Innovating *Monodzukuri* Processes

Further automation and mass-customization are proceeding at manufacturing sites. Nikon widens the industrial possibilities by innovating *Monodzukuri* (manufacturing) processes to higher level and more diverse within the Digital Manufacturing field.
Eco-Friendly Factories
Building efficient production systems with fewer resources and less energy

High Level of Manufacturing Technologies
Realizing higher quality and precision manufacturing

Smart Factories
Promoting further automation and efficiency at factories
Making a Better Society through Imaging and Sensing Technologies

Through Vision Systems / Robotics, Nikon brings the features of eyes to society, from factories to public spaces and our homes, leading to a more exciting future with safety and comfort.
In the Future

Coexistence of Humans and Robots
Realizing sophisticated and safe manufacturing sites

Cities with Safety and Security
Building smart city and better transportation systems

Expansion of Imaging Experiences
Providing the joy of watching sports and exercising to people around the world
Contributing to People’s Health and QOL

To realize people’s desire to stay healthy, Nikon supports the advancement of life sciences and medicine in the Healthcare field with the vision of improving people’s QOL (Quality of Life).
In the Future

Realization of Drug Discovery and Regenerative Medicines for Intractable Diseases

Contribution to Early Detection of Diseases

Provision of New Diagnosis Technologies
Management Message

Nikon will endeavor to advance the new Medium-Term Management Plan, establish foundations for growth, and become a “Leading Company in Precision and Optics” in order to achieve sustainable improvements in enterprise value over the medium to long term.

*Nikon Report 2019* features clear and concise explanations from us and business unit representatives on the new Medium-Term Management Plan and other medium- to long-term growth strategies. This report also compiles important information pertaining to the value creation and foundation-building initiatives aimed at realizing sustainable growth.

We kindly ask all of our stakeholders, including shareholders and investors, to read this report.
INTRODUCTION

8 Our Philosophy / Our Vision / Our Qualities of Mind
10 Nikon’s Value Creation Process (Sustainability Strategy)

BUSINESS STRATEGY

12 Message from the President & CEO
18 Overview of the Restructuring
20 New Medium-Term Management Plan —Establishing a Foundation for Sustainable Growth
24 Message from the CFO
26 Performance Highlights

SPECIAL FEATURE

32 Evolutions of Products and Services Based on Opto-Electronics and Precision Technologies
34 Goal of Becoming a Leading Company in Precision and Optics

BUSINESS PERFORMANCE

40 Nikon’s Business Structure
42 Overview of Business Units
42 Imaging Business Unit
44 FPD Lithography Business Unit
46 Semiconductor Lithography Business Unit
48 Healthcare Business Unit

CORPORATE GOVERNANCE

50 Directors and Officers
52 Corporate Governance
57 Message from the Chairman of the Board
58 Interviews with External Directors

SUSTAINABILITY

62 Management Resources That Support Nikon’s Value Creation

FINANCIAL AND CORPORATE DATA

68 Management’s Discussion and Analysis
72 Financial Information
131 Organization of the Nikon Group
132 Corporate Data / Investor Information
133 Independent Practitioner’s Assurance / ESG External Ratings

Statements contained in this report regarding the plans, projections, and strategies of Nikon Corporation and its subsidiaries and affiliates that comprise the Nikon Group that are not historical fact constitute forward-looking statements about future financial results. As such, they are based on data that is obtainable at the time of announcement in compliance with the Nikon Group’s management policies and certain premises that are deemed reasonable by the Nikon Group. Hence, actual results may differ, in some cases significantly, from these forward-looking statements due to changes in various factors, including—but not limited to—economic conditions in principal markets, product and service demand trends, customer capital expenditure trends, and currency exchange rate fluctuations.

This report covers the activities of domestic and overseas Nikon Group companies, centered on Nikon Corporation. In principle, the terms “the Company,” “Nikon Corporation,” and “Nikon” refer to Nikon Corporation, while “the Group” and “the Nikon Group” refer to Nikon Corporation and its Group companies. As for the numerical values relating to the financial content of this report, figures displayed in hundred millions of yen are truncated, and figures displayed in millions of yen are rounded to the nearest unit.