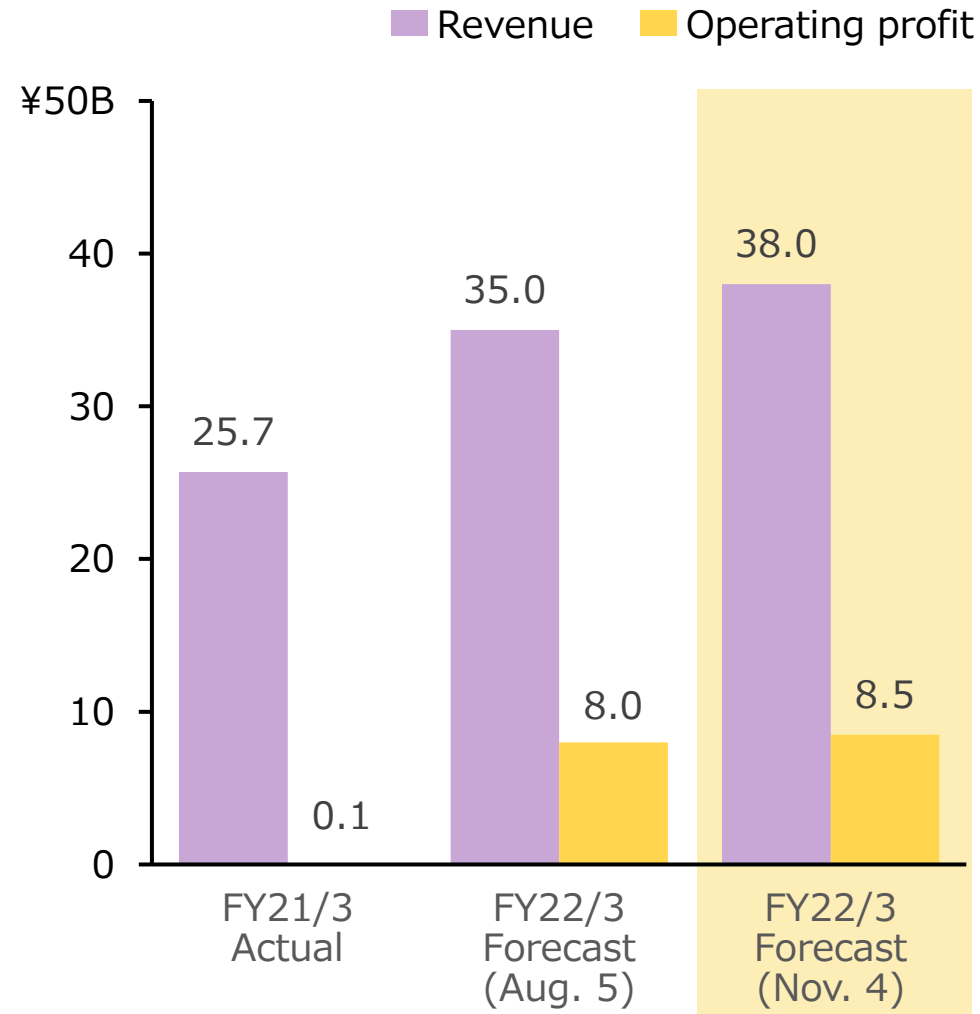
Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# Forecast for the year ending March 31, 2022: Healthcare Business



- Revenue: Unchanged from previous forecast, up ¥7.2B YoY**
  - Revenue growth driven by retinal diagnostic imaging systems. This year progressing well toward record high sales.
  - Each pipeline of Contract Cell Development and Manufacturing projects are progressed steady.
  - Progress steadily toward the achievement of the plan this fiscal year.
- Operating Profit: Revised upward ¥1.0B, up ¥5.0B YoY**
  - Expected to be revised upward by ¥1.0B from the previous forecast to ¥2.0B, reflecting the upside in 1H of the fiscal year. Steady progress toward full year profitability

# Forecast for the year ending March 31, 2022: Components Business



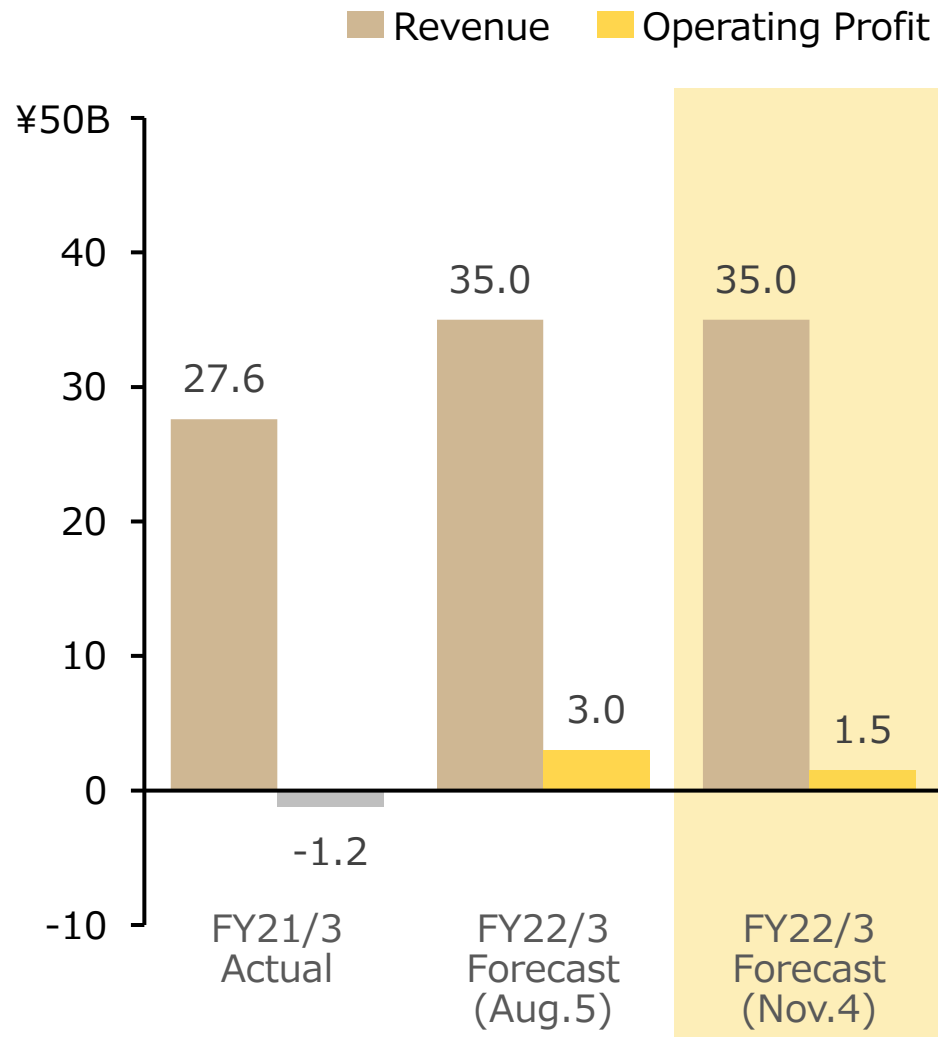
- **Revenue: Revised upward ¥3.0B, up ¥12.3B YoY**
  - EUV related component business in line with the plan.
  - Optical parts for semiconductor related products trending ahead from the previous forecast.
- **Operating profit: Revised upward ¥0.5B, up ¥8.4B YoY**
  - Revised upward ¥0.5B from the previous forecast, expected to reach ¥8.5B, reflecting better-than-expected 1H performance and the effects of increased sales.

Note : Actual in FY2021/3 and comments referring previous year are reference, as new disclosure.

In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.



# Forecast for the year ending March 31, 2022: Industrial Metrology and Others



- **Revenue: Unchanged from previous forecast, up ¥7.4B YoY**
  - Industrial Metrology Business progressing in line with plan on strength in sales of measuring machines and microscopes (mainly video measuring systems), benefiting from demand for semiconductors and electronic components.
- **Operating profit: Revised downward ¥1.5B, up ¥2.7B YoY**
  - Revised downward ¥1.5B, reflecting 1H losses at a production subsidiaries belonging to "Others".

Note : In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.



# Reference Data

# Forecast for the year ending March 31, 2022: Financial Highlights (Half year/Full year)



Billions of yen	FY2019/3	FY2020/3	FY2021/3			FY2022/3		
	Full year	Full year	1H	2H	Full year	1H	2H	Full year
<b>Revenue</b>	708.6	591.0	<b>175.6</b>	<b>275.6</b>	<b>451.2</b>	<b>273.0</b>	<b>262.0</b>	<b>535.0</b>
<b>Operating Profit</b>	82.6	6.7	<b>-46.6</b>	<b>-9.6</b>	<b>-56.2</b>	<b>32.1</b>	<b>1.9</b>	<b>34.0</b>
% vs Revenue	11.7%	1.1%	<b>-26.5%</b>	<b>-3.5%</b>	<b>-12.5%</b>	<b>11.8%</b>	<b>0.7%</b>	<b>6.4%</b>
<b>Profit before income taxes</b>	87.9	11.8	<b>-38.8</b>	<b>-6.5</b>	<b>-45.3</b>	<b>35.9</b>	<b>3.1</b>	<b>39.0</b>
% vs Revenue	12.4%	2.0%	<b>-22.1%</b>	<b>-2.4%</b>	<b>-10.0%</b>	<b>13.2%</b>	<b>1.2%</b>	<b>7.3%</b>
<b>Profit attributable to owners of the parent</b>	66.5	7.6	<b>-31.5</b>	<b>-2.9</b>	<b>-34.4</b>	<b>26.4</b>	<b>2.6</b>	<b>29.0</b>
% vs Revenue	9.4%	1.3%	<b>-17.9%</b>	<b>-1.1%</b>	<b>-7.6%</b>	<b>9.7%</b>	<b>1.0%</b>	<b>5.4%</b>
<b>EPS</b>	¥167.86	¥19.93	<b>-¥93.96</b>			<b>¥78.98</b>		
<b>Annual Dividends</b>	¥60	¥40	<b>¥20</b>			<b>¥40</b>		
<b>ROE</b>	11.2%	1.3%	<b>-6.4%</b>			<b>5.3%</b>		
<b>FCF</b>	43.5	-4.8	<b>22.9</b>			<b>-</b>		
<b>Exchange Rate : US \$</b>	¥111	¥109	<b>¥107</b>	<b>¥105</b>	<b>¥106</b>	<b>¥110</b>	<b>¥105</b>	<b>¥107</b>
<b>EURO</b>	¥128	¥121	<b>¥121</b>	<b>¥126</b>	<b>¥124</b>	<b>¥131</b>	<b>¥125</b>	<b>¥128</b>

# Forecast for the year ending March 31, 2022: Financial Highlights by Segments (Half year/Full year)



Billions of yen		FY2019/3	FY2020/3	FY2021/3			FY2022/3		
		Full year	Full year	1H	2H	Full year	1H	2H	Full year
<b>Imaging Products Business</b>	Revenue	296.1	225.8	64.3	85.9	150.2	<b>89.2</b>	<b>85.8</b>	<b>175.0</b>
	Operating Profit	22.0	-17.1	-27.8	-8.5	-36.3	<b>12.5</b>	<b>2.5</b>	<b>15.0</b>
		(22.6)	(- 14.4)	(- 26.7)	(- 6.3)	(- 33.0)			
<b>Precision Equipment Business</b>	Revenue	274.5	245.0	63.8	120.9	184.7	<b>119.2</b>	<b>97.8</b>	<b>217.0</b>
	Operating Profit	81.7	48.0	-7.4	6.8	-0.6	<b>21.7</b>	<b>1.3</b>	<b>23.0</b>
		(81.7)	(48.0)	(- 7.4)	(6.8)	(- 0.6)			
<b>Healthcare Business</b>	Revenue	65.4	62.0	25.7	37.1	62.8	<b>33.0</b>	<b>37.0</b>	<b>70.0</b>
	Operating Profit	-1.9	-2.4	-2.3	-0.7	-3.0	<b>0.9</b>	<b>1.1</b>	<b>2.0</b>
		(- 1.9)	(- 2.4)	(- 2.3)	(- 0.7)	(- 3.0)			
<b>Components Business</b>	Revenue	-	-	10.4	15.3	25.7	<b>16.7</b>	<b>21.3</b>	<b>38.0</b>
	Operating Profit	-	-	-0.9	1.0	0.1	<b>3.4</b>	<b>5.1</b>	<b>8.5</b>
		-	-	(- 0.9)	(1.0)	(0.1)			
<b>Industrial Metrology and Others</b>	Revenue	72.5	58.0	11.2	16.4	27.6	<b>14.6</b>	<b>20.4</b>	<b>35.0</b>
	Operating Profit	6.9	1.8	-0.5	-0.7	-1.2	<b>-1.6</b>	<b>3.1</b>	<b>1.5</b>
		(7.5)	(1.8)	(- 0.4)	(0.1)	(- 0.3)			
<b>Corporate P/L non-attributable to any reportable segments</b>	Revenue	-	-	-	-	-	<b>-</b>	<b>-</b>	<b>-</b>
	Operating Profit	-26.1	-23.6	-7.4	-7.6	-15.0	<b>-5.0</b>	<b>-11.0</b>	<b>-16.0</b>
		(- 25.6)	(- 21.9)	(- 7.4)	(- 7.6)	(- 15.0)			
<b>Consolidated</b>	Revenue	708.6	591.0	175.6	275.6	451.2	<b>273.0</b>	<b>262.0</b>	<b>535.0</b>
	Operating Profit	82.6	6.7	-46.6	-9.6	-56.2	<b>32.1</b>	<b>1.9</b>	<b>34.0</b>
		(84.4)	(11.2)	(- 45.3)	(- 6.6)	(- 51.9)			

Note: Figures in parentheses are the operating profit excluding the restructuring relevant expenses.

In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

# Forecast for the year ended March 31, 2022: by Segments vs. previous forecast



Billions of yen		Previous forecast (Aug. 5) (A)			New Forecast (Nov. 4) (B)			Change (B)-(A)		
		1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Imaging Products Business	Revenue	85.0	85.0	170.0	89.2	85.8	175.0	4.2	0.8	5.0
	Operating Profit	10.0	2.0	12.0	12.5	2.5	15.0	2.5	0.5	3.0
Precision Equipment Business	Revenue	130.0	80.0	210.0	119.2	97.8	217.0	-10.8	17.8	7.0
	Operating Profit	18.0	1.0	19.0	21.7	1.3	23.0	3.7	0.3	4.0
Healthcare Business	Revenue	30.0	40.0	70.0	33.0	37.0	70.0	3.0	-3.0	0.0
	Operating Profit	0.0	1.0	1.0	0.9	1.1	2.0	0.9	0.1	1.0
Components Business	Revenue	15.0	20.0	35.0	16.7	21.3	38.0	1.7	1.3	3.0
	Operating Profit	3.0	5.0	8.0	3.4	5.1	8.5	0.4	0.1	0.5
Industrial Metrology and Others	Revenue	15.0	20.0	35.0	14.6	20.4	35.0	-0.4	0.4	0.0
	Operating Profit	0.0	3.0	3.0	-1.6	3.1	1.5	-1.6	0.1	-1.5
Corporate P/L non- attributable to any reportable segments	Revenue	-	-	-	-	-	-	-	-	-
	Operating Profit	-6.0	-10.0	-16.0	-5.0	-11.0	-16.0	1.0	-1.0	0.0
Consolidated	Revenue	275.0	245.0	520.0	273.0	262.0	535.0	-2.0	17.0	15.0
	Operating Profit	25.0	2.0	27.0	32.1	1.9	34.0	7.1	-0.1	7.0

# 2nd quarter of the year ended March 31, 2022:by Segments



Billions of yen		FY2021/3				FY2022/3	
		Q1	Q2	Q3	Q4	Q1	Q2
Imaging Products Business	Revenue	25.1	39.2	52.4	33.5	50.0	39.2
	Operating Profit	-8.3 (- 8.0)	-19.5 (- 18.7)	-0.8 (- 0.2)	-7.7 (- 6.1)	9.2	3.3
Precision Equipment Business	Revenue	19.6	44.2	66.6	54.3	51.8	67.4
	Operating Profit	-5.7 (- 5.7)	-1.7 (- 1.7)	11.4 (11.4)	-4.6 (- 4.6)	10.6	11.1
Healthcare Business	Revenue	10.3	15.4	17.1	20.0	15.8	17.2
	Operating Profit	-2.4 (- 2.4)	0.1 (0.1)	0.7 (0.7)	-1.4 (- 1.4)	0.4	0.5
Components Business	Revenue	4.6	5.8	7.7	7.6	7.7	9.0
	Operating Profit	-0.3 (- 0.3)	-0.6 (- 0.6)	1.2 (1.2)	-0.2 (- 0.2)	2.1	1.3
Industrial Metrology and Others	Revenue	4.9	6.3	6.9	9.5	6.7	7.9
	Operating Profit	0.9 (0.9)	-1.4 (- 1.3)	0.5 (0.6)	-1.2 (- 0.5)	-1.0	-0.6
Corporate P/L non-attributable to any reportable segments	Revenue	—	—	—	—	—	—
	Operating Profit	-4.6 (- 4.6)	-2.8 (- 2.8)	-3.5 (- 3.5)	-4.1 (- 4.1)	-1.5	-3.5
Consolidated	Revenue	64.7	110.9	150.6	125.0	132.2	140.8
	Operating Profit	-20.5	-26.1	9.9	-19.5	19.9	12.2
		(- 20.2)	(- 25.1)	(10.5)	(- 17.1)		

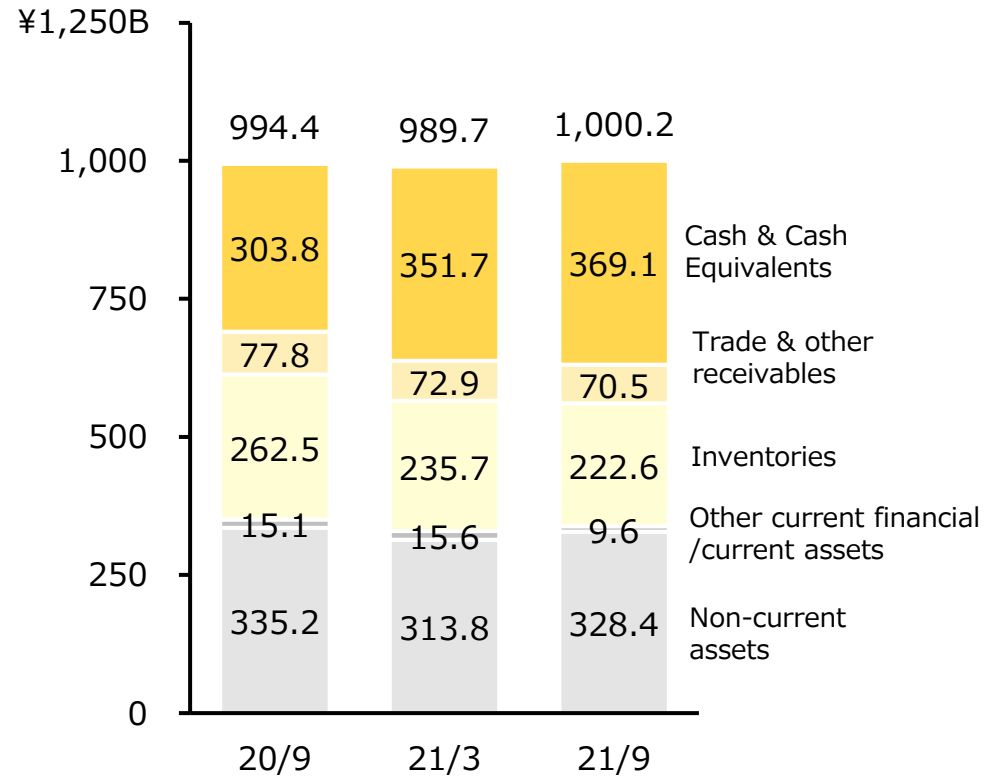
Note: Figures in parentheses are the operating profit excluding the restructuring relevant expenses.

In April 2021, some production subsidiaries related to the Imaging Products Business, Precision Equipment Business, and Components Business were transferred to Industrial Metrology and Others, and retroactively applied to the FY2021/3.

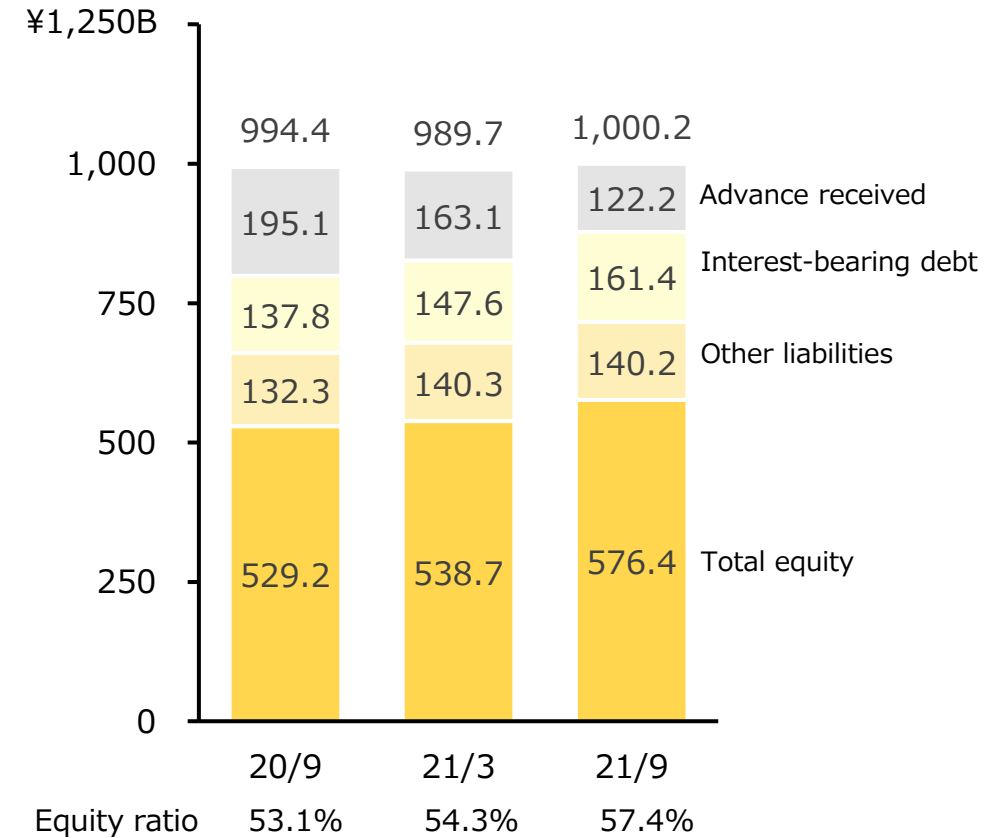
# 1H of the year ending March 31, 2022: Financial Position Breakdown



## ASSETS



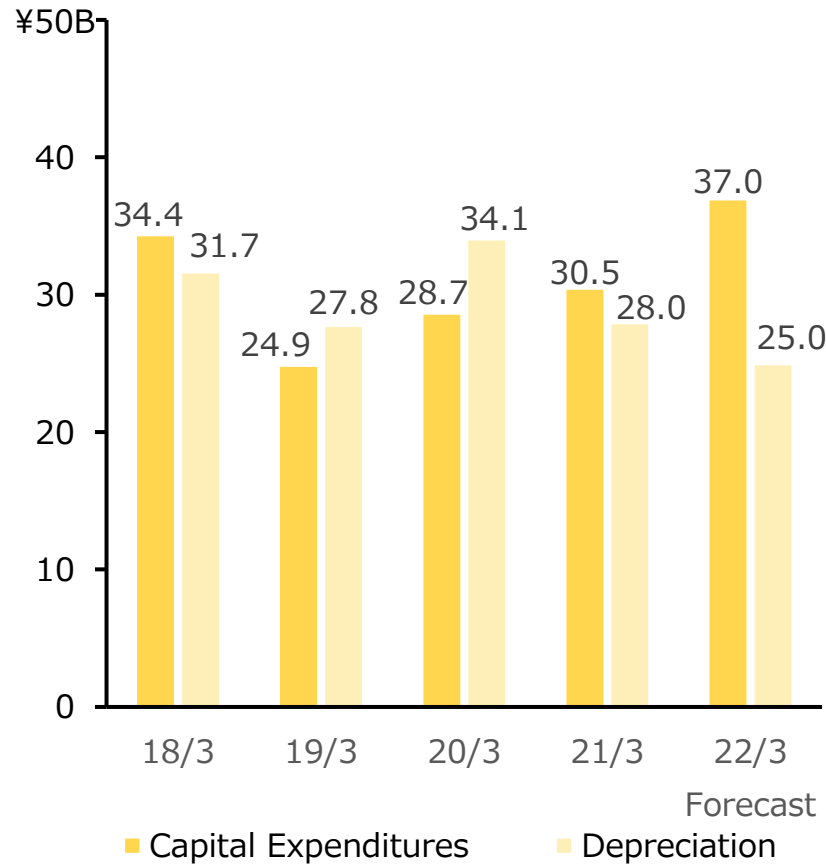
## LIABILITIES/ EQUITY



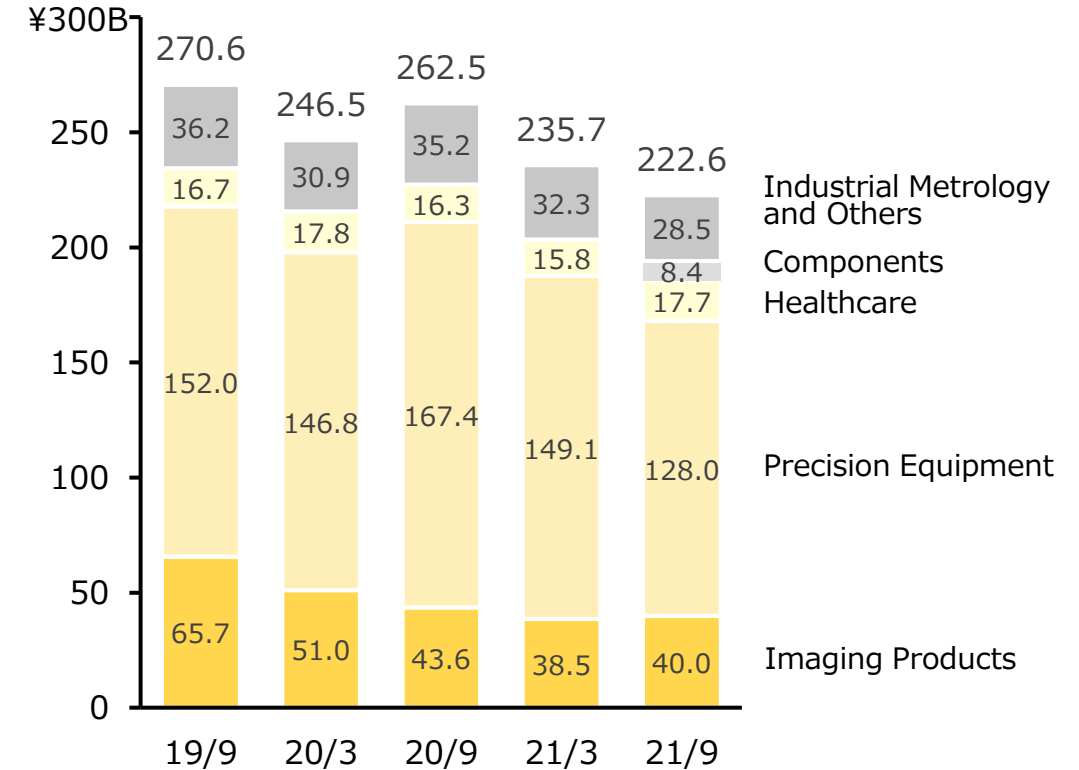
Note: Equity ratio is ratio of equity attributable to owners of the parent to total assets.  
Cash and Cash Equivalents excludes time deposits with maturities of three months or more.



## CAPITAL EXPENDITURES, DEPRECIATION



## INVENTORY BREAKDOWN

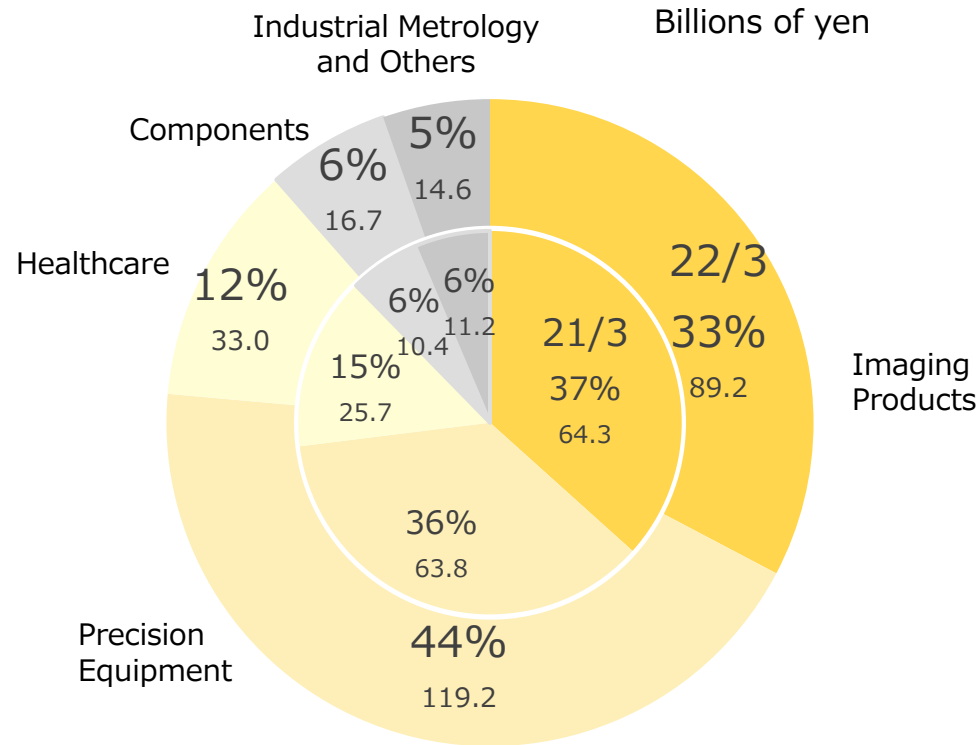


Note: Capital expenditures in FY2020/3 include the ¥4.0B of leased assets upon the adoption of IFRS16. For the FY2022/3, the asset recording of rents in the head office building is included. Depreciation from FY2018/3 includes the amortization of capitalized R&D costs and from FY2020/3 includes leased assets, same as capital expenditures. The Semiconductor Related Equipment Business, which had belonged to Industrial Metrology and Others, has been transferred to the Precision Equipment Business. Inventory of ¥2.8B in the end of FY2019/3 and ¥2.6B in the end of FY2020/3 have been transferred from Industrial Metrology and Others to the Precision Equipment Business as a result of retroactive application to the end of FY2020/3 respectively.

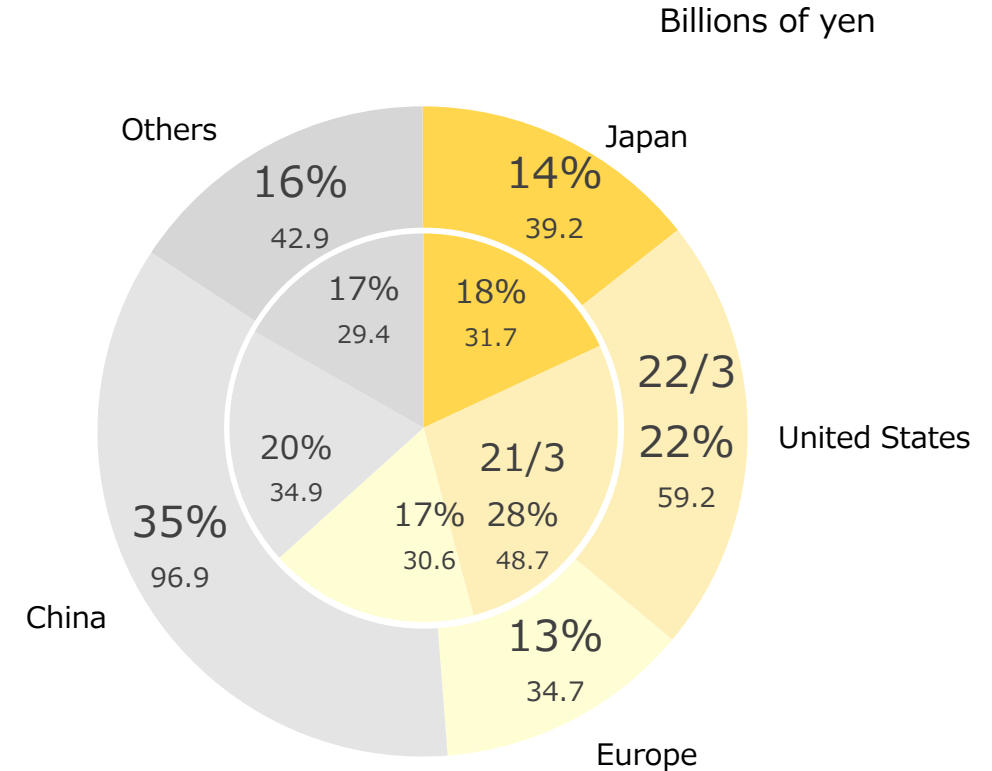
# 1H of the year ending March 31, 2022: Revenue Breakdown



## BY SEGMENT



## BY REGION

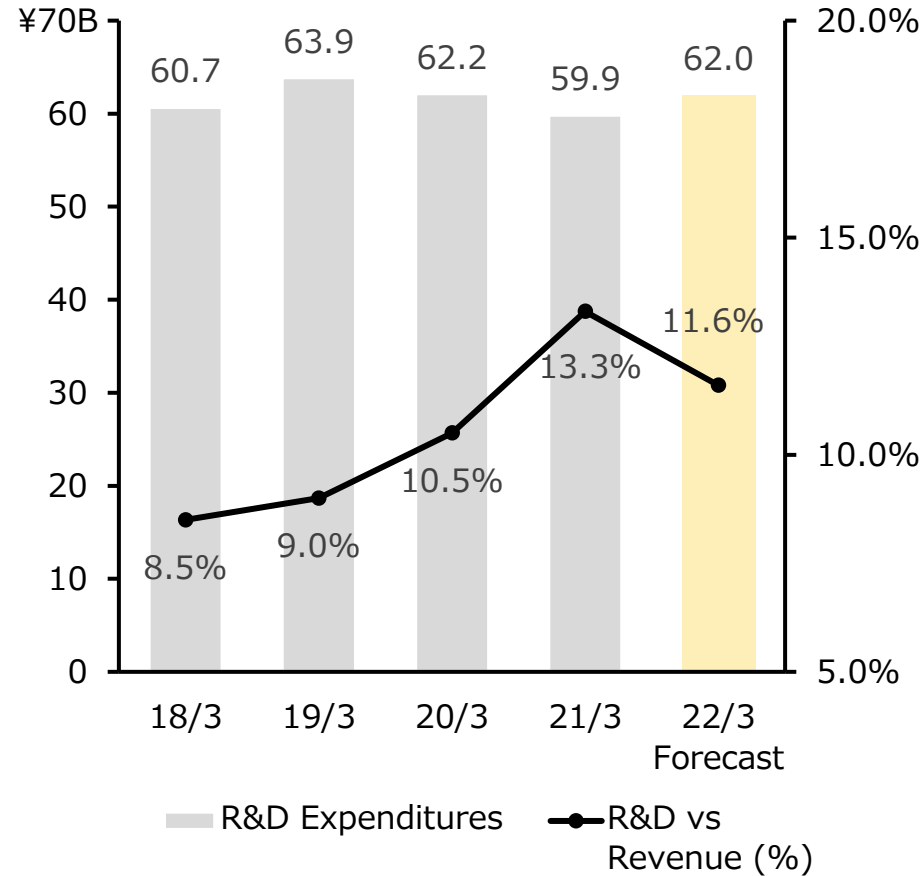


Note: The outside and inside circles show the breakdown of FY2022/3 revenue of ¥273.0B and FY2021/3 revenue of ¥175.6B, respectively.

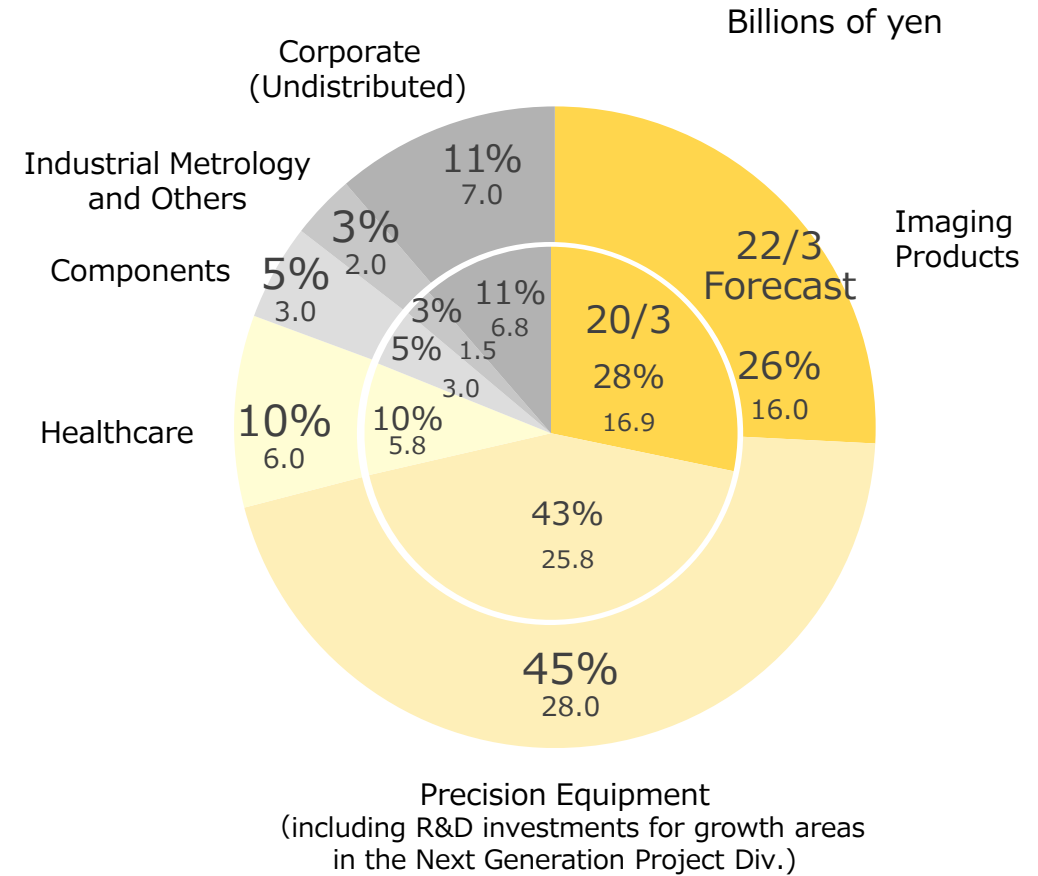
# Forecast for the year ending March 31, 2022: R&D Expenditures



## R&D EXPENDITURES

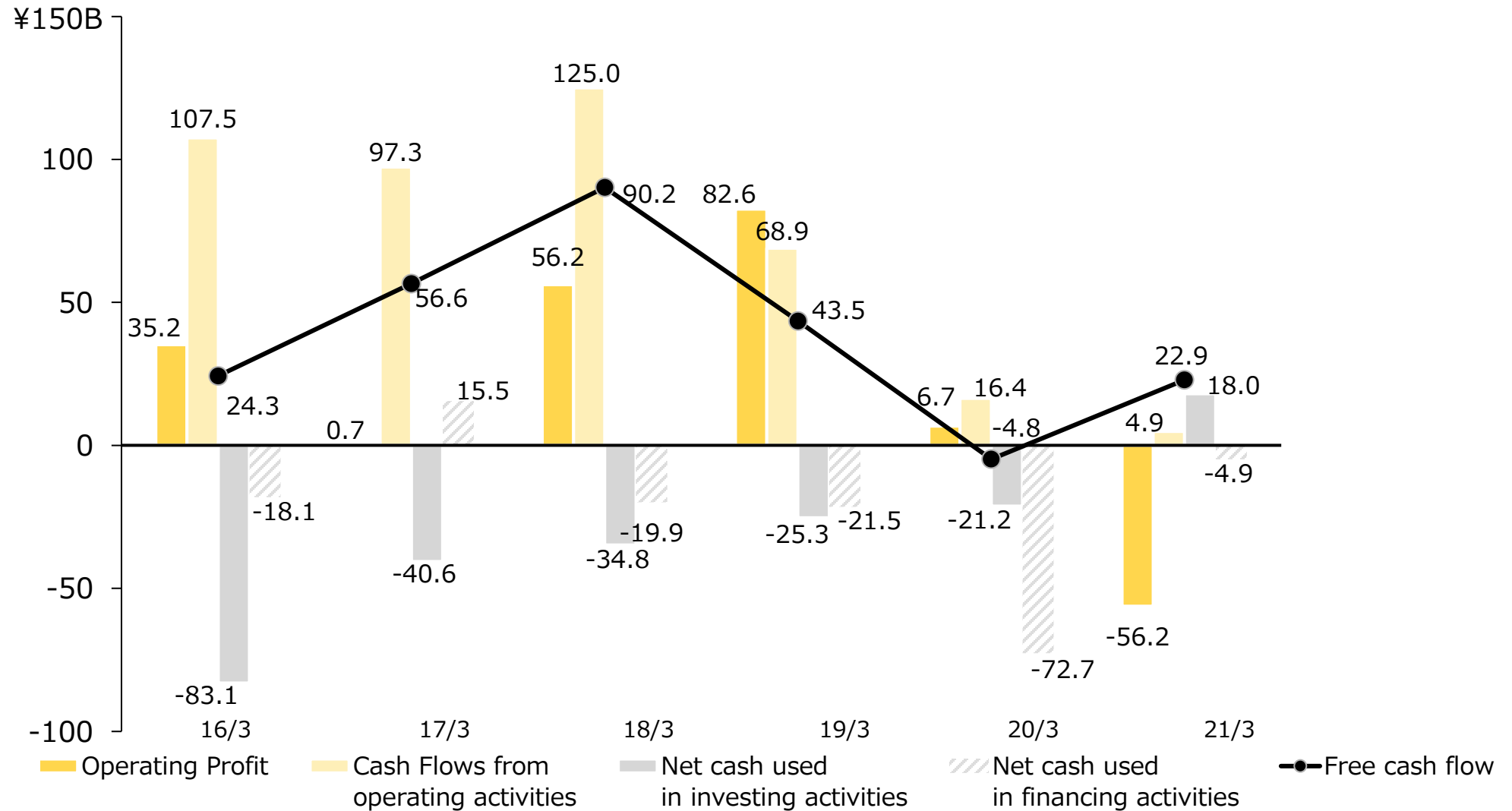


## R&D EXPENDITURES BREAKDOWN



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

# Cash Flow History

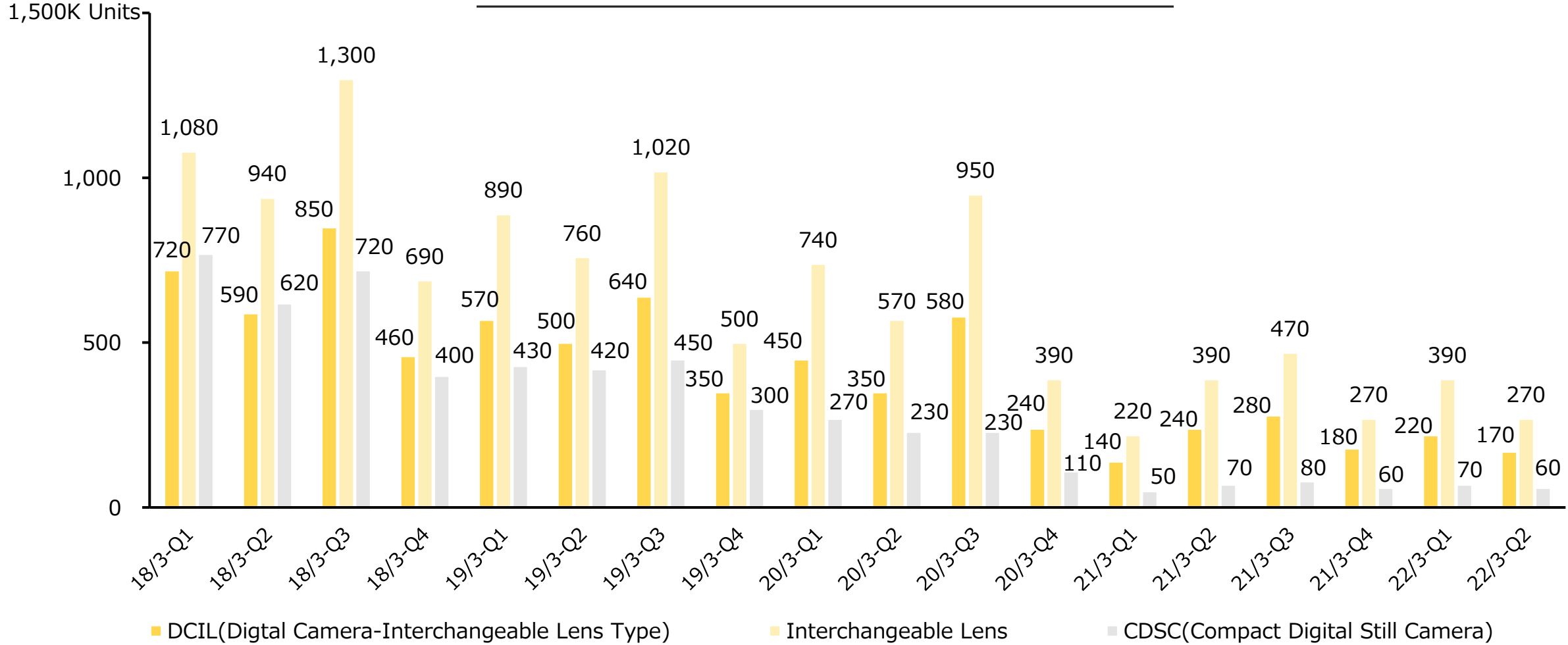


Note: FCF + CF from financial activities + Effect of exchange rate changes on cash and cash equivalents = net increase (decrease) in cash and cash equivalents

# Imaging Products Business: Sales Units



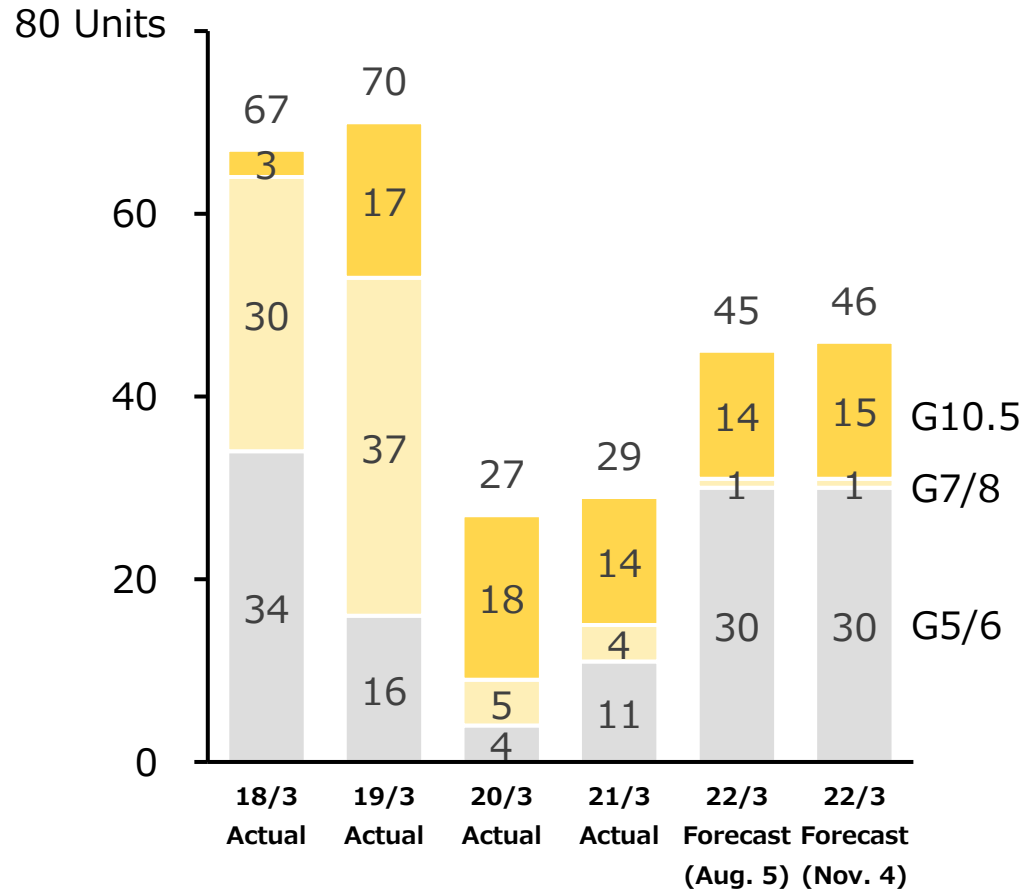
**SALES IN UNITS BY PRODUCT CATEGORY**



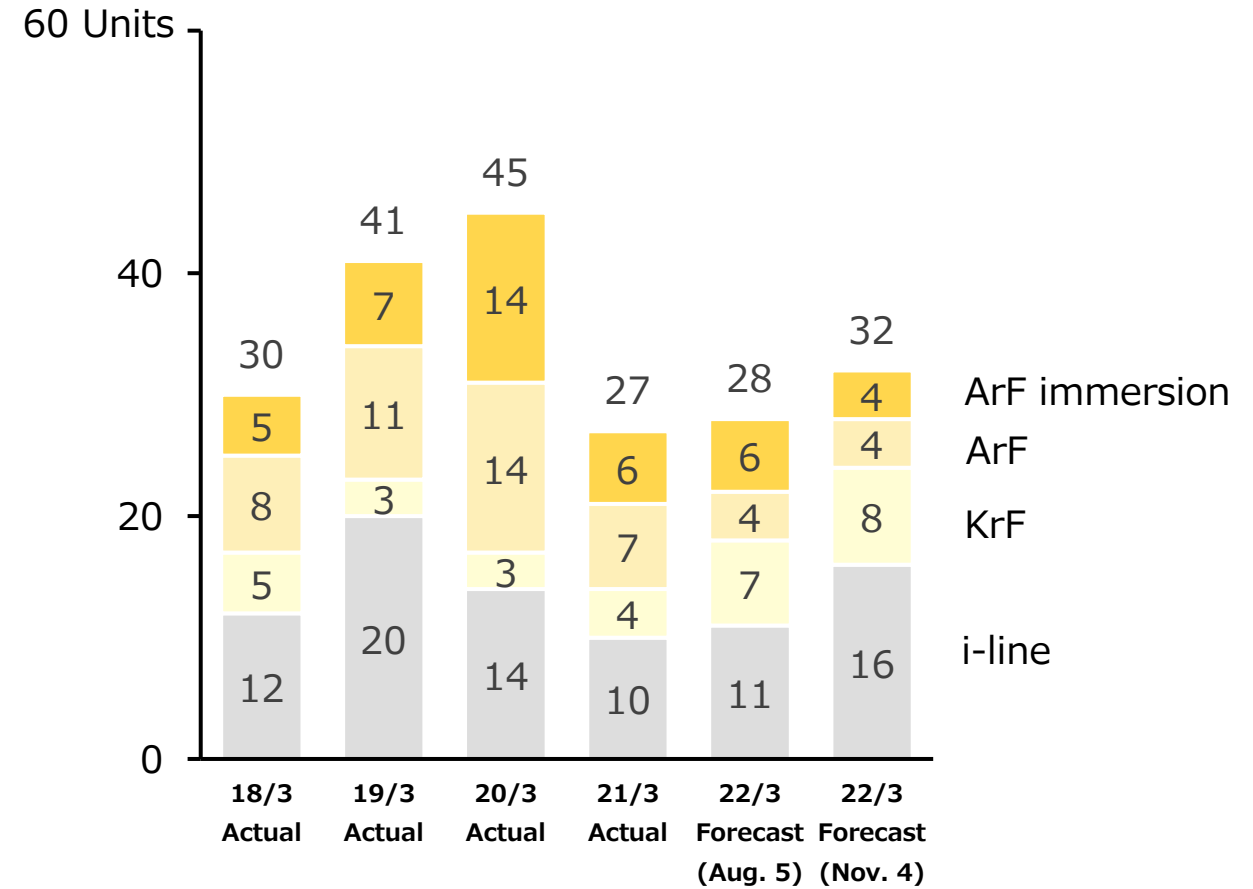
# Forecast for the year ending March 31, 2022: Precision Equipment Business Sales Units



### FPD LITHOGRAPHY SYSTEMS SALES BY GENERATION

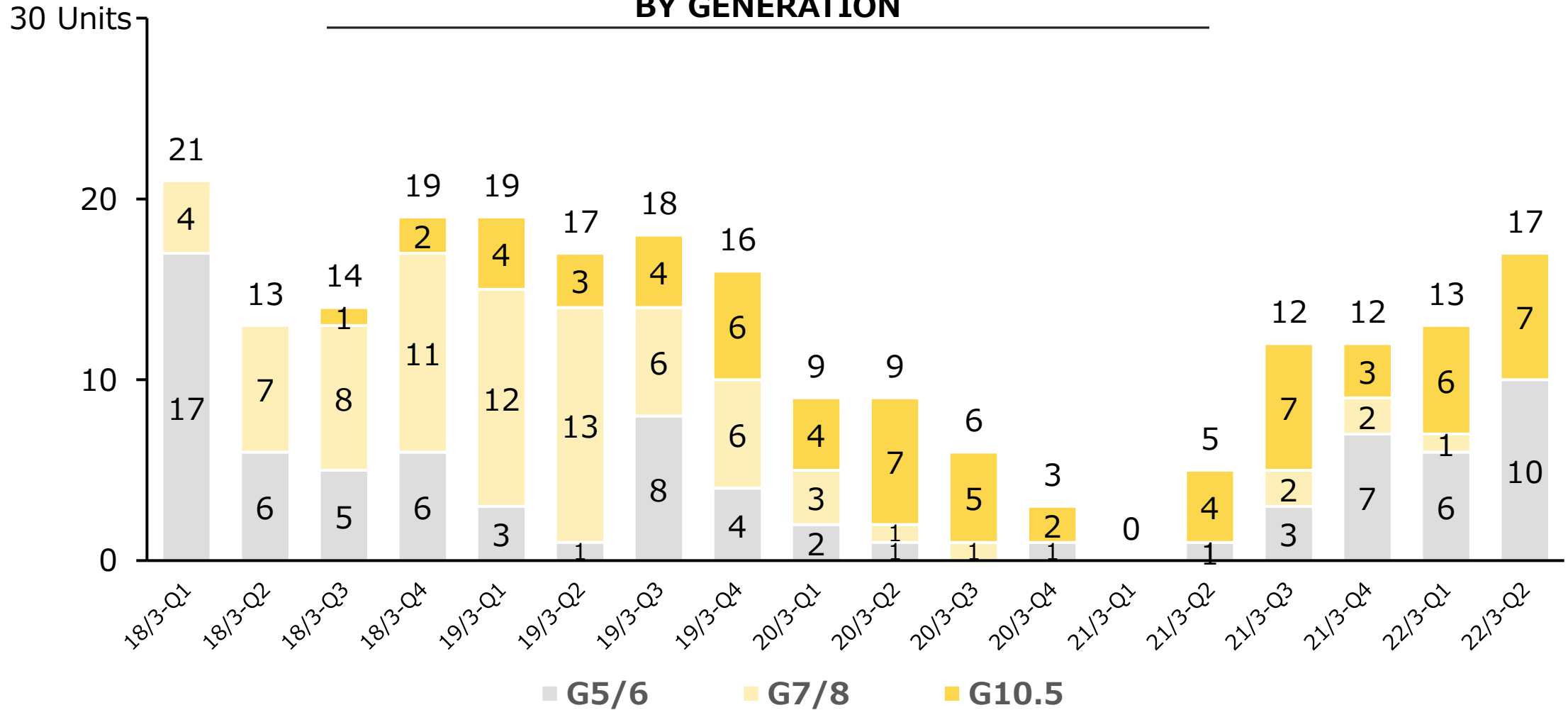


### SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES BY TECHNOLOGY (INCL. REFURBISHED)

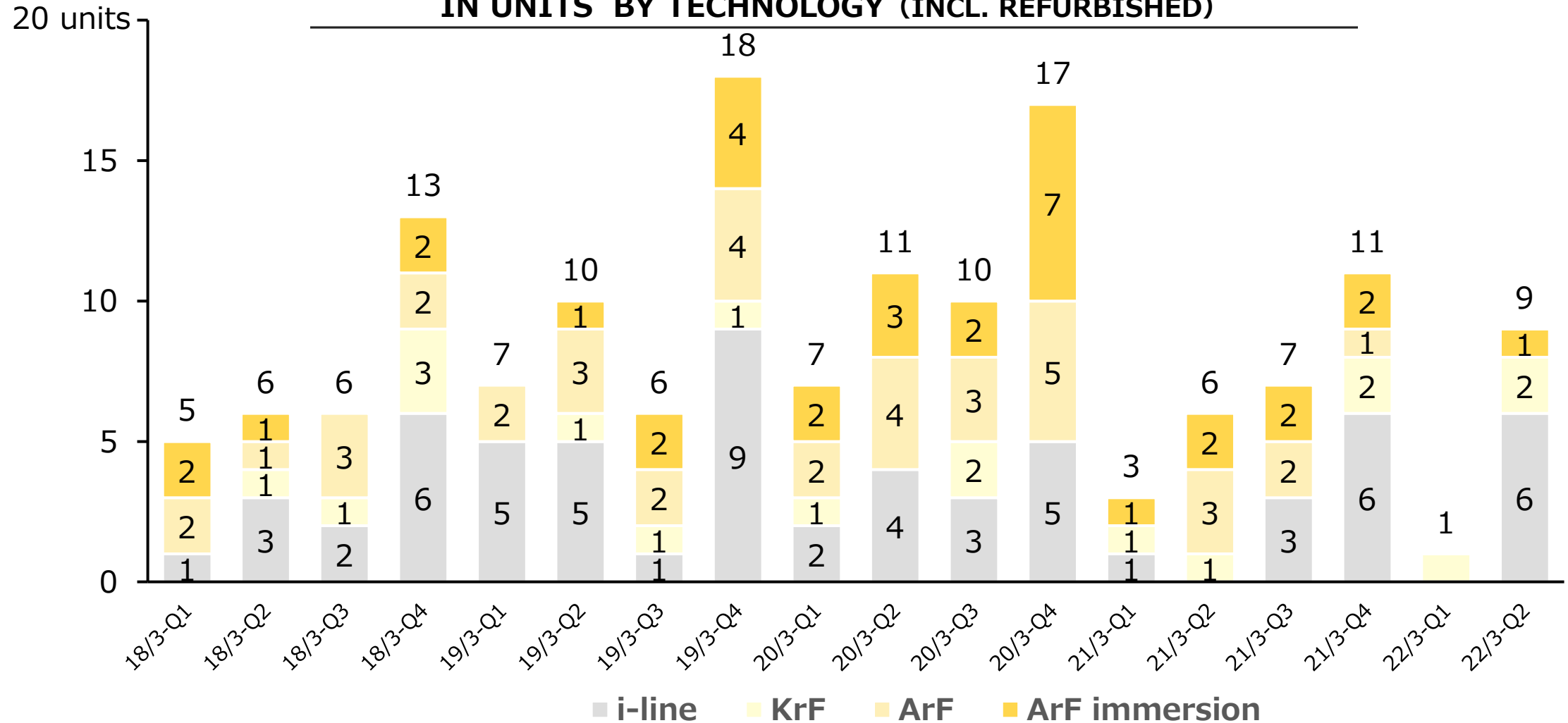


Note: The unit sales of new semiconductor lithography systems is 17 unites in FY2018/3, 21 unites in FY2019/3, 34 unites in FY2020/3, 16 unites in FY2021/3 and 12 unites(forecast) in FY2022/3.

## FPD LITHOGRAPHY SYSTEMS SALES IN UNITS BY GENERATION



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





# Forecast for the year ending March 31, 2022: Foreign exchange impact



	Exchange rate	Financial Impact from Fluctuation by 1 yen	
	FY2021/3 Forecast for 2H	Revenue 2H	Operating Profit 2H
US \$	¥105	Approx. ¥1.1billion	Approx. ¥0.1billion
EURO	¥125	Approx. ¥0.3billion	Approx. ¥0.2billion

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

Redisplaying of Medium-Term Management Plan announced in May 2019

**Focus resources on new fields to establish new core pillars of profit, without emphasizing short-term FCF**

	Strategic Investments	R&D	Capital Investment	Dividend & Other	Proportion
<b>New fields</b> (Material processing business, areas of long-term growth)	Max 40%	10%	5%		40 to 50%
Existing fields		25%	10%		30 to 40%
Return to shareholders				10% or more Total return ratio 40% or more	10% or more
<b>Total</b>	40%	35%	15%	10% or more	100%

Scope: Funds on hand - working capital + 5-year cumulative operating CF (before deducting R&D)

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.

