



October 30, 2017

Nikon to Discontinue Operations of a Consolidated Chinese Manufacturing Subsidiary of Imaging Business

Nikon Corporation (the “Company”) has announced at the Board of Directors’ Meeting held today the resolution that operations of consolidated subsidiary Nikon Imaging (China) Co., Ltd. will be discontinued.

1. Reason for Discontinued Operations

Nikon Imaging (China) Co., Ltd. (NIC) was established in June, 2002 in Wuxi City, Jiangsu Province, China, and manufactured digital cameras and lens units for digital cameras. In recent years, however, due to the rise of smartphones, the compact digital camera market has been shrinking rapidly, leading to a significant decrease in operating rate at NIC and creating a difficult business environment.

In this context, the Company conducted rounds of thorough reviews and discussions on the global manufacturing structure optimization measures stated in the company-wide restructuring plan announced by the Company in November 2016. The Company has decided to discontinue operations of NIC. Thereafter, we will begin conducting relevant dissolution and liquidation procedures of NIC. Specific details will be notified separately according to the decision.

As part of restructuring the Imaging Products Business, the Company will focus more on high value-add products. China’s position as one of the most important markets in the world will remain unchanged. Nikon Imaging (China) Sales Co., Ltd. (NICS), the Company’s sales subsidiary in Shanghai, continues in full operation as normal, contributes to photo and imaging culture development, and strengthens the sales effort of imaging products and the after-sale services in China that meet customers’ satisfaction.

Moreover, besides NIC, the rest of the Company’s manufacturing and sales subsidiaries in China remain in full operation, and continue proactively developing business and services in China.

2. Overview of Nikon Imaging (China) Co., Ltd.

(1) Company name	Nikon Imaging (China) Co., Ltd.
(2) Address	No. 11, Changjiang South Road, New District, Wuxi, Jiangsu 214028, China
(3) Representative	Chairman of Board of Directors General Manager, Hideyuki Akimoto
(4) Main business	Manufacture of digital cameras and lens units for digital cameras

(5) No. of Employees	2,285 (as of September 30, 2017)		
(6) Stated capital	US\$ 32,000,000 (as of September 30, 2017)		
(7) Date Established	June 14, 2002		
(8) Major shareholders and shareholding ratios	Nikon Holdings Hong Kong Limited 100% (Note 1)		
(9) Relationships between Nikon and NIC	Capital Relationship	NIC is a consolidated subsidiary indirectly funded by the Company	
	Personnel Relationship	The Company loaned out employees to serve as directors of NIC	
	Trade Relationship	The Company and NIC hold a product trading relationship	
	Status as a Related Party	NIC is a consolidated subsidiary of the Company, a party of concerned of the Company	
(10) Operating result and Financial conditions for the last 3 years (Thousand RMB)(Note 2)			
Accounting period	Fiscal year ended December 2015	Fiscal year ended December 2016	Fiscal year ended December 2017
Total equity	581,674	601,601	614,027
Total assets	1,266,886	1,017,984	972,279
Revenue	1,801,781	1,478,348	1,236,668
Operating profit	-31,972	24,389	15,764
Profit attributable to owners of the parent	-36,659	19,927	12,426

Note 1: Nikon Holdings Hong Kong Limited is a wholly-owned subsidiary of the Company,

Note 2: Referenced exchange rate as of September 30, 2017: 1RMB = 16.90 JPY

3. Schedule of Discontinued Operations

On October 30, 2017, the Company made a board resolution to discontinue operations of NIC. On the same day, NIC will discontinue its operations.

4. Impact on Business Results

The expenses related to the discontinued operations of the consolidated subsidiary in this fiscal year are expected to be approximately 7 billion Yen (including tax expense) on current estimate.

The impact on the Company's financial results for the fiscal year ending March 31, 2018 is currently under examination, and we will publish at the announcement of our consolidated financial results of the 2nd quarter for the fiscal year ending March 31, 2018, scheduled on November 7, 2017.