



MEMBERSHIP

August 8, 2024

## Consolidated Financial Results of the First Quarter Ended June 30, 2024 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

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Date for the commencement of dividend payments: –

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes (for institutional investors and analysts)

(Amounts are rounded to the nearest millions of yen)

### 1. Consolidated Results of the First Quarter ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

#### (1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Total Comprehensive Income for the Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	163,896	3.6	2,950	(10.3)	4,645	(3.6)	2,755	7.0	29,366	(13.3)
Three months ended June 30, 2023	158,146	8.6	3,290	(78.6)	4,817	(70.8)	2,576	(78.3)	33,886	7.6

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Three months ended June 30, 2024	7.95	7.91
Three months ended June 30, 2023	7.44	7.40

#### (2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent to Total Assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2024	1,194,357	705,806	704,480	59.0
As of March 31, 2024	1,147,110	685,091	683,795	59.6

### 2. Dividends

	Dividend per Share				
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	25.00	–	25.00	50.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Planned)		25.00	–	30.00	55.00

(Note) Revision of cash dividend forecast from the latest announcement: None

### 3. Consolidated Financial Forecasts for the Year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half ending September 30, 2024	346,000	4.4	7,000	(48.6)	10,000	(34.5)	7,000	(28.6)	20.20
Fiscal year	750,000	4.6	35,000	(12.0)	40,000	(6.3)	30,000	(7.9)	86.59

(Note) Revision of forecast from the latest announcement: Yes

#### 4. Others

(1) Significant Changes in the Scope of Consolidation during the Period: Yes

Newly included: 4 companies (RED.com, LLC and 3 other companies)

Excluded: —

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1. Changes in accounting policies required by IFRS: None

2. Changes in accounting policies other than the above: None

3. Changes in accounting estimates: None

(3) Number of Shares Issued (Ordinary Shares)

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

As of June 30, 2024 351,476,686 shares

As of March 31, 2024 351,476,686 shares

2. Number of treasury shares as of the period end:

As of June 30, 2024 4,852,361 shares

As of March 31, 2024 5,019,477 shares

3. Average number of shares during the period (cumulative total):

Three months ended June 30, 2024 346,489,274 shares

Three months ended June 30, 2023 346,233,238 shares

\* Review by certified public accountants or auditing firms on the attached quarterly consolidated financial statements:

None

\* Appropriate use of business forecasts; other special items

Performance forecasts and other forward-looking statements included 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.

Attached Material

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## 1. Performance and Financial Position

### (1) Qualitative Information on Consolidated Operating Results

During the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024), in the Imaging Products Business, both unit sales and sales amount remained solid in the digital camera market as a whole due to strong sales of mid- to high-end products.

In the Precision Equipment Business, there was a trend of improvement in capital investments in the field related to FPDs, including both mid-to-small size panels and large-size panels. On the other hand, however, capital investments in the fields related to semiconductors remained varied among semiconductor devices, although the capital investments in the fields as a whole showed signs of improvement.

In the Healthcare Business, the life science solutions and eye care solutions fields faced sluggish market conditions, such as dampening investments due to rising interest rates.

In the Components Business, the Industrial Solutions Business was adversely affected by a slowdown in the semiconductors and electronic components markets as well as by adjustments of inventories by end users, among other factors. Meanwhile, capital investments remained strong in the aerospace and electric vehicle (EV) markets. The Customized Products Business was adversely affected by a slowdown in the EUV-related markets, resulting in weak performance.

In the Digital Manufacturing Business, market growth in the metal additive manufacturing field was led by the aerospace and defense domains.

Under these circumstances, during the three months ended June 30, 2024, revenue increased 5,750 million yen (3.6%) year on year to 163,896 million yen, operating profit decreased 339 million yen (10.3%) year on year to 2,950 million yen, profit before tax decreased 171 million yen (3.6%) year on year to 4,645 million yen, and profit attributable to owners of parent increased 180 million yen (7.0%) year on year to 2,755 million yen.

Performance by segment is as follows.

Note that as stated in “2. Quarterly Condensed Consolidated Financial Statements (5) Notes to Quarterly Condensed Consolidated Financial Statements (Segment Information),” the reportable business segments have been revised from the three months ended June 30, 2024. Accordingly, the operating results for the previous fiscal year used in the year-on-year comparisons below have been reclassified in line with the revised business segments.

In the Imaging Products Business, the Company completed making RED.com, LLC, a US-based cinema camera manufacturer, a wholly-owned subsidiary. Meanwhile, the Group focused on expanding sales of mid- to high-end products and interchangeable lenses targeted at professionals and hobbyists, especially Z8, Zf, newly released Z6III and other full-frame mirrorless cameras. As a result, the business segment recorded year-on-year increases in both revenue and profit because of higher average unit selling prices backed by the positive effects of the yen depreciation.

In the Precision Equipment Business, unit sales of the systems for both mid-to-small size panels and large-size panels increased in the FPD lithography systems field, resulting in year-on-year increases in both revenue and profit. In contrast, the semiconductor lithography system field recorded year-on-year decreases in both revenue and profit owing to decreased unit sales of new systems. As a result, the business segment as a whole recorded a year-on-year decrease in revenue but increase in profit.

In the Healthcare Business, the Group recorded a year-on-year increase in revenue as a whole backed by the positive effects of the yen depreciation, despite being adversely affected by sluggish market conditions in the life science solutions and eye care solutions fields. However, the business segment as a whole posted a year-on-year decrease in profit due partly to increases in various costs caused by price surges and investments made for future growth.

In the Components Business, the Industrial Solutions Business recorded year-on-year decreases in both revenue and profit as sales of optical parts, encoders and Video Measuring Systems declined, despite steady growth in the number of inquiries for large-size X-ray and CT inspections systems. Likewise, the Customized Products Business, which also belongs to this business segment, recorded year-on-year decreases in both revenue and profit as sales of EUV-related components were adversely affected by a slowdown in the EUV-related markets. As a result, the business segment as a whole recorded year-on-year decreases in both revenue and profit.

In the Digital Manufacturing Business, the Group recorded a year-on-year increase in revenue as a whole due to increased revenue from Nikon SLM Solutions AG driven by changes in the product mix and the positive effects of the yen depreciation. The increased revenue and decreased one-time costs contributed to a smaller operating loss, although higher fixed costs and foreign exchange effects resulted in a rise in overhead expenses.

## (2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of June 30, 2024 increased by 47,247 million yen from the end of the previous fiscal year to 1,194,357 million yen. This was mainly due to increases of 32,933 million yen in property, plant and equipment, right-of-use assets, and goodwill and intangible assets, and 26,566 million yen in inventories, despite a decrease of 17,356 million yen in trade and other receivables.

The balance of total liabilities as of June 30, 2024 increased by 26,532 million yen from the end of the previous fiscal year to 488,551 million yen. This was mainly due to increases of 14,870 million yen in advances received, 11,022 million yen in trade and other payables and 2,882 million yen in bonds and borrowings, despite a decrease of 2,590 million yen in other current liabilities attributable primarily to a decrease in accrued expenses.

The balance of total equity as of June 30, 2024 increased by 20,715 million yen from the end of the previous fiscal year to 705,806 million yen. This was mainly due to an increase of 26,539 million yen in other components of equity primarily as a result of an increase in exchange differences on translation of foreign operations, despite a decrease of 5,895 million yen in retained earnings primarily as a result of net of appropriation of dividends from retained earnings.

During the three months ended June 30, 2024, for the cash flows from operating activities, net cash of 17,556 million yen was provided (37 million yen provided in the same period of the previous fiscal year). This was mainly attributable to the recording of profit before tax of 4,645 million yen, depreciation and amortization of 9,871 million yen, and a decrease of trade and other receivables, despite an increase of inventories and a decrease of provisions.

For the cash flows from investing activities, net cash of 25,563 million yen was used (638 million yen used in the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets of 12,883 million yen and acquisition of subsidiaries or other businesses of 12,459 million yen.

For the cash flows from financing activities, net cash of 10,353 million yen was used (10,866 million yen used in the same period of the previous fiscal year). This was mainly attributable to cash dividends paid of 8,409 million yen and repayments of lease liabilities of 2,314 million yen.

In addition, the effect of exchange rate changes on cash and cash equivalents increased by 7,369 million yen.

As a result of the above, the balance of cash and cash equivalents as of June 30, 2024 decreased by 10,991 million yen from the end of the previous fiscal year to 195,653 million yen.

## (3) Qualitative Information on Consolidated Financial Forecasts

Regarding the business environment for the year ending March 31, 2025, in the Imaging Products Business, the digital camera market is projected to remain solid, and we expect market growth, especially for mid- to high-end products.

In the Precision Equipment Business, capital investments in the field related to FPDs, including both mid-to-small size panels and large-size panels, are expected to remain firm. Meanwhile, we expect a recovery in the semiconductor market conditions will lead to an improvement in capital investments in the fields related to semiconductors in the second half or later.

In the Healthcare Business, we need to closely monitor changes in customer behavior against the backdrop of political and economic trends in each country in the life science solutions and eye care solutions fields. There are also concerns over a cost increase due to price surges.

In the Components Business, the Industrial Solutions Business is projected to see a recovery in the semiconductor-related markets in the second half, and the factory automation market is expected to be in the correction phase for a certain period of time. Also, we expect capital investments in the aerospace and EV markets to remain strong. Meanwhile, the Customized Products Business will likely continue to be affected by a slowdown in EUV-related markets.

In the Digital Manufacturing Business, demand for larger, more productive equipment is expected to grow in the markets relevant to this business segment. In particular, the metal additive manufacturing market is expected to continue growing mainly in North America, led by the aerospace and defense fields.

The consolidated financial forecasts for the year ending March 31, 2025 announced on May 9, 2024 has been revised as below. We made downward revisions as below to the consolidated financial forecasts for the first half ending September 30, 2024, reflecting sales deferred from the first half to the second half of this fiscal year in the semiconductor lithography system field of the Precision Equipment Business and in the Components Business, as well as the consolidated financial results for the three months ended June 30, 2024 and sales deferred from the first half to the second half in the Healthcare Business, despite continued strong performance of the Imaging Products Business. On the other hand, we made upward revisions as below to the consolidated financial forecasts for the year ending March 31, 2025 mainly in light of the consolidated financial results for the three months ended June 30, 2024, including positive effects of the yen depreciation in the Imaging Products Business.

Revised Consolidated Financial Forecasts for the First Half ending September 30, 2024  
(From April 1, 2024 to September 30, 2024)

	Revenue	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent	Basic Earnings per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	350,000	11,000	14,000	10,000	28.86
Revised Forecast (B)	346,000	7,000	10,000	7,000	20.20
Difference (B-A)	(4,000)	(4,000)	(4,000)	(3,000)	
Change (%)	(1.1)	(36.4)	(28.6)	(30.0)	
(Reference) Results of the First Half ended September 30, 2023	331,296	13,629	15,260	9,801	28.30

(Note) Foreign exchange rates for the forecast are based on the premise: 1 USD = 150 Yen, 1 EUR = 161 Yen.

Revised Consolidated Financial Forecasts for the Year ending March 31, 2025  
(From April 1, 2024 to March 31, 2025)

	Revenue	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent	Basic Earnings per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	745,000	35,000	40,000	30,000	86.59
Revised Forecast (B)	750,000	35,000	40,000	30,000	86.59
Difference (B-A)	5,000	–	–	–	
Change (%)	0.7	–	–	–	
(Reference) Results of the Year ended March 31, 2024	717,245	39,776	42,669	32,570	94.03

(Note) Foreign exchange rates for the forecast are based on the premise: 1 USD = 148 Yen, 1 EUR = 158 Yen.

## 2. Quarterly Condensed Consolidated Financial Statements

### (1) Quarterly Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Changes
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	206,644	195,653	(10,991)
Trade and other receivables	139,922	122,566	(17,356)
Inventories	285,239	311,805	26,566
Other current financial assets	15,908	18,840	2,932
Other current assets	19,627	25,922	6,295
Total current assets	667,340	674,786	7,446
Non-current assets			
Property, plant and equipment	133,428	147,322	13,894
Right-of-use assets	24,455	22,683	(1,772)
Goodwill and intangible assets	158,573	179,384	20,811
Retirement benefit asset	11,658	11,885	227
Investments accounted for using equity method	9,728	11,057	1,330
Other non-current financial assets	89,618	96,426	6,809
Deferred tax assets	51,471	49,887	(1,584)
Other non-current assets	840	927	87
Total non-current assets	479,771	519,572	39,801
Total assets	1,147,110	1,194,357	47,247

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	83,647	94,669	11,022
Bonds and borrowings	88,313	91,224	2,911
Income taxes payable	5,056	4,461	(595)
Advances received	71,875	86,745	14,870
Provisions	7,892	7,178	(713)
Other current financial liabilities	32,993	34,497	1,503
Other current liabilities	40,641	38,051	(2,590)
Total current liabilities	330,416	356,825	26,408
Non-current liabilities			
Bonds and borrowings	78,392	78,364	(29)
Retirement benefit liability	7,330	7,742	411
Provisions	8,286	6,666	(1,620)
Deferred tax liabilities	16,631	19,355	2,724
Other non-current financial liabilities	17,395	15,847	(1,548)
Other non-current liabilities	3,568	3,753	185
Total non-current liabilities	131,602	131,727	124
Total liabilities	462,019	488,551	26,532
EQUITY			
Share capital	65,476	65,476	—
Capital surplus	897	696	(201)
Treasury shares	(7,297)	(7,054)	243
Other components of equity	75,876	102,415	26,539
Retained earnings	548,843	542,948	(5,895)
Equity attributable to owners of parent	683,795	704,480	20,685
Non-controlling interests	1,297	1,326	29
Total equity	685,091	705,806	20,715
Total liabilities and equity	1,147,110	1,194,357	47,247



## (2) Quarterly Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

## Quarterly Condensed Consolidated Statement of Profit or Loss

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)		Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)		Changes
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)
Revenue	158,146	100.0	163,896	100.0	5,750
Cost of sales	(91,797)	(58.0)	(89,037)	(54.3)	2,760
Gross profit	66,349	42.0	74,859	45.7	8,510
Selling, general and administrative expenses	(63,381)		(72,348)		(8,968)
Other operating income	588		640		52
Other operating expenses	(267)		(200)		67
Operating profit	3,290	2.1	2,950	1.8	(339)
Finance income	4,052		3,658		(393)
Finance costs	(3,254)		(2,789)		465
Share of profit of investments accounted for using equity method	729		826		97
Profit before tax	4,817	3.0	4,645	2.8	(171)
Income tax expense	(2,576)		(1,869)		706
Profit for the period	2,241	1.4	2,776	1.7	535
Profit attributable to:					
Owners of parent	2,576	1.6	2,755	1.7	180
Non-controlling interests	(334)		21		355
Profit for the period	2,241	1.4	2,776	1.7	535
Earnings per share:					
Basic earnings per share (Yen)	7.44		7.95		
Diluted earnings per share (Yen)	7.40		7.91		

Quarterly Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Changes
Profit for the period	2,241	2,776	535
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain (loss) on financial assets measured at fair value through other comprehensive income	4,817	3,106	(1,710)
Share of other comprehensive income of investments accounted for using equity method	(2)	(1)	2
Total of items that will not be reclassified subsequently to profit or loss	4,814	3,106	(1,709)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	27,263	22,840	(4,423)
Effective portion of cash flow hedges	(566)	46	612
Share of other comprehensive income of investments accounted for using equity method	133	598	465
Total of items that may be reclassified subsequently to profit or loss	26,830	23,484	(3,346)
Other comprehensive income, net of taxes	31,644	26,590	(5,055)
Total comprehensive income for the period	33,886	29,366	(4,519)
Comprehensive income attributable to:			
Owners of parent	34,050	29,305	(4,745)
Non-controlling interests	(165)	61	226
Total comprehensive income for the period	33,886	29,366	(4,519)

## (3) Quarterly Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Gain (loss) on financial assets measured at fair value through other comprehensive income	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2023	65,476	7,053	(7,709)	8,305	(1,110)
Profit for the period	–	–	–	–	–
Other comprehensive income	–	–	–	4,831	131
Total comprehensive income for the period	–	–	–	4,831	131
Dividends	–	–	–	–	–
Purchase and disposal of treasury shares	–	(0)	(0)	–	–
Share-based payment transactions	–	(261)	341	–	–
Changes in ownership interest in subsidiaries	–	1	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(86)	–
Total transactions with owners	–	(260)	341	(86)	–
As of June 30, 2023	65,476	6,793	(7,369)	13,050	(979)

As of April 1, 2024	65,476	897	(7,297)	18,965	(1,057)
Profit for the period	–	–	–	–	–
Other comprehensive income	–	–	–	3,115	598
Total comprehensive income for the period	–	–	–	3,115	598
Dividends	–	–	–	–	–
Purchase and disposal of treasury shares	–	(0)	(1)	–	–
Share-based payment transactions	–	(201)	243	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(11)	–
Total transactions with owners	–	(201)	243	(11)	–
As of June 30, 2024	65,476	696	(7,054)	22,069	(460)

(Millions of yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total				
As of April 1, 2023	15,928	(125)	22,999	527,148	614,966	3,384	618,351
Profit for the period	–	–	–	2,576	2,576	(334)	2,241
Other comprehensive income	27,079	(566)	31,475	–	31,475	170	31,644
Total comprehensive income for the period	27,079	(566)	31,475	2,576	34,050	(165)	33,886
Dividends	–	–	–	(8,654)	(8,654)	(56)	(8,711)
Purchase and disposal of treasury shares	–	–	–	–	(0)	–	(0)
Share-based payment transactions	–	–	–	–	80	11	91
Changes in ownership interest in subsidiaries	–	–	–	–	1	0	1
Transfer from other components of equity to retained earnings	–	–	(86)	86	–	–	–
Total transactions with owners	–	–	(86)	(8,568)	(8,574)	(46)	(8,619)
As of June 30, 2023	43,007	(691)	54,387	521,156	640,443	3,174	643,617

As of April 1, 2024	58,127	(159)	75,876	548,843	683,795	1,297	685,091
Profit for the period	–	–	–	2,755	2,755	21	2,776
Other comprehensive income	22,791	46	26,550	–	26,550	40	26,590
Total comprehensive income for the period	22,791	46	26,550	2,755	29,305	61	29,366
Dividends	–	–	–	(8,661)	(8,661)	(32)	(8,693)
Purchase and disposal of treasury shares	–	–	–	–	(1)	–	(1)
Share-based payment transactions	–	–	–	–	42	–	42
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	(11)	11	–	–	–
Total transactions with owners	–	–	(11)	(8,650)	(8,620)	(32)	(8,652)
As of June 30, 2024	80,918	(113)	102,415	542,948	704,480	1,326	705,806

## (4) Quarterly Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Cash flows from operating activities:		
Profit before tax	4,817	4,645
Depreciation and amortization	8,465	9,871
Interest and dividend income	(1,771)	(1,948)
Share of (profit) loss of investments accounted for using equity method	(729)	(826)
Losses (gains) on sale of property, plant and equipment	(3)	10
Interest expenses	709	930
Decrease (increase) in trade and other receivables	(3,427)	22,802
Decrease (increase) in inventories	(6,965)	(15,648)
Increase (decrease) in trade and other payables	3,230	(504)
Increase (decrease) in advances received	6,202	13,304
Increase (decrease) in provisions	1,834	(2,816)
Others, net	(6,431)	(11,574)
Subtotal	5,929	18,246
Interest and dividend income received	1,752	1,943
Interest expenses paid	(171)	(297)
Income taxes refund (paid)	(7,473)	(2,336)
Net cash provided by (used in) operating activities	37	17,556
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,022)	(7,519)
Proceeds from sale of property, plant and equipment	10	95
Purchase of intangible assets	(3,671)	(5,364)
Purchase of investment securities	(346)	(236)
Proceeds from sale of investment securities	6,132	59
Acquisition of subsidiaries or other businesses	–	(12,459)
Others, net	259	(138)
Net cash provided by (used in) investing activities	(638)	(25,563)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	9	465
Repayments of long-term borrowings	(51)	(56)
Redemption of bonds	(331)	–
Repayments of lease liabilities	(1,967)	(2,314)
Cash dividends paid	(8,447)	(8,409)
Purchase of treasury shares	(0)	(1)
Others, net	(79)	(38)
Net cash provided by (used in) financing activities	(10,866)	(10,353)
Effect of exchange rate changes on cash and cash equivalents	10,089	7,369
Net increase (decrease) in cash and cash equivalents	(1,378)	(10,991)
Cash and cash equivalents at beginning of the period	211,337	206,644
Cash and cash equivalents at end of the period	209,959	195,653

(5) Notes to Quarterly Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Segment Information)

(1) Outline of Reportable Business Segments

The business segments that the Group reports are the business units for which the Company is able to obtain respective financial information separately for the Board of Directors to conduct periodic investigations to determine the distribution of management resources and evaluate the Group's business results.

In consideration of the similarity of economic characteristics, the Group integrated its business divisions into five reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business, the Components Business, and the Digital Manufacturing Business.

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital camera-interchangeable lens type, compact DSC and interchangeable lens. The Precision Equipment Business provides products and services with regard to the FPD lithography system and semiconductor lithography system. The Healthcare Business provides products and services for the life science solutions field such as biological microscopes, for the eye care solutions field such as ultra-wide field retinal imaging devices, and for the contract cell development and manufacturing field. The Components Business provides products and services related to the Industrial Metrology Business such as industrial microscopes, measuring instruments, and X-ray and CT inspections systems; related to the Digital Solutions Business such as optical components, optical parts, encoders, and material processing; related to the Customized Products Business such as EUV-related components and space-related solutions; and related to the Glass Business such as photomask substrates for FPDs. The Digital Manufacturing Business provides products and services of metal 3D printers.

(Regarding Revision of Reportable Business Segments)

During the three months ended June 30, 2024, the Company integrated the Industrial Metrology Business Unit and the Digital Solutions Business Unit to newly establish the Industrial Solutions Business. As a result, the Components Business has been designated as the reportable segment of the new business unit, and the Industrial Metrology Business Unit, which was previously included in the Digital Manufacturing Business, has been transferred to the Components Business.

The segment information for the three months ended June 30, 2023 has been prepared based on the revised business segments.

(2) Information on Reportable Business Segments

Profit or loss of reportable segments is based on operating profit. The intersegment revenues are based on current market prices.

Information on revenue and profit (loss) by reportable segment is as follows.

For the Three Months ended June 30, 2023 (From April 1, 2023 to June 30, 2023) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	74,408	37,346	25,270	16,081	4,365	676	158,146	–	158,146
Intersegment	489	26	89	1,635	–	18,980	21,219	(21,219)	–
Total	74,897	37,372	25,359	17,717	4,365	19,656	179,365	(21,219)	158,146
Segment profit (loss)	15,306	(3,645)	1,881	1,368	(3,722)	(53)	11,134	(7,844)	3,290
Finance income									4,052
Finance costs									(3,254)
Shares of profit of investments accounted for using equity method									729
Profit before tax									4,817

- Notes: 1. The “Others” category consists of operations not included in the reportable segments.
2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the quarterly condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 785 million yen, and corporate profit (loss) of (8,629) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (5,145) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (3,485) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments.

For the Three Months ended June 30, 2024 (From April 1, 2024 to June 30, 2024) (Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total	Reconciliation (Note 2)	Consolidated
Revenue									
External customers	83,714	33,186	26,227	13,853	5,915	1,002	163,896	–	163,896
Intersegment	729	42	38	2,137	1	23,224	26,170	(26,170)	–
Total	84,443	33,227	26,264	15,990	5,916	24,226	190,066	(26,170)	163,896
Segment profit (loss)	17,880	(2,139)	(628)	(114)	(3,579)	274	11,693	(8,743)	2,950
Finance income									3,658
Finance costs									(2,789)
Shares of profit of investments accounted for using equity method									826
Profit before tax									4,645

- Notes: 1. The “Others” category consists of operations not included in the reportable segments.
2. Regarding segment profit (loss), reconciliation is made between segment profit (loss) and operating profit reported in the quarterly condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of (11) million yen, and corporate profit (loss) of (8,732) million yen that cannot be attributed to any segments. The main components of corporate profit (loss) include expenses related to investment in growth of (4,958) million yen, which are related to basic research, creation of new business, and manufacturing innovation, and expenses for administration department of (3,774) million yen, which add up general and administrative expenses of headquarter functions and other operating income or expenses that cannot be attributed to any segments.

## (Business Combinations)

The details of a business combination occurred in the three months ended June 30, 2024 are as follows:

The Company acquired 100% of the outstanding membership interests of RED.com, LLC (RED) on April 8, 2024, making it a wholly-owned subsidiary.

### (1) Summary of Business Combination

#### (a) Name of Acquired Company and its Business Outline

Name of acquired company: RED.com, LLC

Business outline: Design, development, manufacture, sales, and provision of services of professional digital cinema cameras

#### (b) Primary Reasons for Business Combination

Since its establishment in 2005, RED has been at the forefront of digital cinema cameras, introducing industry-defining products such as the original RED ONE 4K to the cutting-edge V-RAPTOR [X] with its proprietary RAW compression technology. RED's contributions to the film industry have not only earned it an Academy Award but have also made it the camera of choice for numerous Hollywood productions, celebrated by directors and cinematographers worldwide for its commitment to innovation and image quality optimized for the highest levels of filmmaking and video production.

This agreement will merge the strengths of both companies. The Company's expertise in product development, exceptional reliability, and know-how in image processing, as well as optical technology and user interface along with RED's knowledge in cinema cameras, including unique image compression technology and color science, will enable the development of distinctive products in the professional digital cinema camera market.

The Company and RED will merge the strengths of both companies to expand the fast-growing professional digital cinema camera market while leveraging the business foundations and networks of both companies.

#### (c) Legal Form of Business Combination

Acquisition of equity interests for cash consideration

#### (d) Date of Business Combination

April 8, 2024

#### (e) Percentage of Voting Equity Interests Acquired

100%

### (2) Acquisition Cost of the Acquired Company and Breakdown by Type of Consideration

(Millions of yen)	
Item	Amount
Cash	13,167
Total acquisition cost (Note)	13,167

Note: Pursuant to the Membership Interest Purchase Agreement for the transaction, price adjustments will be made based on the amount to reflect any increase or decrease in working capital and other items up to the closing date.

### (3) Details of Major Acquisition-related Costs

Acquisition-related costs for the business combination was 749 million yen; the Group recorded 185 million yen and 565 million yen as selling, general and administrative expenses in the consolidated statement of profit or loss for the year ended March 31, 2024 and the quarterly condensed consolidated statement of profit or loss for the three months ended June 30, 2024, respectively.



(4) Fair Value of Assets and Liabilities and Goodwill as of the Acquisition Date

(Millions of yen)

Item	Amount
Current assets	6,402
Non-current assets (Note 1)	8,957
Total assets	15,359
Current liabilities	3,077
Non-current liabilities	2,216
Total liabilities	5,292
Net assets	10,066
Goodwill resulting from the acquisition (Note 2)	3,101

As the recognition of identifiable assets acquired and liabilities assumed at the date of acquisition and measurement of their fair values were incomplete by the end of the three months ended June 30, 2024, the amounts presented above represent provisional amounts based on the Group's current best estimate. Accordingly, the allocation of the consideration transferred to assets acquired, liabilities assumed and resulting goodwill may be adjusted in a year from the acquisition date when additional information about facts and circumstances that existed at the acquisition date is obtained and evaluated.

- Notes: 1. Non-current assets include 7,423 million yen of identifiable intangible assets, consisting of technology-related assets of 7,423 million yen.  
2. Goodwill is the future excess earning power expected from future business development. None of the recognized goodwill is expected to be deductible for tax purposes.

(5) Expenditure to Gain Control of the Subsidiary

The reconciliation of the consideration for acquisition of equity interests of RED with the net expenditure for acquisition is as follows:

(Millions of yen)

Item	Amount
Consideration for acquisition of equity interests of RED	13,167
Less: Cash and cash equivalents of RED	(708)
Net expenditures for acquisition of RED	12,459

Note: Pursuant to the Membership Interest Purchase Agreement for the transaction, price adjustments will be made based on the amount to reflect any increase or decrease in working capital and other items up to the closing date.

(6) Impact on Operating Results of the Group

Revenue and loss attributable to the owners of the parent of the acquired company recorded in the quarterly condensed consolidated statement of profit or loss for the three months ended June 30, 2024 after the acquisition date are 1,445 million yen and 1,685 million yen, respectively.

(7) Consolidated Revenue and Profit based on the Assumption that the Business Combination had been Completed at the Beginning of the Period

The information on consolidated revenue and profit based on the assumption that the business combination had been completed at the beginning of the period is omitted as their impact on the quarterly condensed consolidated statement of profit or loss for the three months ended June 30, 2024 is insignificant.

(Revenue)

In consideration of the similarity of economic characteristics, the Group integrated its business divisions into five reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business, the Components Business, and the Digital Manufacturing Business. The business segments are periodically reviewed by the Board of Directors to determine the distribution of management resources and evaluate business results, and revenue of these business units is presented as revenue. The relationship between the disclosure of disaggregated revenue into geographical regions based on customer's location and revenue information that is disclosed for each reportable segment is as follows.

The reportable segments have been changed from the three months ended June 30, 2024. Accordingly, the information on segment revenues for the three months ended June 30, 2023, has been prepared based on the revised business segments. For more details, please see "2. Quarterly Condensed Consolidated Financial Statements, (5) Notes to Quarterly Condensed Consolidated Financial Statements (Segment Information)."

For the Three Months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total
Japan	9,015	6,904	2,324	8,072	25	343	26,682
United States	18,494	4,180	12,912	3,187	2,256	—	41,028
Europe (Note 2)	15,972	9,154	3,879	1,187	1,645	10	31,848
China	16,064	12,737	2,878	1,235	44	278	33,237
Others (Note 2)	14,863	4,371	3,277	2,401	395	45	25,351
Total	74,408	37,346	25,270	16,081	4,365	676	158,146

Notes: 1. The "Others" category consists of operations not included in the reportable segments.

2. Except for Japan, the United States, and China, the countries or regions are primarily categorized as follows:

1) Europe: The United Kingdom, France, and Germany

2) Others: Canada, Asia other than Japan and China, Middle East, Oceania, and Latin America

For the Three Months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Digital Manufacturing	Others (Note 1)	Total
Japan	8,326	3,831	2,727	6,239	36	408	21,568
United States	21,012	5,381	13,787	3,194	2,618	—	45,992
Europe (Note 2)	14,872	4,057	4,387	1,392	2,791	19	27,519
China	21,919	10,131	2,686	1,026	11	503	36,276
Others (Note 2)	17,584	9,786	2,639	2,002	458	72	32,542
Total	83,714	33,186	26,227	13,853	5,915	1,002	163,896

Notes: 1. The "Others" category consists of operations not included in the reportable segments.

2. Except for Japan, the United States, and China, the countries or regions are primarily categorized as follows:

1) Europe: The United Kingdom, France, and Germany

2) Others: Canada, Asia other than Japan and China, Middle East, Oceania, and Latin America

(Contingent Liabilities)  
(Litigation)

The Group is exposed throughout its business activities to the possibility of being involved in a contentious case, becoming a defendant in a lawsuit, and being the object of inquiries by government agencies, in Japan and overseas. The Group examines the possibility of recognizing a provision for the obligation arising from a contentious case or a lawsuit, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Company's subsidiary in India (hereinafter referred as "Subsidiary in India") was inquired by the Indian Tax Authority regarding the import of the Company's digital cameras, and in October 2016, the imposition was confirmed in relation to the customs duty, interest, and penalty concerning those products. In January 2017, the Subsidiary in India appealed to the Customs, Excise and Service Tax Appellate Tribunal (hereinafter referred to as "CESTAT"); however, the appeal was dismissed in December 2017. To object to this decision, in January 2018, the Subsidiary in India filed an appeal to the Supreme Court of India (hereinafter referred to as the "Supreme Court"). In March 2021, the Supreme Court delivered a judgment revoking the decision of CESTAT and consequently the demand notice by the Indian Tax Authority. Subsequently in April 2021, the Indian Tax Authority filed a request for retrial. As it is currently unable to forecast the outcome of the request for retrial, the provision is not recognized in accordance with the aforementioned accounting policy.

(Contracts and Legal Compliance)

In response to a question raised that our consolidated subsidiary Optos Plc sold refurbished products and new products without distinction, we are conducting an internal investigation with the cooperation of the external organizations, as well as our own internal review. With respect to potential violations and breaches of legal, regulatory and contractual requirements in the U.S., we have set aside a provision of 1,639 million yen for any compensation, penalties or other sanction. As a result of the review up to this point, we have not found any quality, sales or marketing or other issues that have caused us to increase this provision.

Depending on the future progress of the investigation and our review, there is a possibility that our consolidated performance would be affected in case where payment to each regulatory authority and compensation to customers, etc., will occur; however, we think that it is difficult to reasonably estimate the effect at this moment.

In regard to any other cases, no significant impact on the Company's consolidated performance and financial position is expected at this point in time.