



November 4, 2021

Consolidated Financial Results of the First Half Ended September 30, 2021 (IFRS)

Corporate Name: NIKON CORPORATION

Securities code number: 7731

Stock exchange listings: Tokyo

Representative: Toshikazu Umatate, Representative Director, President

Contact: Tetsuya Okumura, General Manager of Finance & Accounting Division

TEL: +81-3-6433-3626

URL: <https://www.nikon.com>

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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 Half ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Revenue		Operating Profit (Loss)		Profit (Loss) before Tax		Profit (Loss) 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	%
First half ended September 30, 2021	273,049	55.5	32,105	—	35,913	—	26,464	—	39,894	—
First half ended September 30, 2020	175,647	(39.7)	(46,635)	—	(38,896)	—	(31,537)	—	(8,911)	—

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
First half ended September 30, 2021	72.07	71.68
First half ended September 30, 2020	(85.90)	(85.90)

(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 September 30, 2021	1,000,292	576,460	573,986	57.4
As of March 31, 2021	989,737	538,726	537,585	54.3

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, 2021	—	10.00	—	10.00	20.00
Year ending March 31, 2022	—	20.00			
Year ending March 31, 2022 (Planned)			—	20.00	40.00

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

3. Consolidated Financial Forecasts for the Year ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentage represents year-on-year changes)

	Revenue		Operating Profit		Profit before Taxes		Profit Attributable to Owners of Parent		Basic earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	535,000	18.6	34,000	—	39,000	—	29,000	—	78.98

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

4. Others

(1) Changes in Significant Subsidiaries during the First Half of the Current Fiscal Year: None

(Note) This refers to the presence or absence of specified subsidiaries, which accompany changes in the scope of consolidation in the period under review.

(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 term end (including treasury shares):

As of September 30, 2021 378,336,521 shares

As of March 31, 2021 378,336,521 shares

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

As of September 30, 2021 11,136,937 shares

As of March 31, 2021 11,147,773 shares

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

First half ended September 30, 2021 367,192,174 shares

First half ended September 30, 2020 367,130,227 shares

※ This report is out of scope of the quarterly review procedure by certified public accountants or auditing firms.

※ 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 first half ended September 30, 2021 (from April 1, 2021 to September 30, 2021), economic conditions generally showed a trend to recovery from the COVID-19 driven slowdown. In spite of some lingering effects of COVID-19, such factors as the rollout of vaccinations and fiscal stimulus in various countries contributed to continued recovery, mainly in the United States and China.

By the business segment, in the Imaging Products Business, demand saw recovery due to a reduced impact of the spread of COVID-19, but supply problems surfaced mainly due to the shortage of semiconductors. In the Precision Equipment Business, capital investments in the field related to FPDs, including both large-size panels and mid-to-small size panels, remained solid. Meanwhile, capital investments related to semiconductors were on an expansionary trend. In the Healthcare Business, the life science solutions market largely remained on a recovery path, despite some differences among regions, and the eye care solutions market remained strong in each region. In the Components Business, the Digital Solutions Business continued a solid trend in the markets related to optical parts & components and encoders. In the Customized Products Business, EUV-related markets remained brisk.

Under the medium-term management plan announced in May 2019, the Group focused on a range of measures to achieve sustainable growth in corporate value over the medium to long term.

First, besides a further restructuring of the Imaging Products Business, the Group sought to improve its earning capacity through efforts such as expanding the service businesses and peripheral businesses in the Precision Equipment Business. The Group also focused its efforts on scaling up the Components Business and pursued the exploration of growth areas. Among the Components Business, the Material Processing Business—one of the areas the Group focused on during the period of the medium-term management plan—has started to receive orders of a subtractive processing machine that enables high-precision surface finishing and micro fabrication as well as a metal processing machine equipped with functions of additive manufacturing and measurement.

Furthermore, the Group remained committed to enhancing corporate governance through such measures as to improve the effectiveness of the Board of Directors and strengthen risk management.

Under these circumstances, during the first half ended September 30, 2021, revenue increased 97,402 million yen (55.5%) year on year to 273,049 million yen, operating profit amounted to 32,105 million yen (compared to operating loss of 46,635 million yen in the same period of the previous fiscal year), profit before income taxes amounted to 35,913 million yen (compared to loss before income taxes of 38,896 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent amounted to 26,464 million yen (compared to loss attributable to owners of parent of 31,537 million yen in the same period of the previous fiscal year).

Performance by segment is as follows.

As stated in “2. Quarterly Condensed Consolidated Financial Statements (5) Notes to Quarterly Condensed Consolidated Financial Statements (Segment Information),” the reportable segments have been changed from the three months ended June 30, 2021. Accordingly, the operating results for the previous fiscal year used in the year-on-year comparisons below have been reclassified in line with the change in the segment structure.

i) Imaging Products Business

In July 2021, the Group launched the Z fc mirrorless camera adopting a heritage design of the NIKON FM2 camera and received favorable recognition. The Group also sought to expand sales of mid- to high-end products to professionals and hobbyists by enhancing the lineup of interchangeable lenses for mirrorless cameras, leading to an increase in sales volume.

As a result, in the Imaging Products Business segment, the Group recorded revenue of 89,251 million yen (up 38.6% year on year), and operating profit of 12,574 million yen (compared to operating loss of 27,834 million yen in the same period of the previous fiscal year).

ii) Precision Equipment Business

In the FPD lithography system field, the Group recorded significant increases in both revenue and profit compared to the same period last year during which installed systems were limited. In the period under review, the smooth progress of installations contributed to the higher revenue and profit, despite some adverse effects of travel restrictions on the business amid the spread of COVID-19.

In the semiconductor lithography system field, unit sales declined for new systems but increased for refurbished systems.

Thus, profit increased from the same period last year during which the Group recorded loss on disposal and write-down of inventories.

As a result, in the Precision Equipment Business segment, the Group recorded revenue of 119,289 million yen (up 86.9% year on year), and operating profit of 21,735 million yen (compared to operating loss of 7,455 million yen in the same period of the previous fiscal year).

iii) Healthcare Business

In the life science solutions field, the Group recorded a year-on-year increase in revenue, despite some differences among regions, compared to the same period last year during which the spread of COVID-19 adversely affected sales. In the eye care solutions field, a significant increase in revenue was recorded due to the recovery of market conditions in each region.

As a result, in the Healthcare Business segment, the Group recorded revenue of 33,057 million yen (up 28.6% year on year), and operating profit of 939 million yen (compared to operating loss of 2,358 million yen in the same period of the previous fiscal year).

iv) Components Business

The Digital Solutions Business recorded increases in both revenue and profit as sales of optical parts & components and encoders remained brisk.

The Customized Products Business recorded increases in both revenue and profit, backed by strong sales growth of EUV-related components.

As a result, in the Components Business segment, the Group recorded revenue of 16,779 million yen (up 60.0% year on year), and operating profit of 3,493 million yen (compared to operating loss of 932 million yen in the same period of the previous fiscal year).

v) Industrial Metrology and Others

The Industrial Metrology Business recorded an increase in revenue and a decrease in loss due to a continued recovery in capital investments in the fields of electronic components, semiconductors, and automotive-related.

As a result, in the Industrial Metrology and Others segment, the Group recorded revenue of 14,672 million yen (up 30.6% year on year), but incurred operating loss of 1,625 million yen (compared to operating loss of 597 million yen in the same period of the previous fiscal year) partly due to the recording of loss on disposal and write-down of inventories at some manufacturing subsidiaries.

(2) Qualitative Information on Consolidated Financial Position

The balance of total assets as of September 30, 2021 increased 10,555 million yen from the end of the previous fiscal year to 1,000,292 million yen. This was mainly because increases were seen in cash and cash equivalents by 17,366 million yen and in property, plant and equipment, right-of-use assets, goodwill and intangible assets collectively by 11,687 million yen as well as in other financial assets included in non-current assets by 4,549 million yen due mainly to an increase in market value of shares held, while decreases were seen in inventories by 13,113 million yen, in other current assets by 5,690 million yen due mainly to a decrease in accounts receivable, and in trade and other receivables by 2,342 million yen.

The balance of total liabilities as of September 30, 2021 decreased 27,179 million yen from the end of the previous fiscal year to 423,832 million yen. This was primarily because decreases were seen in advances received by 40,842 million yen and in trade and other payables by 7,902 million yen despite increases in income tax payables by 11,021 million yen, in other financial liabilities included in current and non-current liabilities collectively by 8,440 million yen due mainly to an increase in lease liabilities, and in bonds and borrowings by 4,347 million yen.

The balance of total equity as of September 30, 2021 increased 37,734 million yen from the end of the previous fiscal year to 576,460 million yen. This was mainly because retained earnings increased by 34,866 million yen primarily as a result of posting profit attributable to owners of parent of 26,464 million yen, transfer from other components of equity to retained earnings of 12,074 million yen, and net of appropriation of dividends from retained earnings of 3,672 million yen; other components of equity increased by 1,414 million yen due mainly to an increase in market value of shares held; and non-controlling interests increased by 1,332 million yen as a result of making Morf3D Inc. a subsidiary, etc.

During the first half ended September 30, 2021, for the cash flows from operating activities, net cash of 11,765 million yen was provided (compared to net cash used of 13,337 million yen in the same period of the previous fiscal year). This is mainly attributable to the recording of profit before tax of 35,913 million yen and depreciation and amortization of 12,114 million yen as well as a decrease in inventories, despite decreases in advances received and trade and other payables.

For the cash flows from investing activities, net cash of 9,069 million yen was provided (compared to net cash provided of 1,172 million yen in the same period the previous fiscal year). This is mainly attributable to proceeds of 18,881 million yen from sale of investment securities and of 3,930 million yen from sale of property, plant and equipment, despite purchases of property, plant and equipment and intangible assets in addition to purchase of investment securities.

For the cash flows from financing activities, net cash used in financing activities was 4,045 million yen (compared to net cash used of 7,445 million yen in the same period the previous fiscal year). This is mainly attributable to repayments of lease liabilities and payment of dividends despite an increase of 4,079 million yen in short-term borrowings.

In addition, the effect of exchange rate changes on cash and cash equivalents increased by 577 million yen.

As a result of the above, the balance of cash and cash equivalents as of September 30, 2021 increased by 17,366 million yen from the end of the previous fiscal year to 369,165 million yen.

(3) Qualitative Information on Consolidated Financial Forecasts

Regarding the business environment for the fiscal year ending March 31, 2022, for the Image Products Business, the digital camera market is expected to recover. However, the impact of supply issues, including the shortage of semiconductors, is also anticipated. In the Precision Equipment Business, capital investments in the field related to FPDs, including both large-size panels and mid-to-small size panels, are expected to remain solid. Capital investments in the semiconductor field are expected to continue expanding, supported by the buoyant semiconductor market. In the Healthcare Business, the life science solutions and eye care solutions fields are expected to remain on a recovery track. In the Components Business, target markets for the Digital Solutions Business, including the semiconductor market and the factory automation market, are expected to remain solid, while the Customized Products Business is expected to grow demand from EUV-related markets.

The consolidated financial forecast for the fiscal year ending March 31, 2022 is as stated in the “Notice Regarding the Revision of the Consolidated Financial Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2022” announced on October 29, 2021.

2. Quarterly Condensed Consolidated Financial Statements

(1) Quarterly Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021	Changes
ASSETS			
Current assets			
Cash and cash equivalents	351,798	369,165	17,366
Trade and other receivables	72,900	70,558	(2,342)
Inventories	235,760	222,647	(13,113)
Other current financial assets	1,179	909	(270)
Other current assets	14,215	8,525	(5,690)
Total current assets	675,853	671,804	(4,048)
Non-current assets			
Property, plant and equipment	86,210	85,785	(425)
Right-of-use assets	12,233	22,139	9,906
Goodwill and intangible assets	44,056	46,263	2,207
Retirement benefit asset	5,984	7,259	1,276
Investments accounted for using equity method	11,099	10,291	(808)
Other non-current financial assets	91,090	95,640	4,549
Deferred tax assets	62,956	60,700	(2,255)
Other non-current assets	255	410	154
Total non-current assets	313,884	328,487	14,603
Total assets	989,737	1,000,292	10,555

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021	Changes
LIABILITIES / EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	60,615	52,713	(7,902)
Bonds and borrowings	29,943	34,003	4,060
Income tax payables	1,428	12,449	11,021
Advances received	163,110	122,268	(40,842)
Provisions	5,458	4,286	(1,172)
Other current financial liabilities	25,575	25,686	112
Other current liabilities	32,176	33,001	825
Total current liabilities	318,305	284,406	(33,899)
Non-current liabilities			
Bonds and borrowings	104,131	104,418	287
Retirement benefit liability	9,905	8,229	(1,676)
Provisions	5,048	5,089	40
Deferred tax liabilities	3,053	2,734	(319)
Other non-current financial liabilities	8,258	16,587	8,329
Other non-current liabilities	2,310	2,370	60
Total non-current liabilities	132,706	139,426	6,721
Total liabilities	451,011	423,832	(27,179)
EQUITY			
Share capital	65,476	65,476	—
Capital surplus	46,419	46,523	104
Treasury shares	(17,529)	(17,512)	17
Other components of equity	(14,133)	(12,719)	1,414
Retained earnings	457,352	492,219	34,866
Equity attributable to owners of parent	537,585	573,986	36,402
Non-controlling interests	1,141	2,473	1,332
Total equity	538,726	576,460	37,734
Total liabilities and equity	989,737	1,000,292	10,555

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

	First half ended September 30, 2020 (from April 1, 2020 to September 30, 2020)		First half ended September 30, 2021 (from April 1, 2021 to September 30, 2021)		Changes (Millions of yen)
	(Millions of yen)	Ratio to revenue (%)	(Millions of yen)	Ratio to revenue (%)	
Revenue	175,647	100.0	273,049	100.0	97,402
Cost of sales	(118,135)	(67.3)	(154,108)	(56.4)	(35,973)
Gross profit	57,512	32.7	118,941	43.6	61,429
Selling, general and administrative expenses	(85,653)		(89,384)		(3,731)
Other operating income	2,141		3,746		1,605
Other operating expenses	(20,635)		(1,198)		19,437
Operating profit (loss)	(46,635)	(26.6)	32,105	11.8	78,740
Finance income	8,549		5,045		(3,504)
Finance costs	(1,575)		(1,400)		174
Share of profit of investments accounted for using equity method	765		164		(602)
Profit (loss) before tax	(38,896)	(22.1)	35,913	13.2	74,809
Income tax expense	7,351		(9,534)		(16,884)
Profit (loss) for the period	(31,545)	(18.0)	26,380	9.7	57,925
Profit (loss) attributable to:					
Owners of parent	(31,537)	(18.0)	26,464	9.7	58,001
Non-controlling interests	(8)		(84)		(76)
Profit (loss) for the period	(31,545)	(18.0)	26,380	9.7	57,925
Earnings (loss) per share:					
Basic earnings (loss) per share (Yen)	(85.90)		72.07		
Diluted earnings (loss) per share (Yen)	(85.90)		71.68		

Quarterly Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	First half ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	First half ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	Changes
Profit (loss) for the period	(31,545)	26,380	57,925
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	23,008	12,347	(10,662)
Remeasurements of defined benefit plans	—	859	859
Share of other comprehensive income of investments accounted for using equity method	2	(1)	(3)
Total of items that will not be reclassified subsequently to profit or loss	23,010	13,204	(9,806)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(214)	102	316
Effective portion of cash flow hedges	(160)	164	324
Share of other comprehensive income of investments accounted for using equity method	(2)	44	47
Total of items that may be reclassified subsequently to profit or loss	(377)	310	687
Other comprehensive income, net of taxes	22,634	13,515	(9,119)
Total comprehensive income for the period	(8,911)	39,894	48,805
Comprehensive income attributable to:			
Owners of the parent	(8,885)	39,963	48,848
Non-controlling interests	(26)	(69)	(42)
Total comprehensive income for the period	(8,911)	39,894	48,805

(3) Quarterly Condensed Consolidated Statements 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	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2020	65,476	46,369	(17,639)	1,108	—	(964)
Profit (loss) for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	23,036	—	(0)
Total comprehensive income for the period	—	—	—	23,036	—	(0)
Dividends	—	—	—	—	—	—
Purchase and disposal of treasury shares	—	(0)	(0)	—	—	—
Share-based payment transactions	—	106	39	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(1,739)	—	—
Total transactions with owners	—	106	38	(1,739)	—	—
As of September 30, 2020	65,476	46,475	(17,600)	22,404	—	(965)

As of April 1, 2021	65,476	46,419	(17,529)	13,172	—	(873)
Profit (loss) for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	12,360	859	44
Total comprehensive income for the period	—	—	—	12,360	859	44
Dividends	—	—	—	—	—	—
Purchase and disposal of treasury shares	—	(0)	(1)	—	—	—
Share-based payment transactions	—	101	18	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	3	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(11,226)	(859)	—
Total transactions with owners	—	104	17	(11,226)	(859)	—
As of September 30, 2021	65,476	46,523	(17,512)	14,306	—	(829)

(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, 2020	(39,699)	53	(39,502)	485,948	540,652	1,108	541,760
Profit (loss) for the period	—	—	—	(31,537)	(31,537)	(8)	(31,545)
Other comprehensive income	(223)	(160)	22,652	—	22,652	(18)	22,634
Total comprehensive income for the period	(223)	(160)	22,652	(31,537)	(8,885)	(26)	(8,911)
Dividends	—	—	—	(3,671)	(3,671)	(43)	(3,714)
Purchase and disposal of treasury shares	—	—	—	—	(1)	—	(1)
Share-based payment transactions	—	—	—	—	145	—	145
Changes in ownership interest in subsidiaries	—	—	—	—	—	10	10
Transfer from other components of equity to retained earnings	—	—	(1,739)	1,739	—	—	—
Total transactions with owners	—	—	(1,739)	(1,932)	(3,527)	(33)	(3,560)
As of September 30, 2020	(39,923)	(107)	(18,590)	452,480	528,240	1,049	529,289

As of April 1, 2021	(26,204)	(228)	(14,133)	457,352	537,585	1,141	538,726
Profit (loss) for the period	—	—	—	26,464	26,464	(84)	26,380
Other comprehensive income	72	164	13,499	—	13,499	16	13,515
Total comprehensive income for the period	72	164	13,499	26,464	39,963	(69)	39,894
Dividends	—	—	—	(3,672)	(3,672)	(17)	(3,689)
Purchase and disposal of treasury shares	—	—	—	—	(1)	—	(1)
Share-based payment transactions	—	—	—	—	119	—	119
Increase (decrease) by business combination	—	—	—	—	—	1,392	1,392
Changes in ownership interest in subsidiaries	—	—	—	—	3	15	18
Transfer from other components of equity to retained earnings	—	—	(12,084)	12,074	(10)	10	—
Total transactions with owners	—	—	(12,084)	8,402	(3,561)	1,401	(2,161)
As of September 30, 2021	(26,132)	(64)	(12,719)	492,219	573,986	2,473	576,460

(4) Quarterly Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	First half ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	First half ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
Cash flows from operating activities:		
Profit (loss) before taxes	(38,896)	35,913
Depreciation and amortization	14,744	12,114
Impairment losses	18,868	448
Interest and dividend income	(1,443)	(1,079)
Share of (profit) loss of investments accounted for using equity method	(765)	(164)
Losses (gains) on sale of property, plant and equipment	(117)	(2,734)
Interest expenses	693	697
Decrease (increase) in trade and other receivables	9,995	3,997
Decrease (increase) in inventories	(16,510)	12,331
Increase (decrease) in trade and other payables	(14,859)	(8,686)
Increase (decrease) in advances received	20,271	(40,175)
Increase (decrease) in provisions	(706)	(1,882)
Others, net	(5,617)	1,884
Subtotal	(14,343)	12,665
Interest and dividend income received	1,790	2,081
Interest expenses paid	(717)	(815)
Income taxes refund (paid)	(67)	(2,166)
Net cash provided by (used in) operating activities	(13,337)	11,765
Cash flows from investing activities:		
Purchase of property, plant and equipment	(6,649)	(8,326)
Proceeds from sale of property, plant and equipment	506	3,930
Purchase of intangible assets	(3,047)	(3,008)
Purchase of investment securities	(582)	(2,987)
Proceeds from sale of investment securities	9,096	18,881
Acquisition of businesses resulting in change in scope of consolidation	—	(378)
Proceeds from withdrawal of time deposits	1,854	—
Others, net	(6)	958
Net cash provided by (used in) investing activities	1,172	9,069
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(0)	4,079
Repayments of long-term borrowings	—	(803)
Repayments of lease liabilities	(3,703)	(3,600)
Cash dividends paid	(3,671)	(3,678)
Cash dividends paid to non-controlling interests	(43)	(17)
Purchase of treasury shares	(1)	(1)
Others, net	(27)	(26)
Net cash provided by (used in) financing activities	(7,445)	(4,045)
Effect of exchange rate changes on cash and cash equivalents	(621)	577
Net increase (decrease) in cash and cash equivalents	(20,231)	17,366
Cash and cash equivalents at beginning of the period	324,034	351,798
Cash and cash equivalents at end of the period	303,802	369,165

(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 has integrated its business divisions into four reportable segments consisting of the Imaging Products Business, the Precision Equipment Business, the Healthcare Business and the Components Business.

The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital SLR cameras, compact digital cameras and interchangeable camera lenses. 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 and cell culture observation systems, 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 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.

(Regarding Revision of Reportable Business Segments)

Since the three months ended June 30, 2021, the Company has established the Components Business as a new reportable business segment with the aim of promoting business in Digital Manufacturing and Vision Systems/Robotics, which are defined as the areas of long-term growth. As part of establishing the new business segment, the Company has transferred the Digital Solutions Business, the Customized Products Business and the Glass Business, which were previously included in the Industrial Metrology and Others, to the Components Business. In addition, to promote the establishment of an effective production system across the Group, the Company has transferred some manufacturing subsidiaries related to the Imaging Products Business, the Precision Equipment Business and the Components Business to the Industrial Metrology and Others.

The segment information for the first half ended September 30, 2020 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 First half ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue									
External customers	64,394	63,819	25,711	10,488	11,235	175,647	–	175,647	
Intersegment	858	122	63	3,038	37,443	41,523	(41,523)	–	
Total	65,252	63,941	25,774	13,526	48,678	217,170	(41,523)	175,647	
Segment profit (loss)	(27,834)	(7,455)	(2,358)	(932)	(597)	(39,176)	(7,460)	(46,635)	
Finance income									8,549
Finance costs									(1,575)
Shares of profit of investments accounted for using equity method									765
Profit (loss) before tax									(38,896)
Other items:									
Impairment losses	15,498	–	–	644	2,726	18,868	–	18,868	

Notes: 1. The “Industrial Metrology and 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 (loss) reported in the quarterly condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 834 million yen and corporate profit (loss) of minus 8,294 million yen. The main components of corporate profit (loss) are fundamental research expenses, general and administrative expenses of headquarter functions, expenses incurred to establish new business, and other income or expenses that cannot be attributed to any segments.

For the First half ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Imaging Products	Precision Equipment	Healthcare	Components	Industrial Metrology and Others (Note1)	Total	Reconciliation (Note2)	Consolidated	
Revenue									
External customers	89,251	119,289	33,057	16,779	14,672	273,049	–	273,049	
Intersegment	275	80	105	5,300	29,924	35,684	(35,684)	–	
Total	89,525	119,369	33,162	22,080	44,596	308,732	(35,684)	273,049	
Segment profit (loss)	12,574	21,735	939	3,493	(1,625)	37,116	(5,011)	32,105	
Finance income									5,045
Finance costs									(1,400)
Shares of profit of investments accounted for using equity method									164
Profit (loss) before tax									35,913

Notes: 1. The “Industrial Metrology and 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 (loss) reported in the quarterly condensed consolidated statement of profit or loss. Reconciliation of segment profit (loss) includes elimination of intersegment transactions of 1,974 million yen and corporate profit (loss) of minus 6,985 million yen. Out of the corporate profit (loss) of minus 6,985 million yen, gains from sale of land of 2,352 million yen are recognized in other operating income reported in the quarterly condensed consolidated statement of profit or loss. The main components of corporate profit (loss) are fundamental research expenses, general and administrative expenses of headquarter functions, expenses incurred to establish new business, and other income or expenses that cannot be attributed to any segments.

(Contingent Liabilities)

(Litigation)

The Company and its group companies are exposed throughout their 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 Company and its group companies examine 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 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.

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.