



Financial Results for the 3rd Quarter of the Year Ending March 31, 2018

- 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.
- Amounts in this statement are rounded down to the nearest hundred million.

1. Financial results for the 3rd Quarter of the year ending March 31, 2018
2. Forecast for the year ending March 31, 2018

Highlights for the 3rd Quarter of the year ending March 31, 2018



Q3 Actual	Revenue	<ul style="list-style-type: none"> - YoY Change: ¥25.5 billion decrease (-11%) - Decrease due to declined digital cameras unit sales in Imaging products business - Decrease due to declined unit sales in FPD and Semiconductor lithography business
	Operating Profit	<ul style="list-style-type: none"> - YoY Change: ¥27.0 billion increase - Significant increase by focusing on high value products for Imaging products business - Significant improvement without restructuring relevant expenses, which was posted previous year, for Precision Equipment business
	Profit attributable to owners of the parent	<ul style="list-style-type: none"> - YoY Change: ¥16.3 billion increase
Q1~Q3 Actual	Revenue	<ul style="list-style-type: none"> - YoY Change: ¥40.9 billion decrease (-7%) - Consistent with Q3 result, largely affected by declined unit sales in FPD lithography business
	Operating Profit	<ul style="list-style-type: none"> - YoY Change: ¥22.9 billion increase (+124%) - Improved profit in Q3 by Imaging products and Semiconductor lithography business helped turn around positively while H1 showed reduction mainly due to declined unit sales in FPD lithography business
	Profit attributable to owners of the parent	<ul style="list-style-type: none"> - YoY Change: ¥8.1 billion increase (+57%)

3rd Quarter of the year ending March 31, 2018: Financial Highlights



Billions of yen	FY2017/3 Q3 (A)	FY2018/3 Q3 (B)	Change (B)-(A)
Revenue	222.3	196.8	-25.5
Operating Profit	-8.6	18.4	+27.0
% vs. Revenue	-3.9%	9.3%	
Profit before income taxes	-8.1	18.9	+27.0
% vs. Revenue	-3.6%	9.6%	
Profit attributable to owners of the parent	-7.9	8.4	+16.3
% vs. Revenue	-3.6%	4.3%	
FCF	34.0	62.2	+28.2
Exchange Rate			Impact on Revenue
US \$	¥109	¥113	+8.7
EURO	¥118	¥133	Impact on Op. Profit
			+1.6

Note: The financial results for FY2017/3 were adjusted retrospectively according a change in the accounting policy for the revenue recognition of the Precision Equipment Business.

3rd Quarter of the year ending March 31, 2018: Financial Highlights by Segments



Billions of yen		FY2017/3 Q3	FY2018/3 Q3	YoY Change
Imaging Products Business	Revenue	122.5	116.0	-5%
	Operating Profit	8.3 (8.3)	16.2 (21.6)	+ ¥ 7.9B
Precision Equipment Business	Revenue	72.4	48.1	-34%
	Operating Profit	-10.6 (19.2)	8.4 (8.4)	+ ¥ 19.0B
Healthcare Business	Revenue	13.2	14.0	+6%
	Operating Profit	-0.7 (-0.7)	-1.0 (-1.0)	- ¥ 0.3B
Industrial Metrology and Others	Revenue	14.2	18.8	+32%
	Operating Profit	1.0 (1.0)	1.6 (2.1)	+ ¥ 0.6B
Corporate Profit/Loss non- attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-6.7 (-6.7)	-6.8 (-6.8)	- ¥ 0.1B
Consolidated	Revenue	222.3	196.8	-11%
	Operating Profit	-8.6 (21.2)	18.4 (24.3)	+ ¥ 27.0B

Note: Figures of Operating Profit in parentheses shows those excluding the restructuring relevant expenses
Corporate Profit (Loss) non-attributable to any reportable segment includes intersegment eliminations

1st to 3rd Quarter of the year ending March 31, 2018: Financial Highlights



Billions of yen	FY2017/3 Q1~Q3(A)	FY2018/3 Q1~Q3(B)	Change (B)-(A)
Revenue	566.1	525.2	-40.9
Operating Profit	18.5	41.4	+22.9
% vs. Revenue	3.3%	7.9%	
Profit before Income Taxes	21.4	40.3	+18.9
% vs. Revenue	3.8%	7.7%	
Profit attributable to owners of parent	14.2	22.3	+8.1
% vs. Revenue	2.5%	4.2%	
FCF	51.4	69.2	+17.8
Exchange Rate :			Impact on Revenue
US \$	¥107	¥112	+19.9
EURO	¥118	¥129	Impact on Op. Profit
			+4.7

1st to 3rd Quarter of the year ending March 31, 2018: Financial Highlights by Segments



Billions of yen		FY2017/3 Q1~Q3	FY2018/3 Q1~Q3	YoY Change
Imaging Products Business	Revenue	300.8	291.2	-3%
	Operating Profit	23.1 (23.1)	31.6 (37.0)	+8.5
Precision Equipment Business	Revenue	187.7	146.1	-22%
	Operating Profit	14.5 (44.3)	28.5 (28.5)	+14.0
Healthcare Business	Revenue	37.2	39.2	+5%
	Operating Profit	-1.3 (-1.3)	-3.1 (-3.1)	-1.8
Industrial Metrology and Others	Revenue	40.2	48.6	+21%
	Operating Profit	2.2 (2.2)	3.1 (3.6)	+0.9
Corporate Profit/Loss non- attributable to any reportable segments	Revenue	—	—	—
	Operating Profit	-20.0 (-20.0)	-18.7 (-18.7)	+1.3
Consolidated	Revenue	566.1	525.2	-7%
	Operating Profit	18.5 (48.3)	41.4 (47.3)	+22.9

Note: Figures of Operating Profit in parentheses shows those excluding the restructuring relevant expenses
Corporate profit (loss) non-attributable to any reportable segment includes intersegment eliminations

3rd Quarter of the year ending March 31, 2018: Imaging Products Business



	FY2017/3 (A)		FY2018/3 (B)		Change (B)-(A)	
	Q3	Q1~Q3	Q3	Q1~Q3	Q3	Q1~Q3
Billions of yen						
Revenue	122.5	300.8	116.0	291.2	-6.5	-9.6
Operating Profit	8.3	23.1	16.2	31.6	+7.9	+8.5
% vs. Revenue	6.8%	7.7%	14.0%	10.9%		
Digital camera – Interchangeable Lens Type (1,000 units sold)	1,050	2,470	850	2,160	-200	-310
Interchangeable Lens (1,000 units sold)	1,640	3,690	1,300	3,320	-340	-370
Compact DSC (1,000 units sold)	990	2,420	720	2,110	-270	-310

- **Q3 YoY Change:** Impact of D850 launch in Sept. maximized sales during the year-end sales season accompanied by replacement demand while the projected marketing expenses were suppressed, resulting in significant increase in Operating Profit.

3rd Quarter of the year ending March 31, 2018: Precision Equipment Business



	FY2017/3 (A)		FY2018/3 (B)		Change (B)-(A)	
	Q3	Q1~Q3	Q3	Q1~Q3	Q3	Q1~Q3
Billions of yen						
Revenue	72.4	187.7	48.1	146.1	-24.3	-41.6
Operating Profit	-10.6	14.5	8.4	28.5	+19.0	+14.0
% vs. Revenue	-14.6%	7.7%	17.5%	19.5%		
Semiconductor Lithography systems New/Refurbished (units)	7/1	18/7	3/3	10/7	-4/+2	-8/±0
FPD Lithography Systems (units)	24	75	14	48	-10	-27

- Q3 YoY Change:** Although the declined unit sales in FPD lithography business impacted the result substantially, the 1st unit of G10.5 was sold as planned. Operating Profit of Precision Equipment business improved more than expected due to service revenue increase and fixed cost reduction of Semiconductor Lithography business.

3rd Quarter of the year ending March 31, 2018: Healthcare Business



Billions of yen	FY2017/3 (A)		FY2018/3 (B)		Change (B)-(A)	
	Q3	Q1~Q3	Q3	Q1~Q3	Q3	Q1~Q3
Revenue	13.2	37.2	14.0	39.2	+0.8	+2.0
Operating Profit	-0.7	-1.3	-1.0	-3.1	-0.3	-1.8
% vs. Revenue	-5.3%	-3.5%	-7.1%	-7.9%		

- **Q3 YoY Change** : Biological microscope maintained same level of sales as the previous year, however, did not meet the forecast mainly due to the delay of execution of USA federal budget. Sales of retina diagnostic imaging equipment proceeded as planned. Operating profit decreased due to increased up-front expenditures in bio-science and ophthalmic diagnostic fields.

3rd Quarter of the year ending March 31, 2018: Industrial Metrology Business and Others



Billions of yen	FY2017/3 (A)		FY2018/3 (B)		Change (B)-(A)	
	Q3	Q1~Q3	Q3	Q1~Q3	Q3	Q1~Q3
Revenue	14.2	40.2	18.8	48.6	+4.6	+8.4
Operating Profit	1.0	2.2	1.6	3.1	+0.6	+0.9
% vs. Revenue	7.0%	5.5%	8.5%	6.4%		

- **Q3 YoY Change** : CNC video measuring system of Industrial Metrology showed steady progress reflecting strong demands from semiconductor, electronic parts, and automotive industries. Operating profit increased supported by strong performance of others.

1. Financial results for the 3rd Quarter of the year ending March 31, 2018

2. Forecast for the year ending March 31, 2018

FY2018/3 Revenue Forecast

- **Revised upwards by ¥10 billion to ¥720 billion**
 - Upgrade revenue forecast reflecting revised sales forecast of Imaging Products Business.

FY2018/3 Operating Profit Forecast

- **Revised upwards by ¥8 billion to ¥53 billion**
(¥62 billion: excluding restructuring relevant expenses)
 - **Imaging Products Business:** Revise upwards by ¥9 billion buoyed by substantial increase in Q3. The closure of China plant is proceeding as planned.
 - **Precision Equipment Business :** Revise upwards by ¥2 billion mainly due to improved profitability of Semiconductor Lithography business.
 - **Industrial Metrology and Others:** Revised downwards by ¥3 billion due to restructuring expenses. Certain part of business is planned to be transferred in view of business portfolio management.
 - Continuous and strict implementation of cost/expenditure management with discipline.

FY2018/3 Profit attributable to Owners of the Parent Forecast

- **Remain the same (¥30 billion)**
(¥41 billion: excluding restructuring relevant expenses)
 - Increase of Operating profit offsets the increase of restructuring relevant expenses of ¥4 billion (including ¥1 billion for tax expenses) incurred by Industrial Metrology and Others and the tax expenses increase of approx. ¥3 billion caused mainly by USA tax reform.

Forecast for the year ending March 31, 2018: Highlights



Billions of yen	FY2017/3 Actual (A)	Previous Forecast (Nov.7)(B)	New Forecast (Feb.8)(C)	Change (C)-(A)	Change (C)-(B)		
Revenue (% variance)	749.2	710	720	-29.2	+10.0		
Operating Profit % vs Revenue	0.7 0.1%	45 6.3%	53 7.4%	+52.3	+8.0		
Profit before income taxes % vs Revenue	3.0 0.4%	45 6.3%	52 7.2%	+49.0	+7.0		
Profit attributable to owners of the parent % vs Revenue	3.9 0.5%	30 4.2%	30 4.2%	+26.1	±0		
FCF	56.6	25	60	+3.4	+35.0		
Exchange Rate :				Impact on Revenue			
				US \$	¥108	¥111	¥111
				Impact on Op. Profit			
						+5.5	+2.4

① Dividend for the fiscal year is scheduled to be ¥31

② Exchange Rate assumption for Euro is altered from ¥120 to ¥130

Forecast for the year ending March 31, 2018: by Segments



Billions of yen		FY2017/3 Actual(A)	Previous Forecast (Nov.7) (B)	New Forecast (Feb.8) (C)	Change (C)-(A)	Change (C)-(B)
Imaging Products Business	Revenue	383.0	355	367	-4%	+3%
	Operating Profit	17.1 (28.1)	25 (31)	34 (40)	+16.9	+9.0
Precision Equipment Business	Revenue	248.0	225	226	-9%	±0%
	Operating Profit	13.4 (48.1)	47 (47)	49 (49)	+35.6	+2.0
Healthcare Business	Revenue	55.7	60	57	+2%	-5%
	Operating Profit	-0.6 (-0.1)	-4 (-4)	-4 (-4)	-3.4	±0
Industrial Metrology and Others	Revenue	62.4	70	70	+12%	±0%
	Operating Profit	3.7 (5.5)	5 (5)	2 (5)	-1.7	-3.0
Corporate Profit/Loss non- attributable to any reportable segments	Revenue	-	-	-	-	-
	Operating Profit	-32.8 (-27.5)	-28 (-28)	-28 (-28)	+4.8	±0
Consolidated	Revenue	749.2	710	720	-4%	+1%
	Operating Profit	0.7 (54.1)	45 (51)	53 (62)	+52.3	+8.0

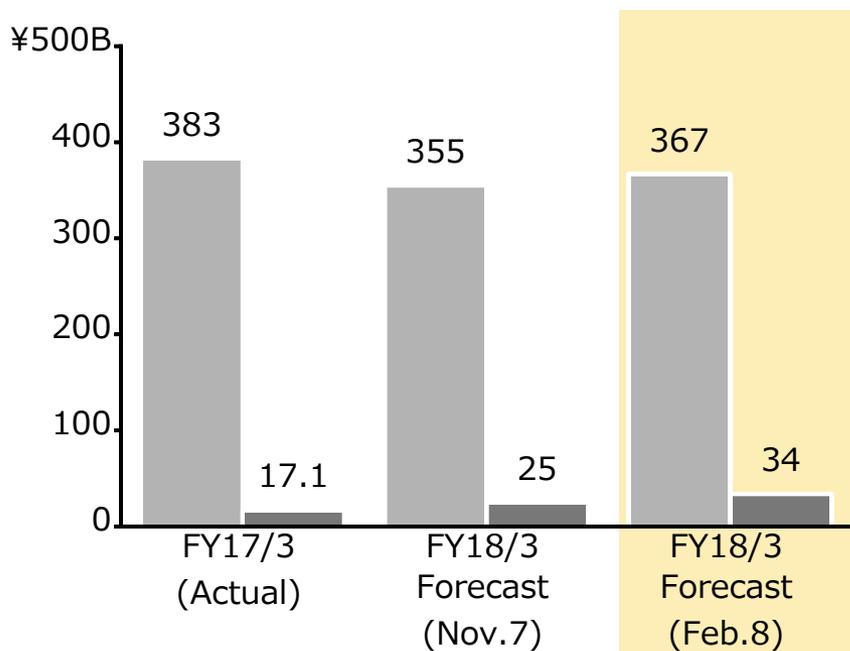
Note: Figures of Operating Profit in parentheses shows those excluding the restructuring relevant expenses

Forecast for the year ending March 31, 2018: Imaging Products Business



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: ¥12 billion increase, ¥16 billion decrease YoY**

- Decline in unit sales across the board due to continuous market shrinkage.
- ¥12 billion increase from our previous forecast by Q3 result and Q4 forecast adjustment.

- **Operating Profit: ¥9 billion increase, ¥16.9 billion increase YoY**

- Operating Profit of previous FY17/3 before the restructuring relevant expenses was ¥28.1 billion.
- Operating profit before the restructuring relevant expenses is expected to increase ¥11.9 billion to ¥40 billion.
- Operating profit is expected to increase ¥9 billion from our previous forecast due to revenue/profit improvement as well as efficient sales expenses control.

Digital camera-Interchangeable Lens Type (units:1000)

Market Scale	11,770	11,000	11,000
Nikon	3,100	2,600	2,600

Interchangeable Lenses (units:1000)

Market Scale	19,200	18,000	18,000
Nikon	4,620	3,900	4,000

Compact DSC (units:1000)

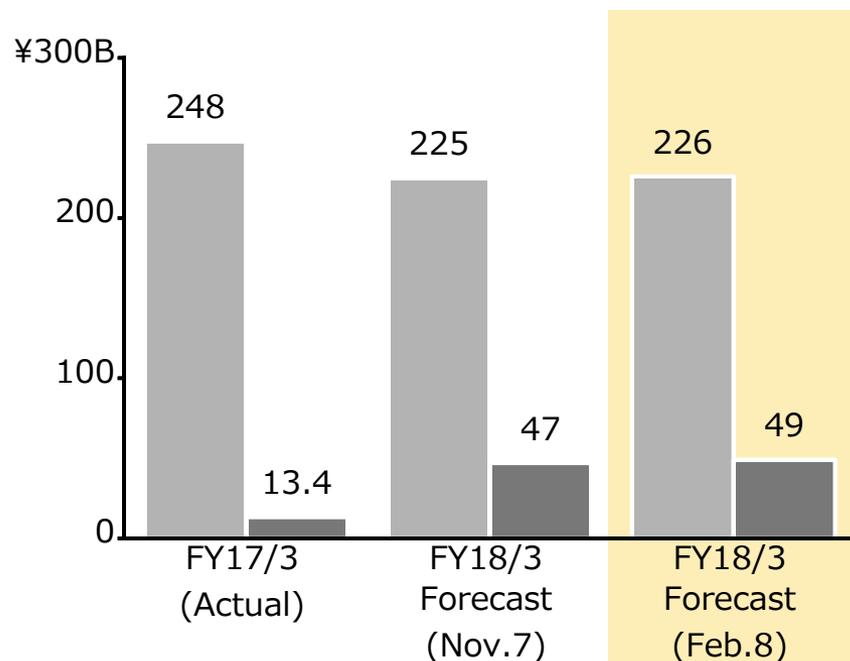
Market Scale	12,600	11,400	11,400
Nikon	3,190	2,600	2,600

Forecast for the year ending March 31, 2018: Precision Equipment Business



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: ¥1 billion increase, ¥22 billion decrease YoY**
 - FPD: Decline due to sales unit reduction. Expect to sell 3 units of G10.5 systems.
 - Semiconductor: Increase of ¥1 billion due to consistently higher service revenue than previously forecasted.
- **Operating Profit: ¥2 billion increase, ¥35.6 billion increase YoY**
 - Operating Profit before restructuring relevant expenses expects to surpass ¥48.1 billion of FY17/3.
 - FPD: Decline because of revenue drop and product mix change.
 - Semiconductor: Expect to retain profit as planned
 - Forecast is revised upwards ¥ 2 billion from the previous forecast due to reduced cost and service revenue improvement.

Semiconductor Lithography Systems (New/Refurbished, units)

Market Scale (CY16/17)	210	210	240
Nikon	24/11	17/12	17/12

FPD Lithography Systems (units)

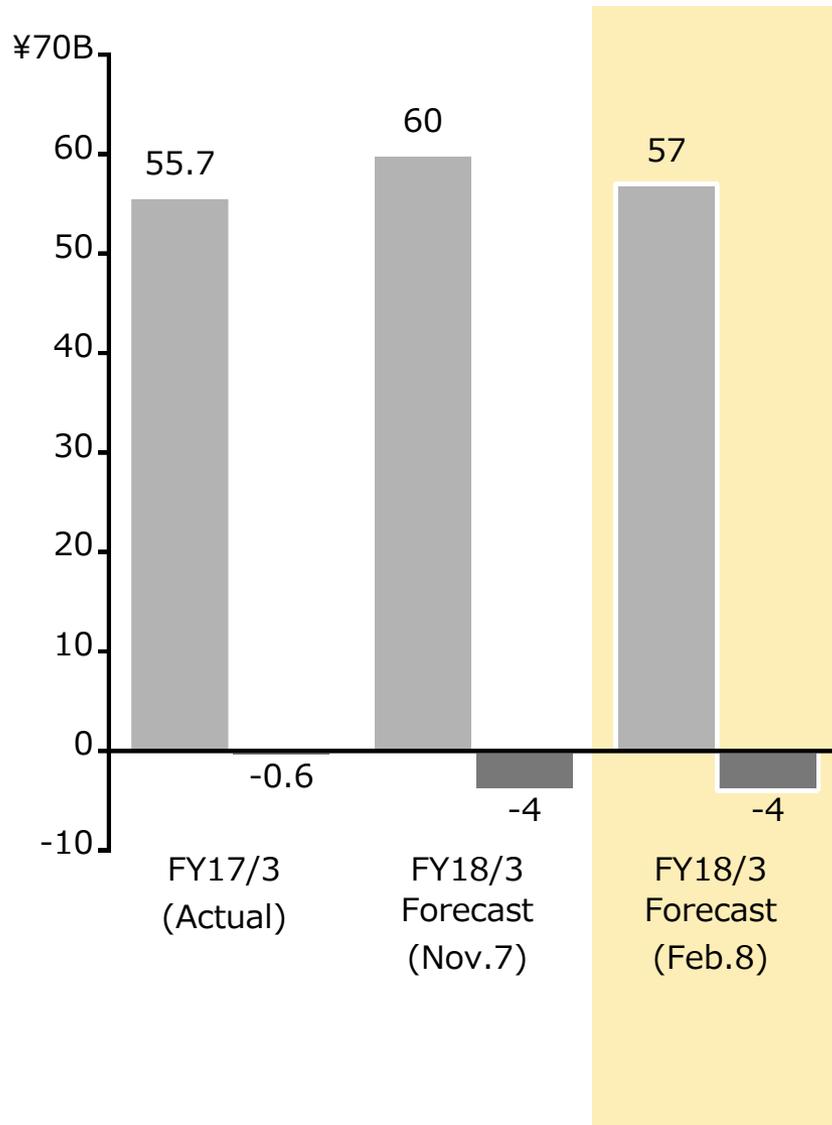
Market Scale (CY16/17)	128	150	149
Nikon	92	68	68

Forecast for the year ending March 31, 2018: Healthcare Business



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: ¥3 billion decrease, ¥1.3 billion increase YoY**

- Decrease by ¥3 billion due to the delay of government related budget execution for Biological Microscopes
- The retina diagnostic imaging equipment business performs as planned.

- **Operating Profit: remains the same**

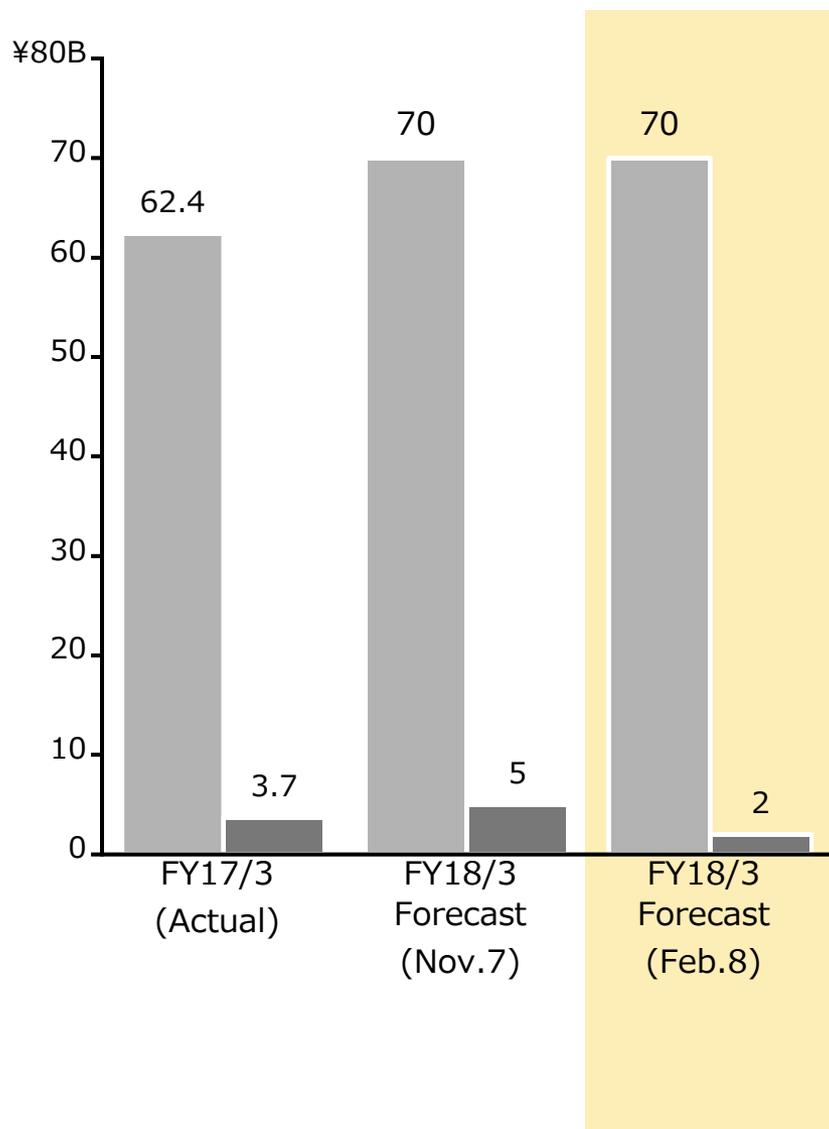
- Operating Profit of previous FY17/3 before the restructuring relevant expenses was minus ¥0.1 billion.
- Deferred development expenditure offsets the decreased profit of bio-science business.
- Continue to incubate business prudently in view of feasible profit growth from long-term perspective.

Forecast for the year ending March 31, 2018: Industrial Metrology Business and Others



Revenue/Operating Profit

■ Revenue ■ Operating Profit



- **Revenue: remains the same
¥7.6 billion increase YoY**

- Industrial Metrology: Sales expands chiefly in CNC video measuring system, which is highly recognized in automotive and electronic parts related fields.

- **Operating Profit: ¥3 billion decrease,
¥1.7 billion decrease YoY**

- Operating Profit of previous FY17/3 before the restructuring relevant expenses is ¥5.5 billion.
- In terms of business portfolio management, withdrawal from CMM(Coordinate Measuring Machines) business is determined.
- ▶ Focus on more attractive segments considering market/competition and product competitiveness.
- Operating Profit of FY18/3 before restructuring relevant expenses of ¥3 billion remains the same as previous forecast.



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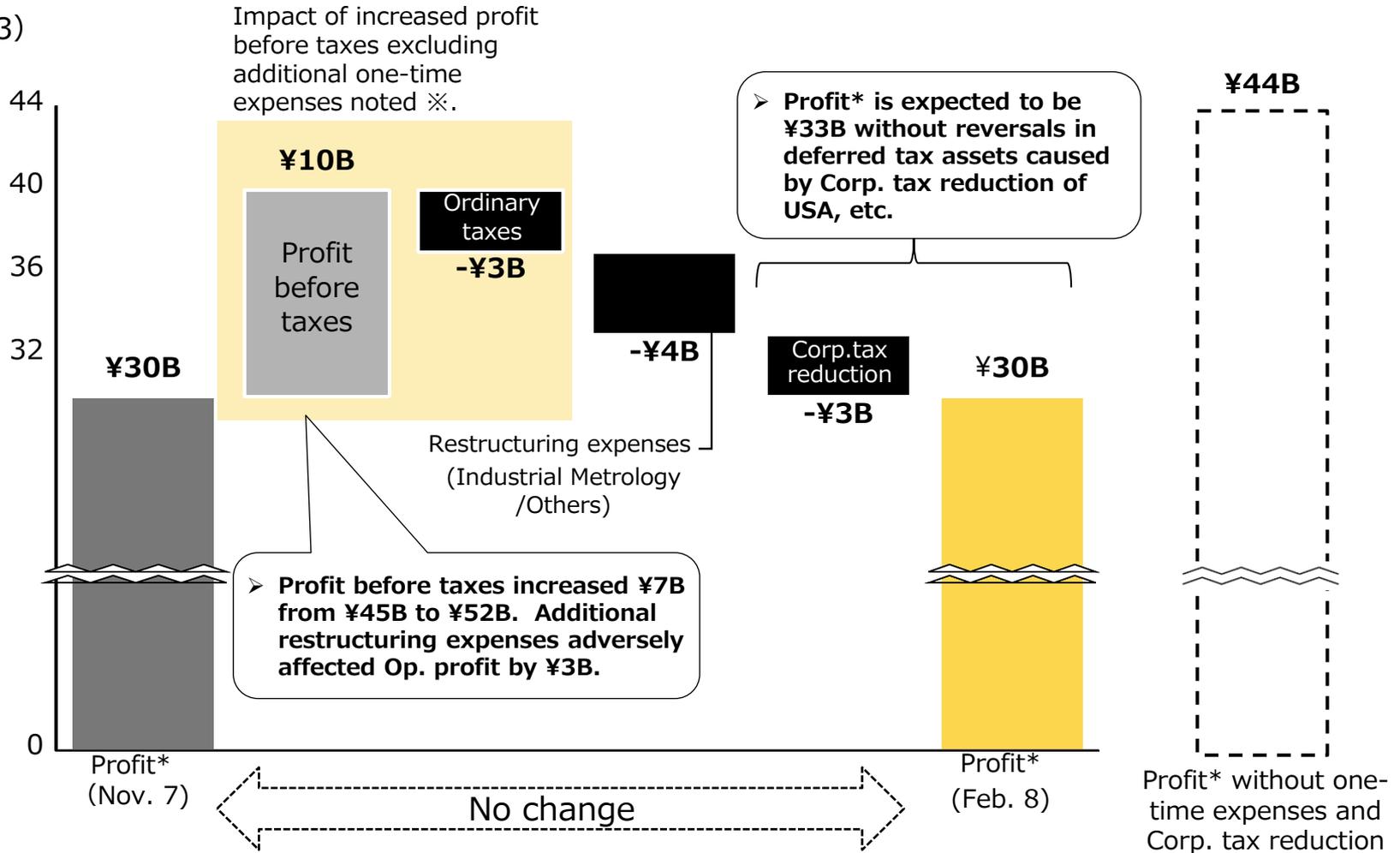
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Reference Data

Forecast for the year ending March 31, 2018: Profit attributable to Owners of the Parent



(FY18/3)



Note: Profit attributable to Owners of the Parent is simplified as Profit*.

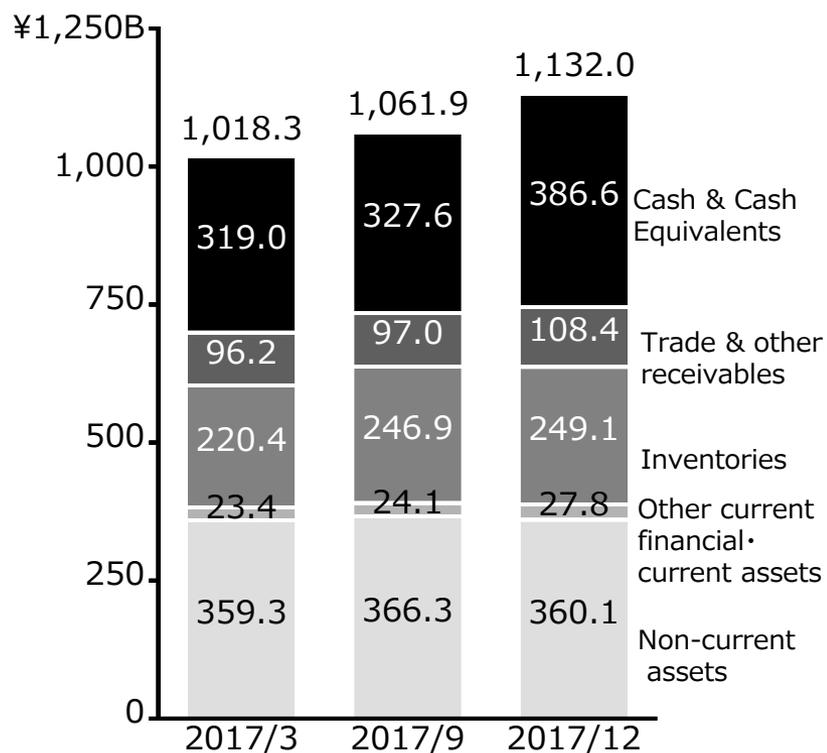
※ One-time expenses=Restructuring relevant expenses -¥11B (Imaging -¥7B, Industrial Metrology/Others -¥4B) Expenses of Industrial Metrology/Others is added in the forecast of Feb.8

Difference from the Operating Profit -¥9B (Imaging -¥6B, Industrial Metrology/Others -¥3B) is caused by the reversals in deferred tax assets.

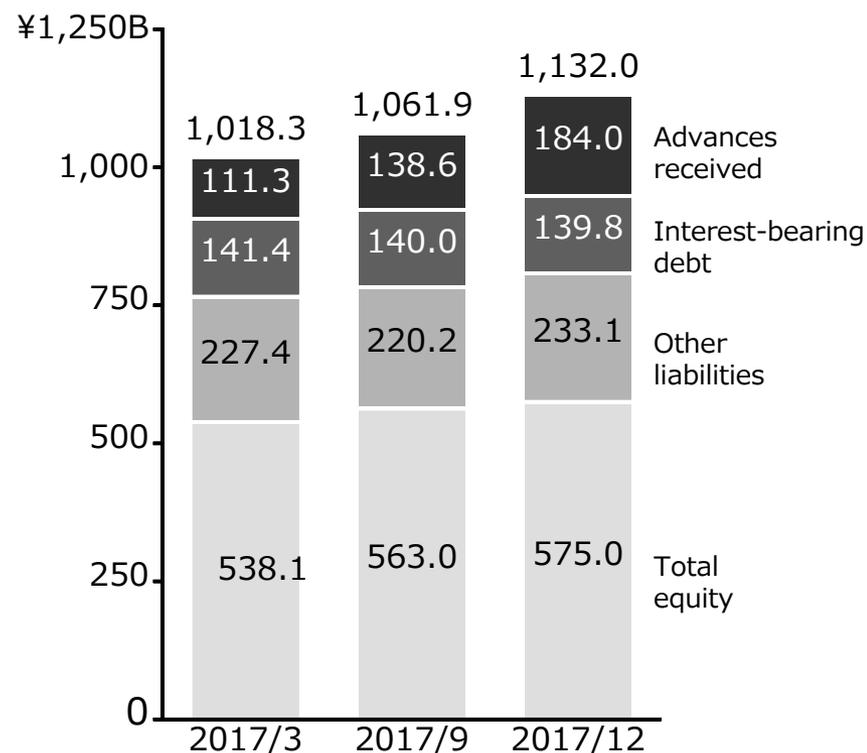
3rd Quarter of the year ending March 31, 2018: B/S Breakdown



ASSETS



LIABILITIES/EQUITY



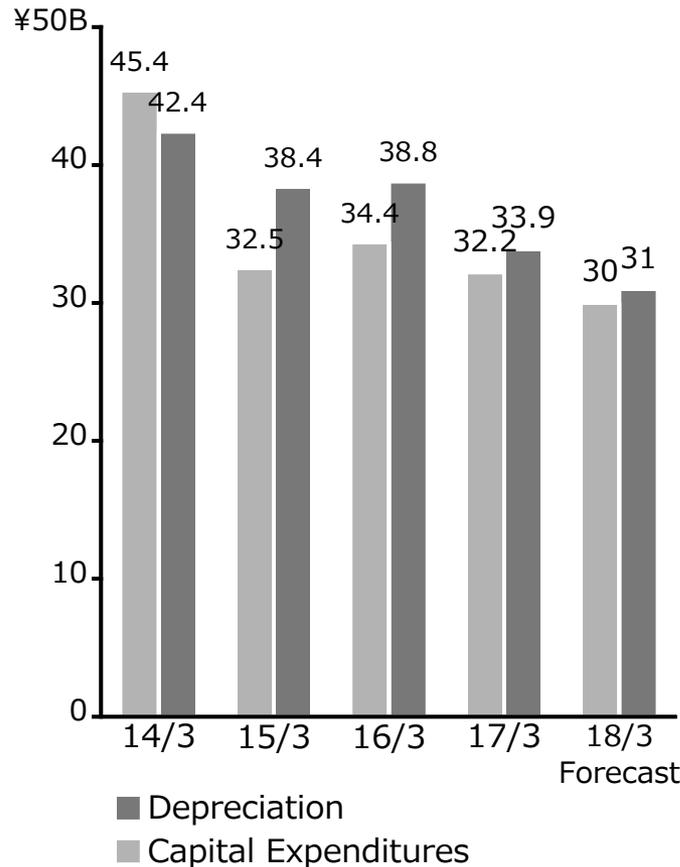
Equity ratio 52.8% 53.0% 50.7%

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.

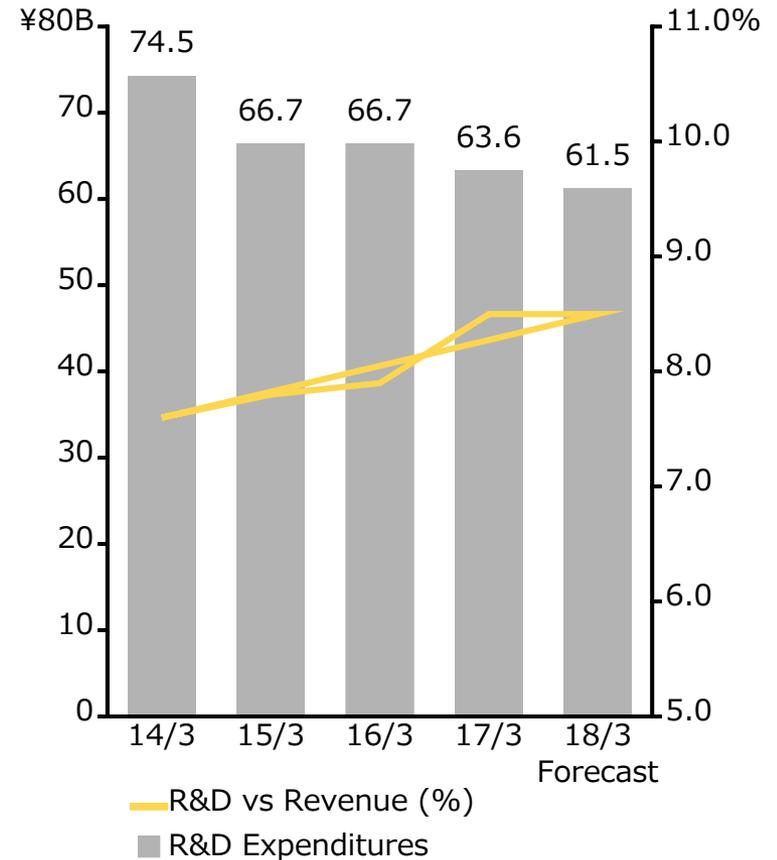
Forecast for the year ending March 31, 2018: Capital Expenditures, Depreciation and R&D Expenditures



CAPITAL EXPENDITURES, DEPRECIATION



R&D EXPENDITURES

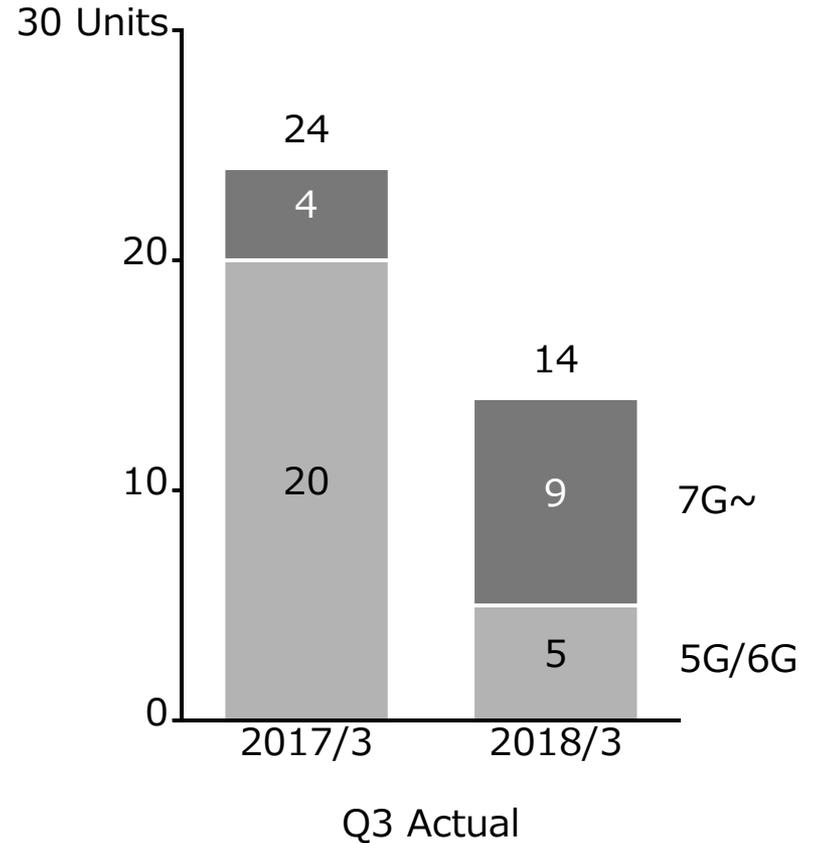
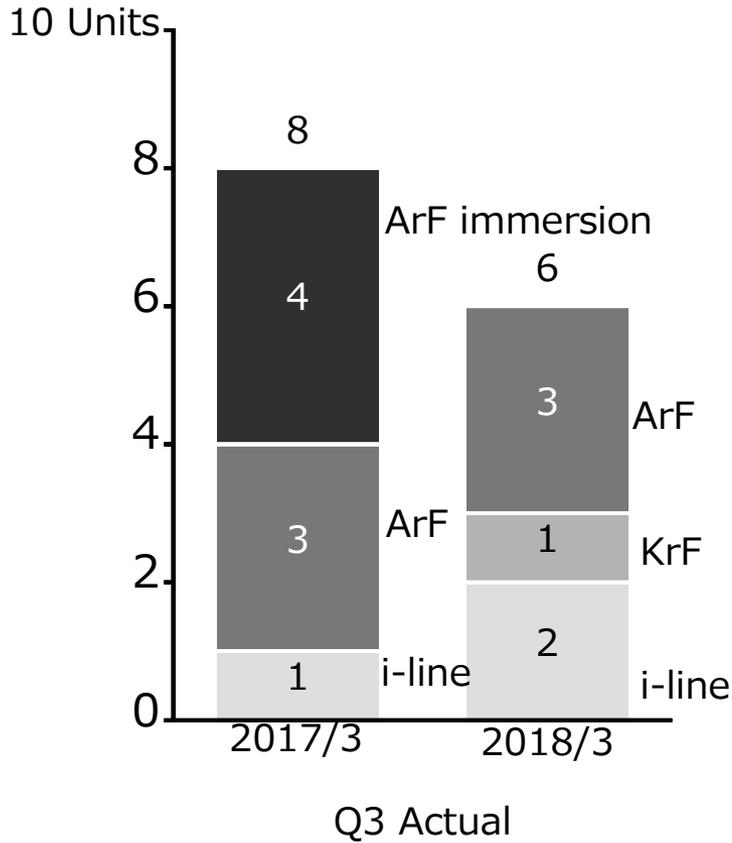


Note: Figures after FY2016/3 is presented in International Financial Reporting Standards(IFRS) while beforehand is in Japan GAAP. Depreciation method within Nikon Group is unified to straight-line as from FY2015/3 and depreciation expenses comprise in-process development costs as from FY2017/3. R&D expenditures includes capitalization of some development expenditure.



SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES BY TECHNOLOGY (INCL. REFURBISHED)

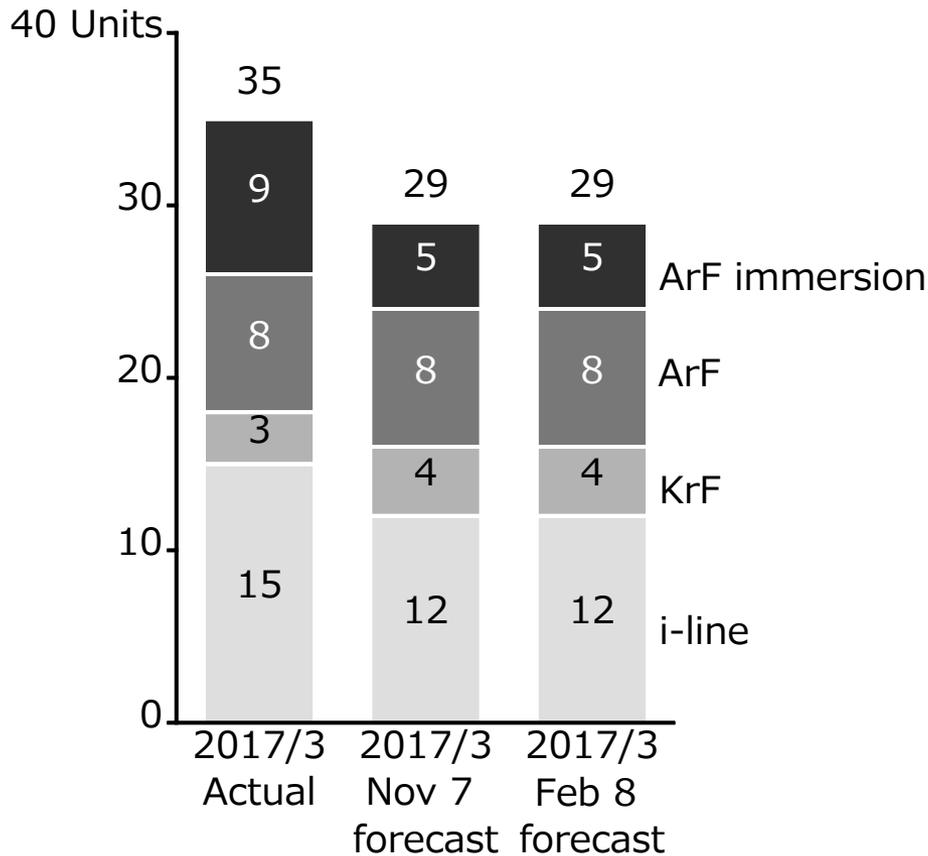
FPD LITHOGRAPHY SYSTEMS SALES BY GENERATION



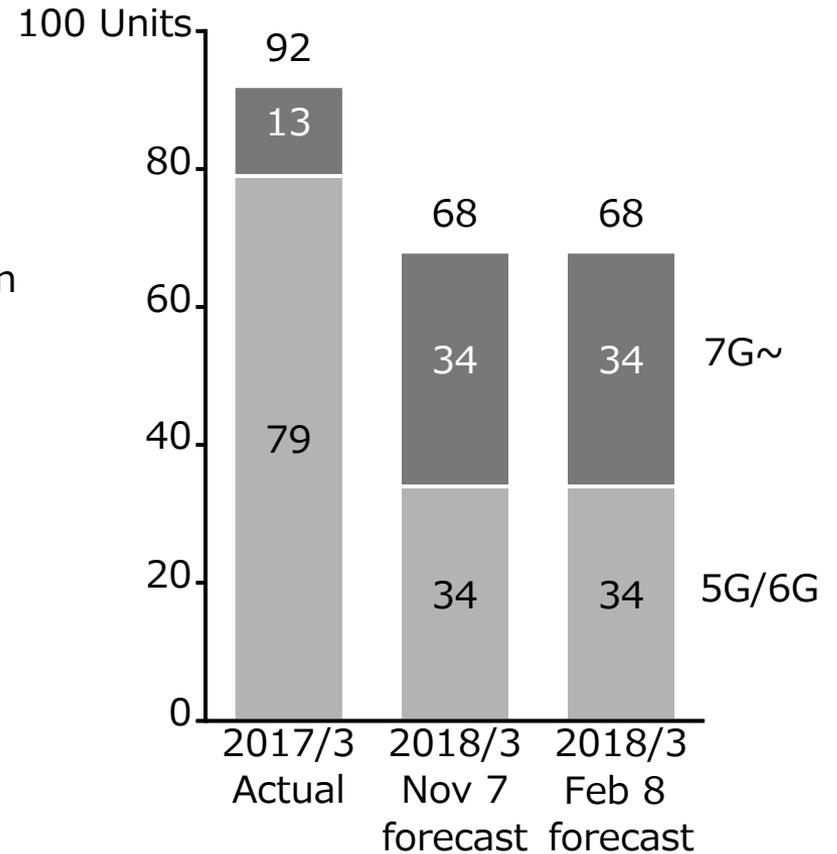
Note: New units sold for Semiconductor Lithography system is 7 in FY17/3 Q3 and 3 in FY18/3 Q3



SEMICONDUCTOR LITHOGRAPHY SYSTEMS SALES BY TECHNOLOGY (INCL. REFURBISHED)



FPD LITHOGRAPHY SYSTEMS SALES BY GENERATION



Note: Sales of new units for Semiconductor Lithography system is 24 in FY17/3 while 17 is forecasted for FY18/3

Forecast for the year ending March 31, 2018: Foreign Exchange Impact



	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	FY18/3 Forecast for Q4	Revenue Q4	Operating Profit Q4
US \$	¥110	Approx. ¥0.6 billion	Approx. ¥0 billion
EURO	¥130	Approx. ¥0.2 billion	Approx. ¥0.1 billion



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