



Financial Results for the First Quarter of the Year Ending March 31, 2015

Conference in Tokyo (Aug. 7, 2014)
NIKON CORPORATION

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.

Agenda

- I. **Financial Results for the First Quarter
of the Year Ending March 31, 2015**
- II. **Estimation for the Year Ending
March 31, 2015**
- III. **Reference Data**

Summary for the First Quarter of the Year Ending March 31, 2015



- ◆ Overall sales and operating income declined 61.5 billion yen and 2.5 billion yen, respectively, year on year for the first quarter, mainly due to sales volume reduction of digital cameras and FPD Lithography Systems.

- Precision Equipment Business
 - Sales and income reduced 10.5 billion yen and 1 billion yen on the year
 - Met quarterly forecast

- Imaging Products Business
 - Sales and income reduced 52.8 billion yen and 2.7 billion yen on the year
 - Failed to reach the forecast approximately by 10 billion yen, but the operating income surpassed the forecast due to implementation of cost reduction measures.

- Instruments Business
 - Sales rose 800 million yen and deficit reduced 600 million yen on the year
 - Met quarterly forecast

Financial Highlights for the First Quarter of the Year Ending March 31, 2015



Billions of yen	2014/3 1Q (A)	2015/3 1Q (B)	Change (B)-(A)
Net Sales	238.9	177.4	- 61.5
Operating Income <small>% vs. Net Sales</small>	6.0 <small>2.5%</small>	3.5 <small>2.0%</small>	- 2.5
Ordinary Income <small>% vs. Net Sales</small>	5.1 <small>2.1%</small>	4.6 <small>2.6%</small>	- 0.5
Net Income <small>% vs. Net Sales</small>	4.4 <small>1.8%</small>	3.6 <small>2.0%</small>	- 0.8
FCF	11.0	- 20.6	- 31.6
Exchange Rate			Impact on
US\$	99 yen	102 yen	Net Sales: +4.8
EURO	129 yen	140 yen	Op. Income: +1.3

Both sales and incomes declined year on year because of market shrinkage for digital cameras and FPD Lithography Systems.

* Amounts in this slide are rounded down to the hundred million. 4

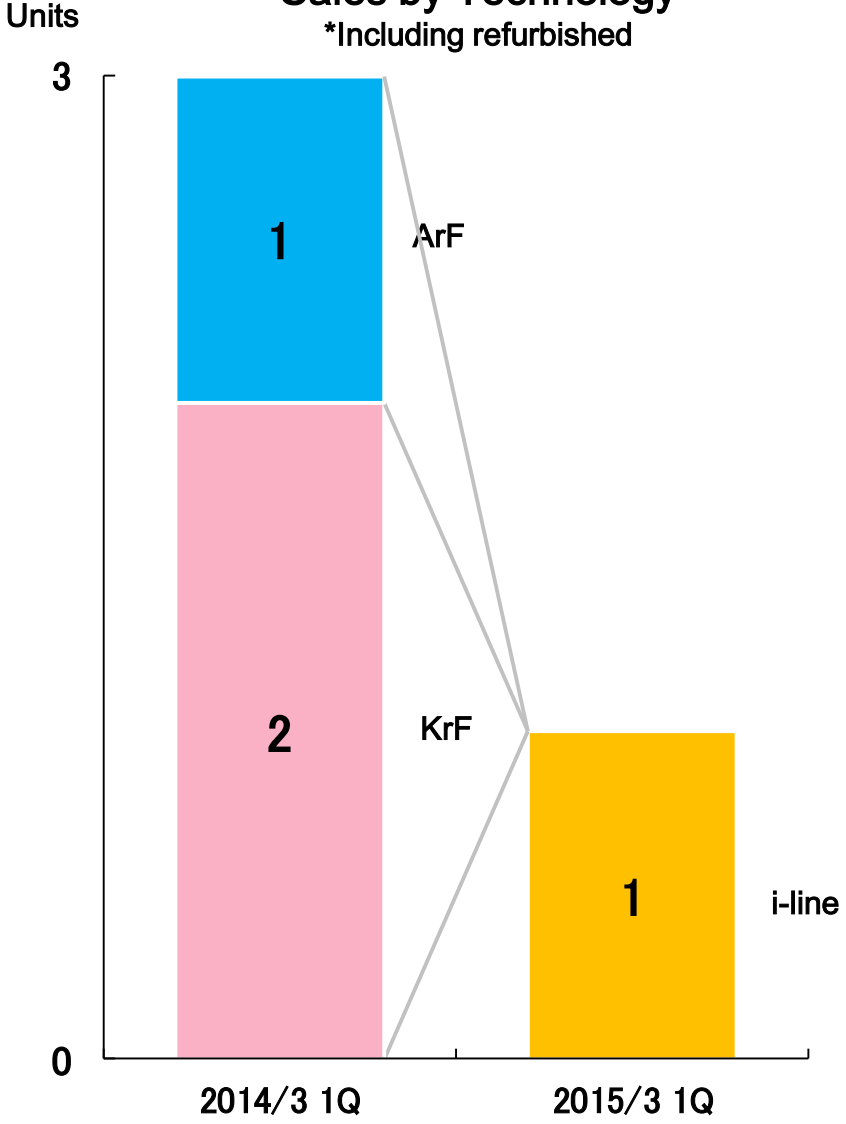
Billions of yen	2014/3 1Q (A)	2015/3 1Q (B)	Change (B)-(A)
Net Sales	34.0	23.5	- 10.5
Operating Income <small>% vs. Net Sales</small>	- 1.5 <small>— %</small>	- 2.5 <small>— %</small>	- 1.0
Semiconductor Lithography Systems New / Refurbished	2/1 units	0/1 units	- 2/±0 units
FPD Lithography Systems	14 units	8 units	- 6 units

As originally forecasted, no sales were posted for new Semiconductor Lithography Systems. Revenue came from 8 units sales of FPD Lithography Systems (down 6 units from the previous year), resulting in reduced sales and income on the year.

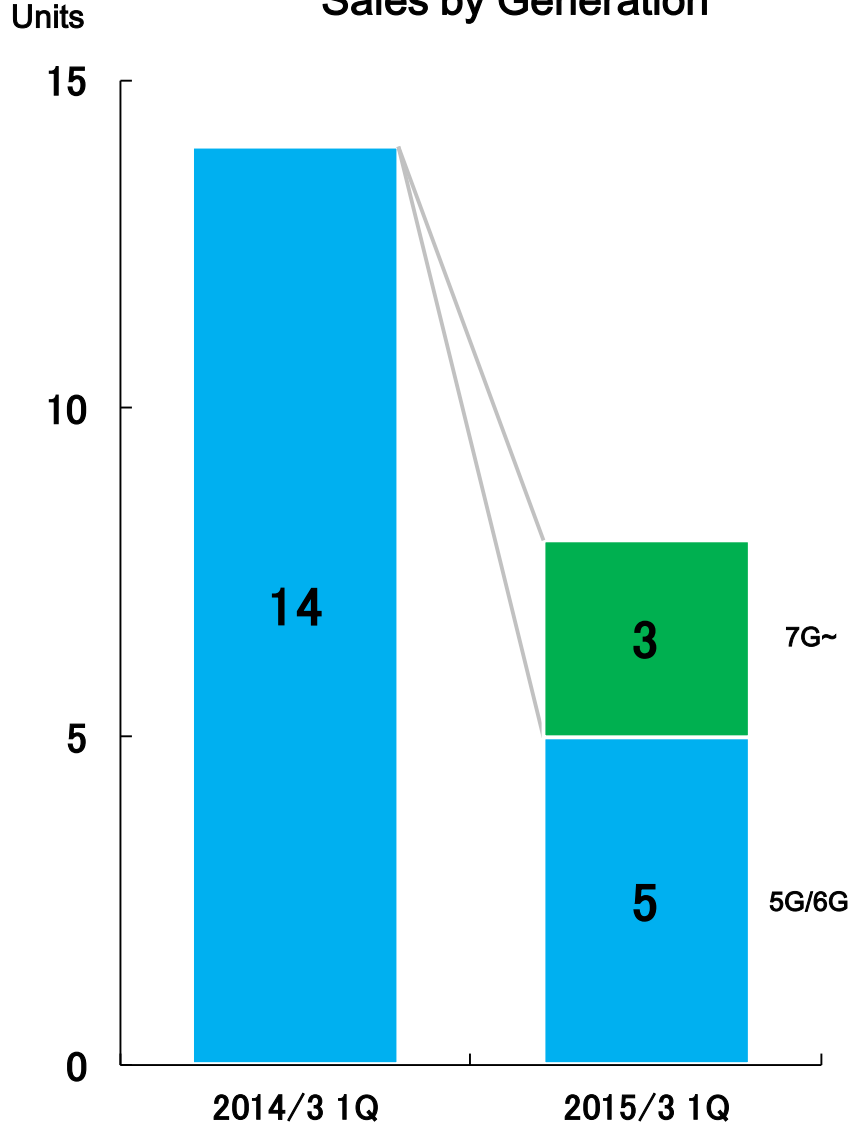


Semiconductor Lithography Systems Sales by Technology

*Including refurbished



FPD Lithography Systems Sales by Generation



Imaging Products Business



Billions of yen 1,000 of units sold	2014/3 1Q (A)	2015/3 1Q (B)	Change (B)-(A)
Net Sales	187.5	134.7	- 52.8
Operating Income <small>% vs. Net Sales</small>	14.5 <small>7.7%</small>	11.8 <small>8.8%</small>	- 2.7
Digital camera – Interchangeable Lens Type	1,590	1,100	- 490
Interchangeable Lens	2,240	1,610	- 630
Compact DSC	3,120	1,780	- 1,340

Sales and income both fell due to sluggish markets in Europe and Americas.
Cost reduction efforts improved the profit margin.

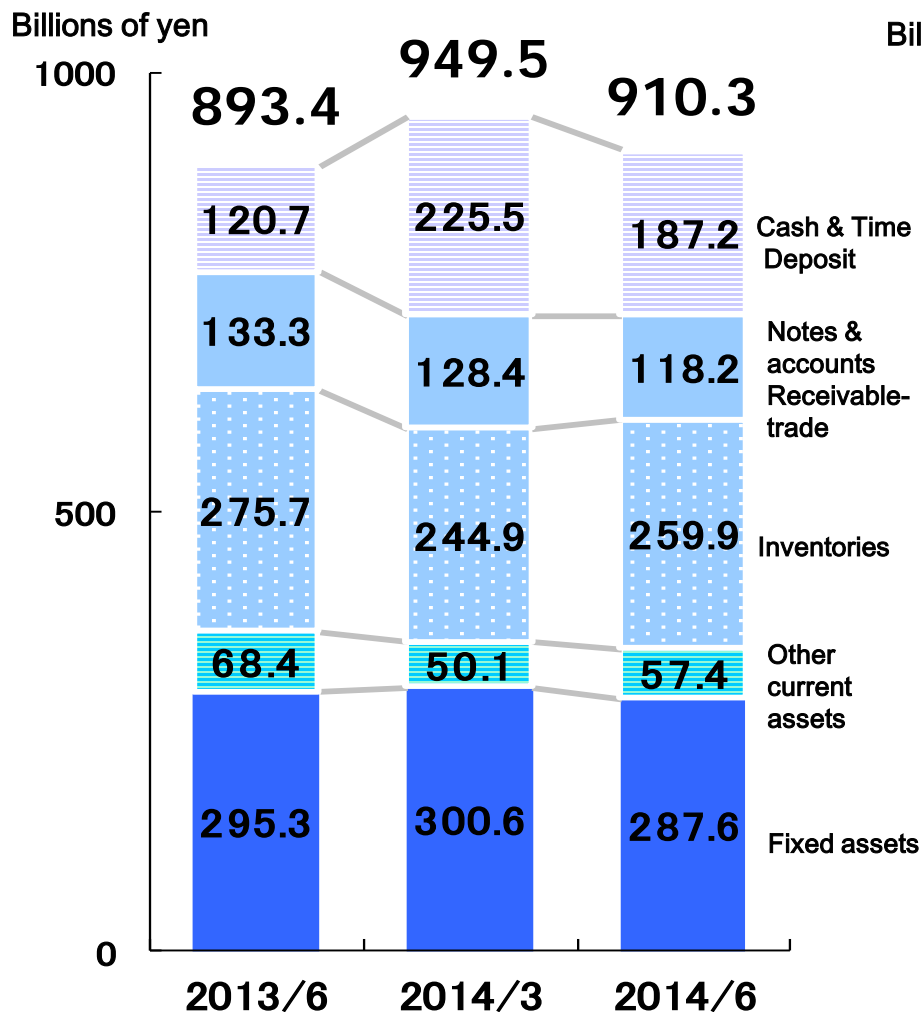
Billions of yen	2014/3 1Q (A)	2015/3 1Q (B)	Change (B)-(A)
Net Sales	11.6	12.4	+ 0.8
Operating Income <small>% vs. Net Sales</small>	- 2.3 <small>— %</small>	- 1.7 <small>— %</small>	+ 0.6

Overseas sales grew for Microscope Solutions Business, while the sales rose for Industrial Metrology Business because of investment recovery for electronic components and semiconductor industry.

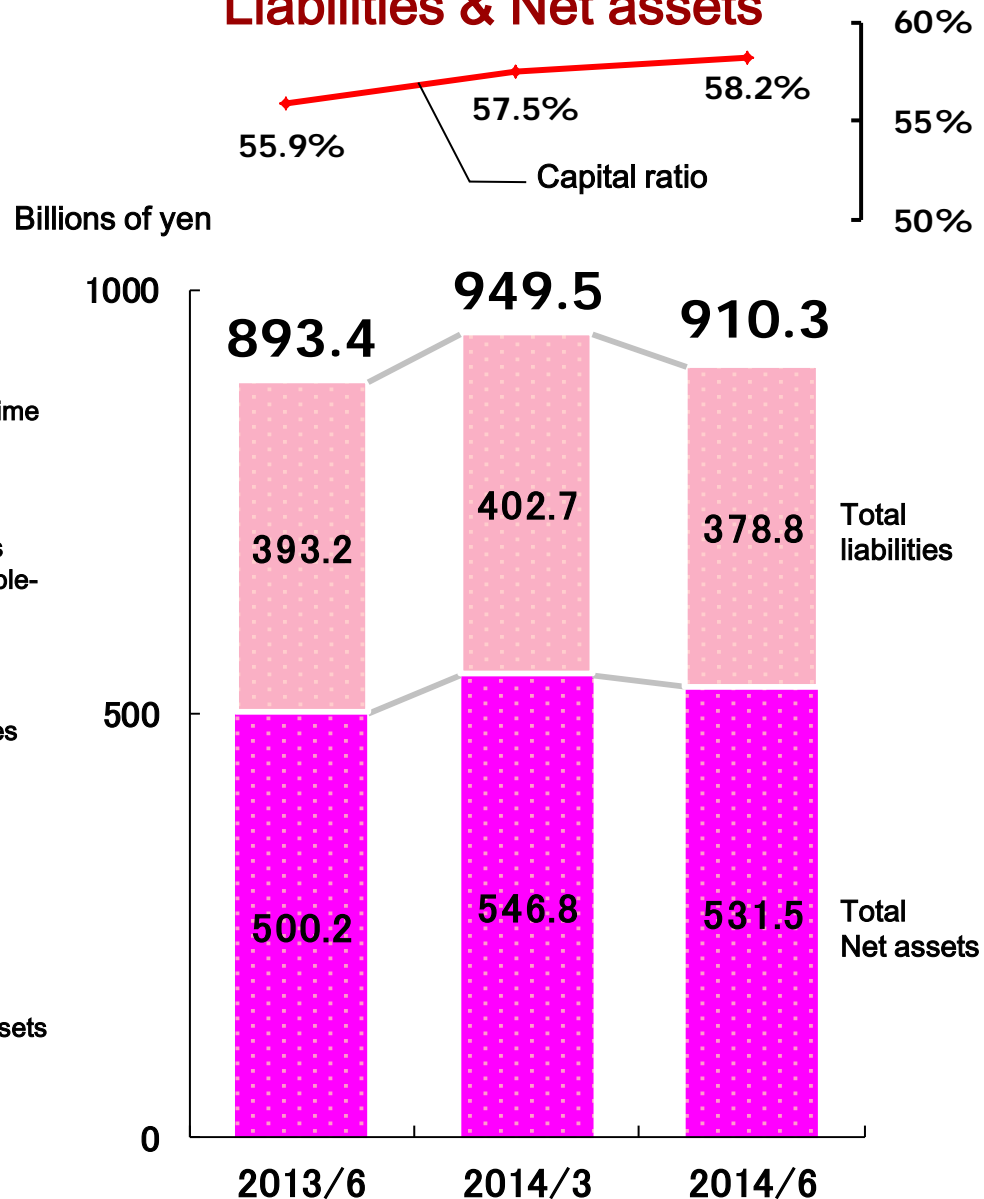
Balance Sheet



Assets



Liabilities & Net assets



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- ◆ **Imaging Products Business** revises its full-year forecast. The company made a downward revision. Revised sales and operating income forecasts are decreased by 8% and 16% on the year.

- **Precision Equipment Business**

The full-year forecast remains unchanged, estimating the same level of sales and operating income as in the previous year.

- **Imaging Products Business**

Sales plan is revised as European markets are expected to be severer than assumed. The revision pushes down both sales and operating income by 6% and 12%, respectively, from the previous forecast.

- **Instruments Business**

The forecast remains unchanged both for Microscope Solutions Business and Industrial Metrology Business. The full-year forecast aims to achieve 8% sales hike year on year, turning to black ink.

- ◆ Assumption of exchange rate for Q2 to Q4 is changed from 140 yen to 135 yen against a Euro.

- ◆ Annual dividend per share: 32 yen (interim dividend 10 yen)

Estimation for the Year Ending March 31, 2015



Billions of yen	2014/3 Actual (A)	1H 2H	2015/3 Previous est. (May 13) (B)	1H 2H	2015/3 New est. (C)	1H 2H	Change (C)-(A)	Change (C)-(B)	1H 2H
Net Sales	980.5	<u>470.4</u> 510.1	940.0	<u>410.0</u> 530.0	900.0	<u>380.0</u> 520.0	- 80.5	- 40.0	<u>- 30.0</u> - 10.0
Operating Income % vs. Net Sales	62.9 6.4%	<u>21.9</u> 41.0	63.0 6.7%	<u>10.0</u> 53.0	53.0 5.9%	<u>4.0</u> 49.0	- 9.9	- 10.0	<u>- 6.0</u> - 4.0
Ordinary Income % vs. Net Sales	61.7 6.3%	<u>20.0</u> 41.7	66.0 7.0%	<u>12.0</u> 54.0	56.0 6.2%	<u>6.0</u> 50.0	- 5.7	- 10.0	<u>- 6.0</u> - 4.0
Net Income % vs. Net Sales	46.8 4.8%	<u>13.6</u> 33.2	45.0 4.8%	<u>8.0</u> 37.0	38.0 4.2%	<u>4.0</u> 34.0	- 8.8	- 7.0	<u>- 4.0</u> - 3.0
FCF	70.9		40.0		35.0		- 35.9	- 5.0	—
Exchange Rate	100 yen	<u>99</u> yen 102yen	100 yen		101 yen	<u>101</u> yen 100yen			
US\$ EURO	134 yen	<u>130</u> yen 139yen	140 yen		136 yen	<u>138</u> yen 135yen			

In line with the revised forecast for Imaging Products Business, the company downgraded its full-year forecast for net sales and incomes.

Estimation for Precision Equipment Business



Billions of yen	2014/3 Actual	1H 2H	2015/3 Previous est. (May 13)	1H 2H	2015/3 New est.	1H 2H
Net Sales	205.4	$\frac{79.8}{125.6}$	210.0	$\frac{70.0}{140.0}$	210.0	$\frac{60.0}{150.0}$
Operating Income % vs. Net Sales	20.0 9.7%	$\frac{3.7}{16.3}$	19.0 9.0%	$\frac{-4.0}{23.0}$	19.0 9.0%	$\frac{-7.0}{26.0}$
Semiconductor Lithography Systems New / Refurbished	32/8 units	$\frac{10/2}{22/6}$	34/14 units	$\frac{10/2}{24/12}$	34/14 units	$\frac{8/2}{26/12}$
FPD Lithography Systems	56 units	$\frac{35}{21}$	34 units	$\frac{13}{21}$	34 units	$\frac{13}{21}$
Semiconductor Lithography Systems Market Scale CY13/14	209 units		Approx. 230 units		Approx. 230 units	
FPD Lithography Systems Market Scale CY13/14	73 units		Approx. 55 units		Approx. 55 units	

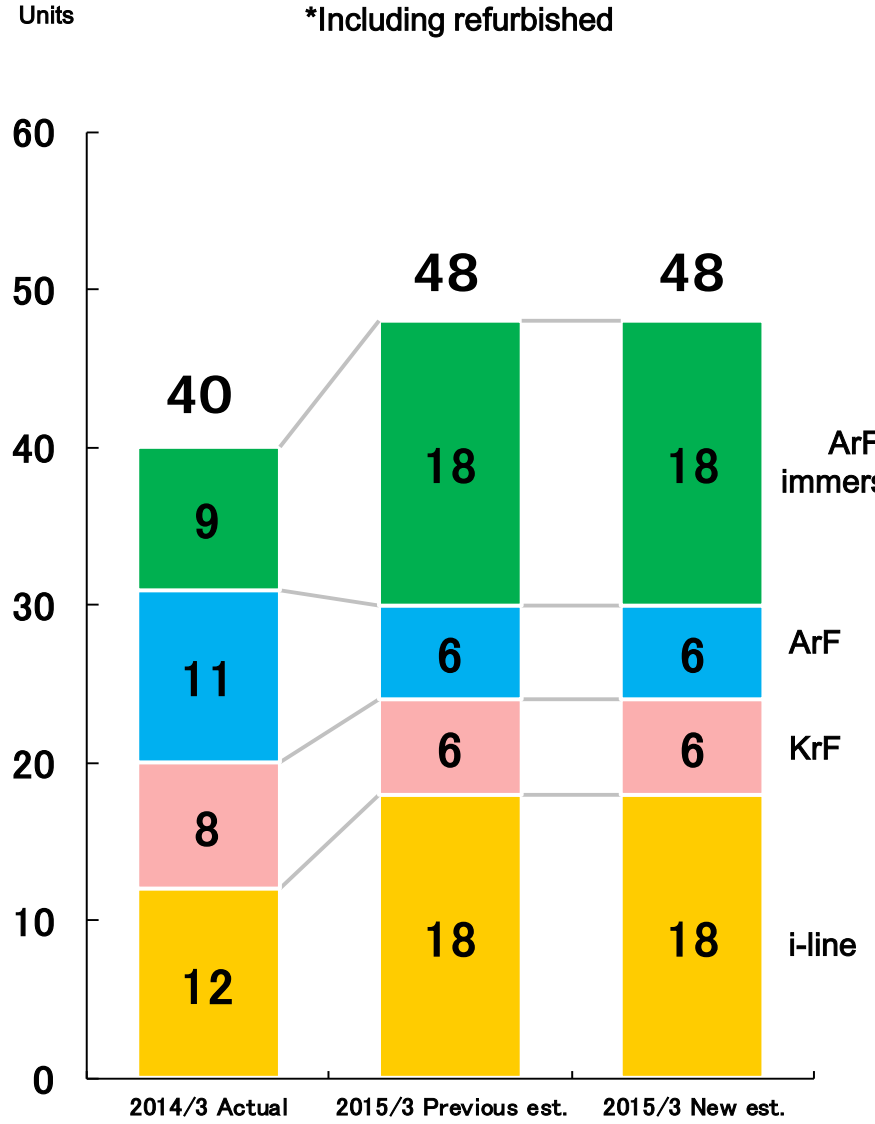
Sales of two Semiconductor Lithography Systems have been transferred from the 1st half to the 2nd half. The full-year forecast remains unchanged.

Estimation for Precision Equipment Business

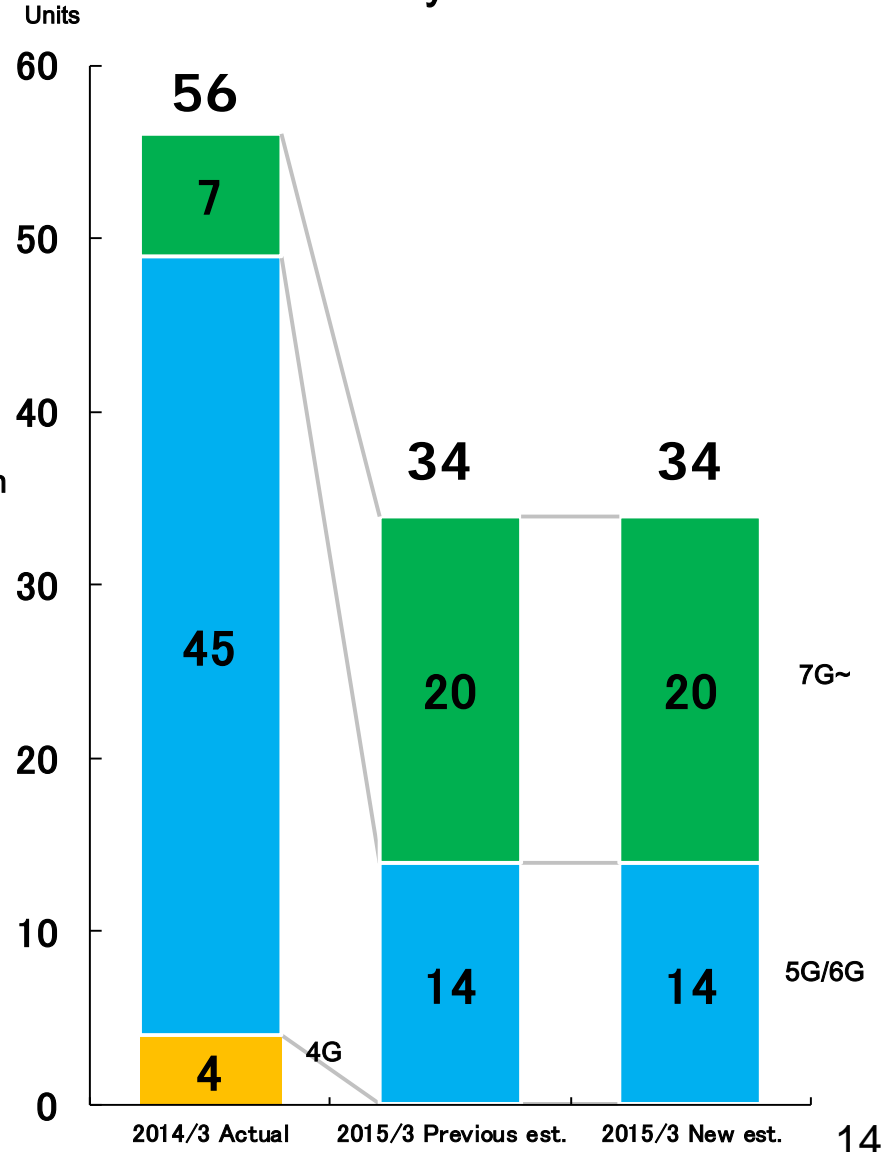


Semiconductor Lithography Systems Sales by Technology

*Including refurbished



FPD Lithography Systems Sales by Generation



Estimation for Imaging Products Business



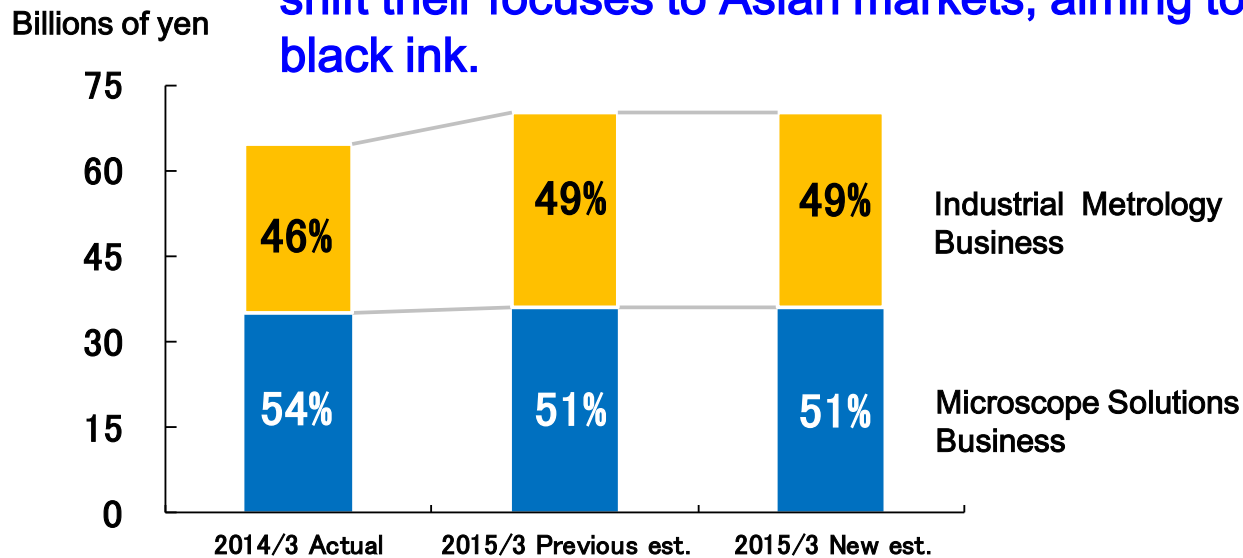
Billions of yen 1,000 of units sold	2014/3 Actual	1H 2H	2015/3 Previous est. (May 13)	1H 2H	2015/3 New est.	1H 2H
Net Sales	685.4	<u>352.5</u> 332.9	630.0	<u>300.0</u> 330.0	590.0	<u>280.0</u> 310.0
Operating Income % vs. Net Sales	64.2 9.4%	<u>30.9</u> 33.3	66.0 10.5%	<u>27.0</u> 39.0	58.0 9.8%	<u>24.0</u> 34.0
Digital camera – Interchangeable Lens Type	5,750	<u>2,980</u> 2,770	5,400	<u>2,550</u> 2,850	5,050	<u>2,350</u> 2,700
Interchangeable Lens	8,230	<u>4,200</u> 4,030	7,450	<u>3,500</u> 3,950	7,100	<u>3,300</u> 3,800
Compact DSC	11,160	<u>5,800</u> 5,360	9,000	<u>4,100</u> 4,900	7,500	<u>3,600</u> 3,900
D-CIL Market Scale	16,780		15,800		15,100	
IL Market Scale	26,280		25,000		23,900	
C-DSC Market Scale	41,180		31,000		28,000	

Forecasts of both sales and income are downwardly revised while reflecting the slow recovery of European markets. Sales expansion activity will be strengthened in the growing Asian markets.

Estimation for Instruments Business

Billions of yen	2014/3 Actual	1H 2H	2015/3 Previous est. (May 13)	1H 2H	2015/3 New est.	1H 2H
Net Sales	64.7	$\frac{26.0}{38.7}$	70.0	$\frac{30.0}{40.0}$	70.0	$\frac{30.0}{40.0}$
Operating Income % vs. Net Sales	- 2.1 — %	$\frac{- 3.4}{1.3}$	1.0 1.4 %	$\frac{- 2.0}{3.0}$	1.0 1.4 %	$\frac{- 2.0}{3.0}$

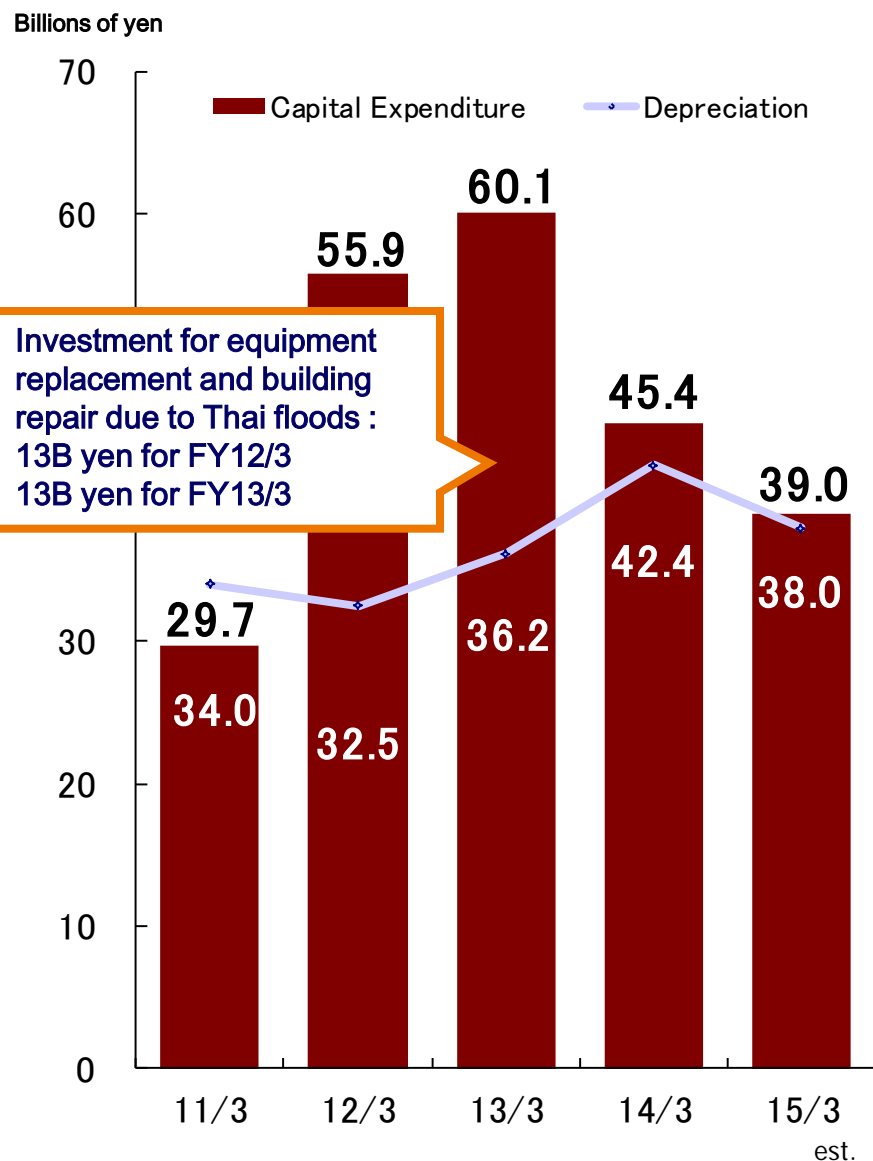
Both Microscope Solutions Business and Industrial Metrology Business shift their focuses to Asian markets, aiming to increase sales and turn to black ink.



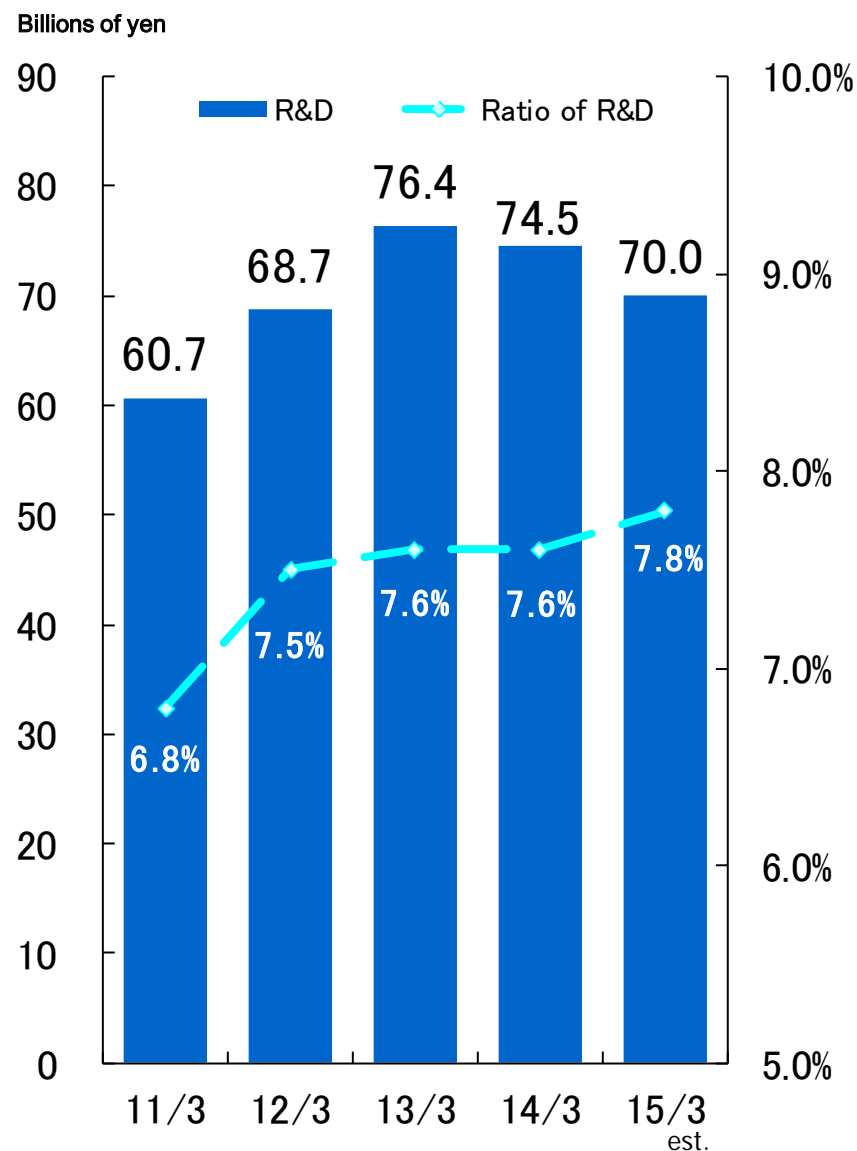
Estimation for Capital Expenditure, Depreciation and R&D



[Capital Expenditure & Depreciation]



[R&D]



* Starting the year ending March 2015, the depreciation method of the Nikon Group is standardized to the straight line method.

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Exchange Rate

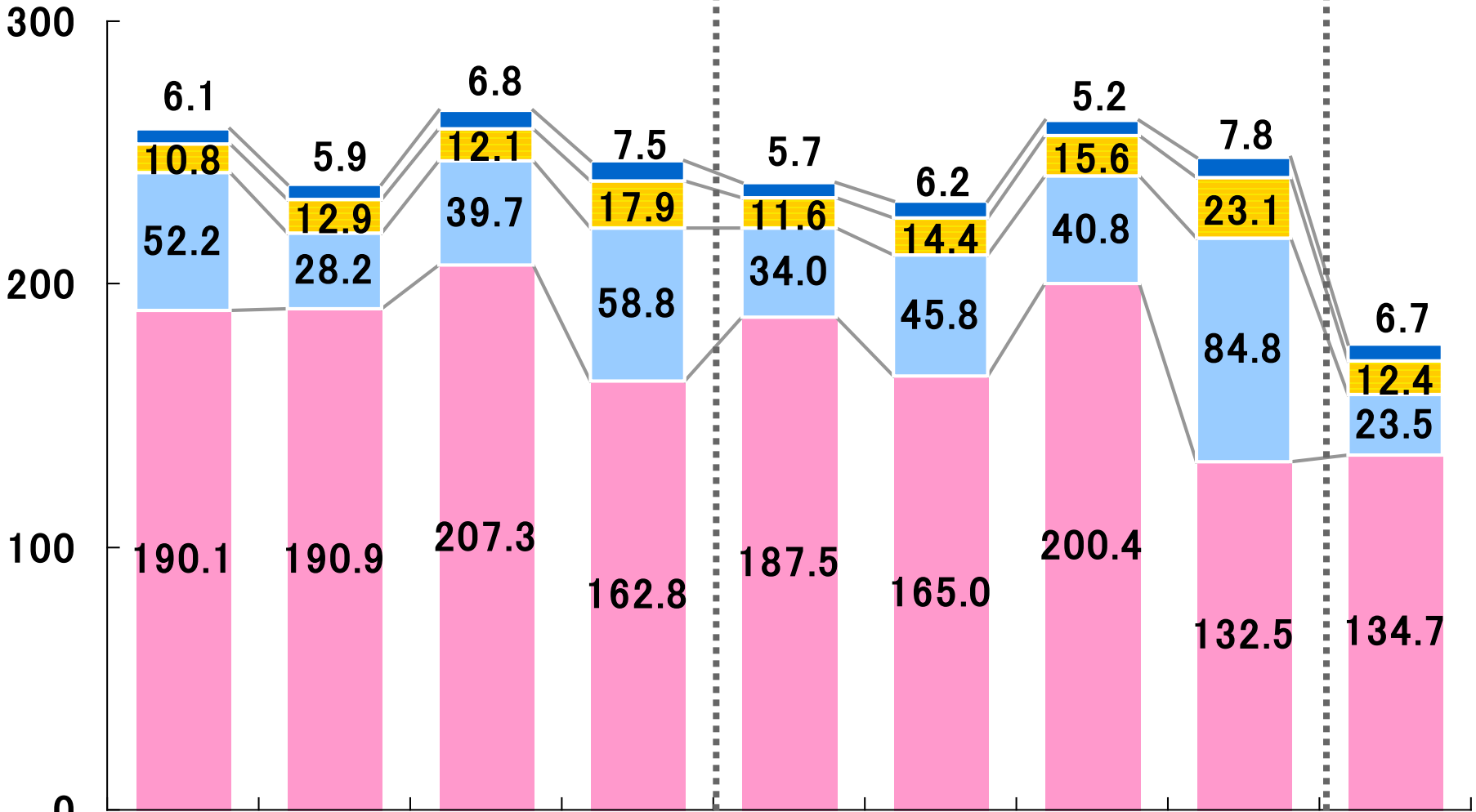
2015/3 Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	2015/3 Forecast for 2Q-4Q	Net Sales 2Q-4Q	Operating Income 2Q-4Q
US \$	100 yen	Approx. 3.3 billion yen	Approx. 0.2 billion yen
EURO	135 yen	Approx. 1.3 billion yen	Approx. 0.8 billion yen

Quarterly Net Sales by Segment



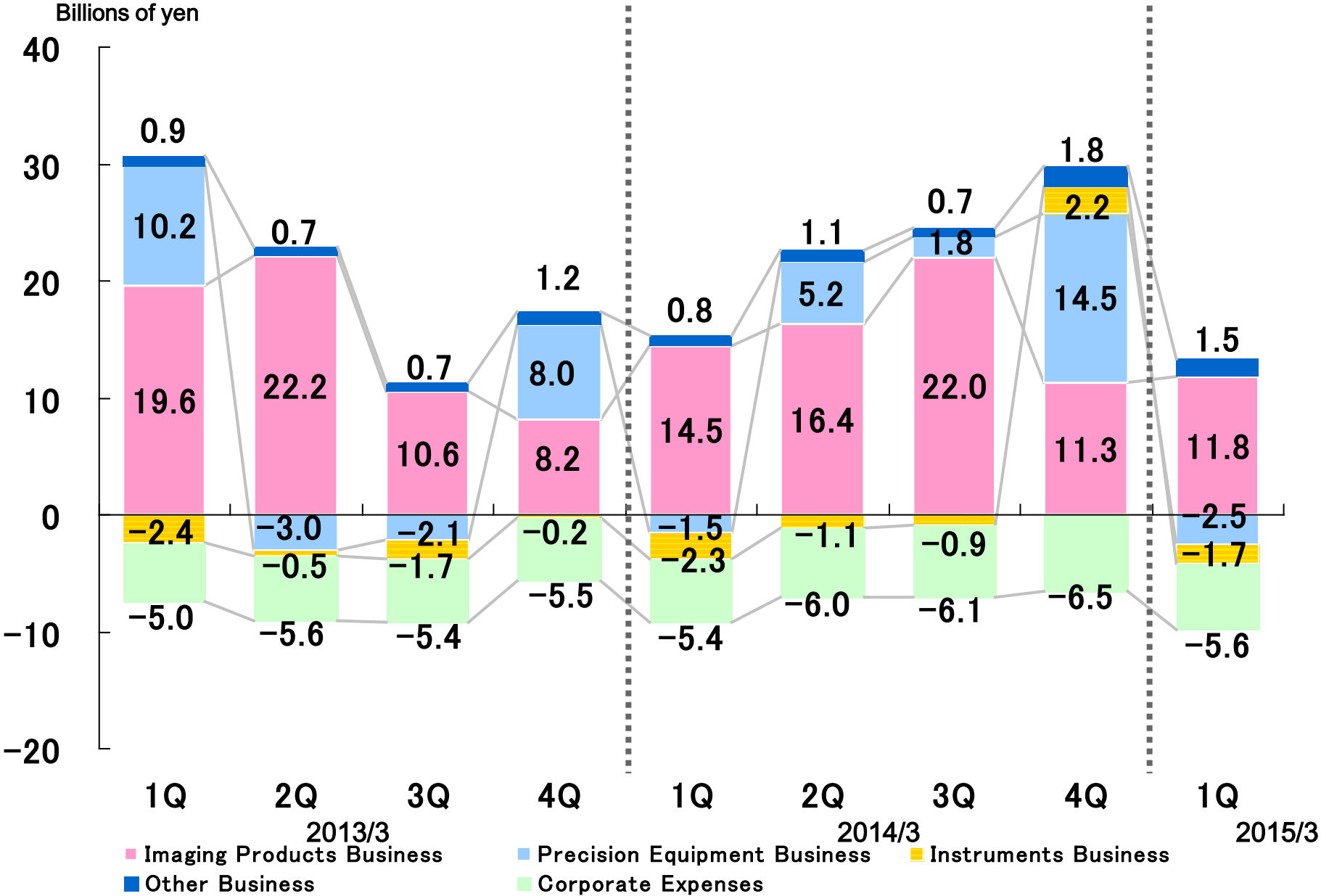
Billions of yen



■ Imaging Products Business ■ Precision Equipment Business ■ Instruments Business ■ Other Business

* Amounts in this slide are rounded down to the hundred million: the sum of breakdown values may not match the total.

Quarterly Operating Income by Segments



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