



NIKON CORPORATION
Corporate Communications & Investor Relations Dept.
Corporate Strategy Division
Aug 6, 2015

Financial Results for the First Quarter of the Year Ending March 31, 2016

Conference in Tokyo (Aug 6, 2015)
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, 2016**
- II. Estimation for the Year Ending
March 31, 2016
- III. Reference Data

◆ Overall, sales and operating income increased ¥4.8 billion and ¥400 million, respectively, from the first quarter last year.

- **Precision Equipment Business**

Sales posted an increase of ¥1 billion, year on year, and the operating loss shrank ¥1.6 billion.

- **Imaging Products Business**

Sales increased ¥2.4 billion, year on year, and the operating income grew ¥1.6 billion.

- **Instruments Business**

Sales increased ¥1.6 billion, year on year, and the operating loss stayed at the same level.

Financial Highlights for the First Quarter of the Year Ending March 31, 2016



Billions of yen	2015/3 1Q (A)	2016/3 1Q (B)	Change (B)-(A)
Net Sales	177.4	182.2	+ 4.8
Operating Income % vs. Net Sales	3.5 2.0%	3.9 2.1%	+ 0.4
Ordinary Income % vs. Net Sales	4.6 2.6%	6.9 3.8%	+ 2.3
Net Income attributable to owners of parent % vs. Net Sales	3.6 2.0%	3.3 1.8%	- 0.3
FCF	- 20.6	- 30.6	- 10.0
Exchange Rate			Impact on
US\$	102 yen	121 yen	Net Sales: + 12.5
EURO	140 yen	134 yen	Op. Income: - 0.5

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

Precision Equipment Business



Billions of yen	2015/3 1Q (A)	2016/3 1Q (B)	Change (B)-(A)
Net Sales	23.5	24.5	+ 1.0
Operating Income % vs. Net Sales	- 2.5 —%	- 0.9 —%	+ 1.6
Semiconductor Lithography Systems New / Refurbished	0/1 units	0/7 units	±0/+ 6 units
FPD Lithography Systems	8 units	6 units	- 2 units

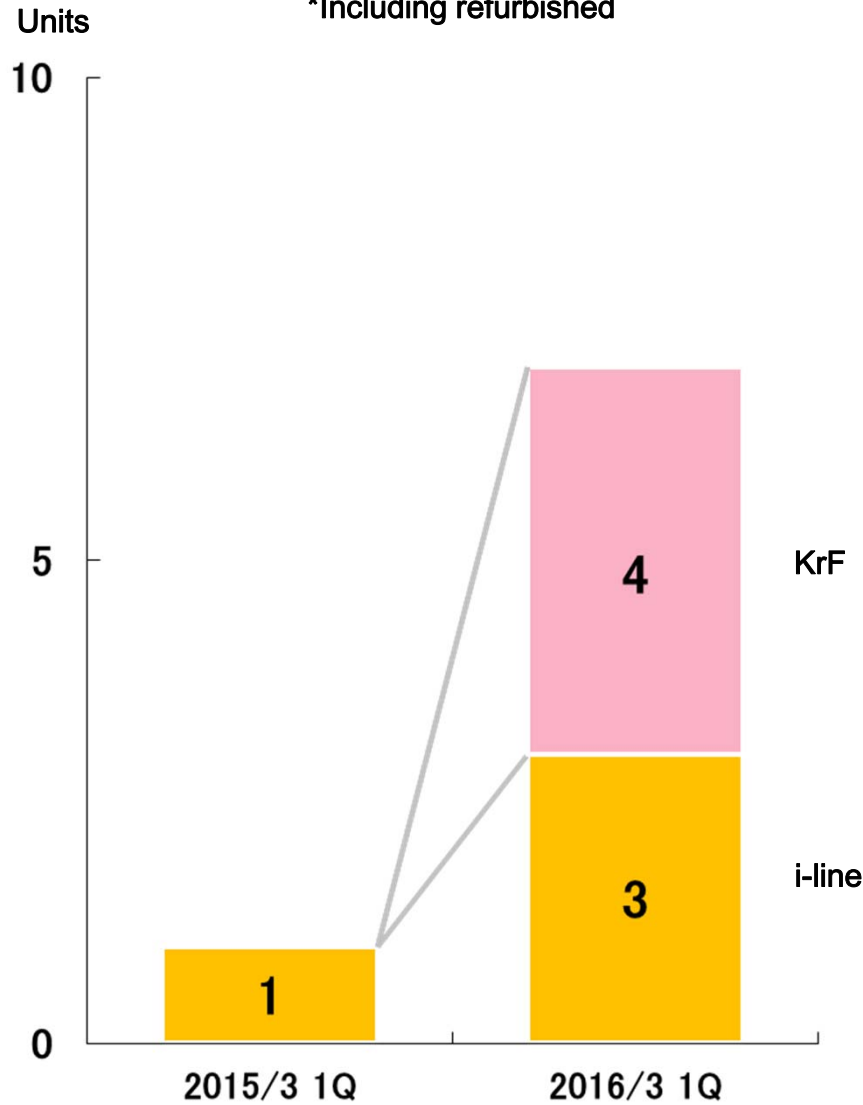
Sales growth in refurbished semiconductor lithography systems and services contributed to higher sales than that of the same period last year. In addition, progress of cost reduction measures in Semiconductor Lithography Business helped the operating loss to reduce.

Precision Equipment Business

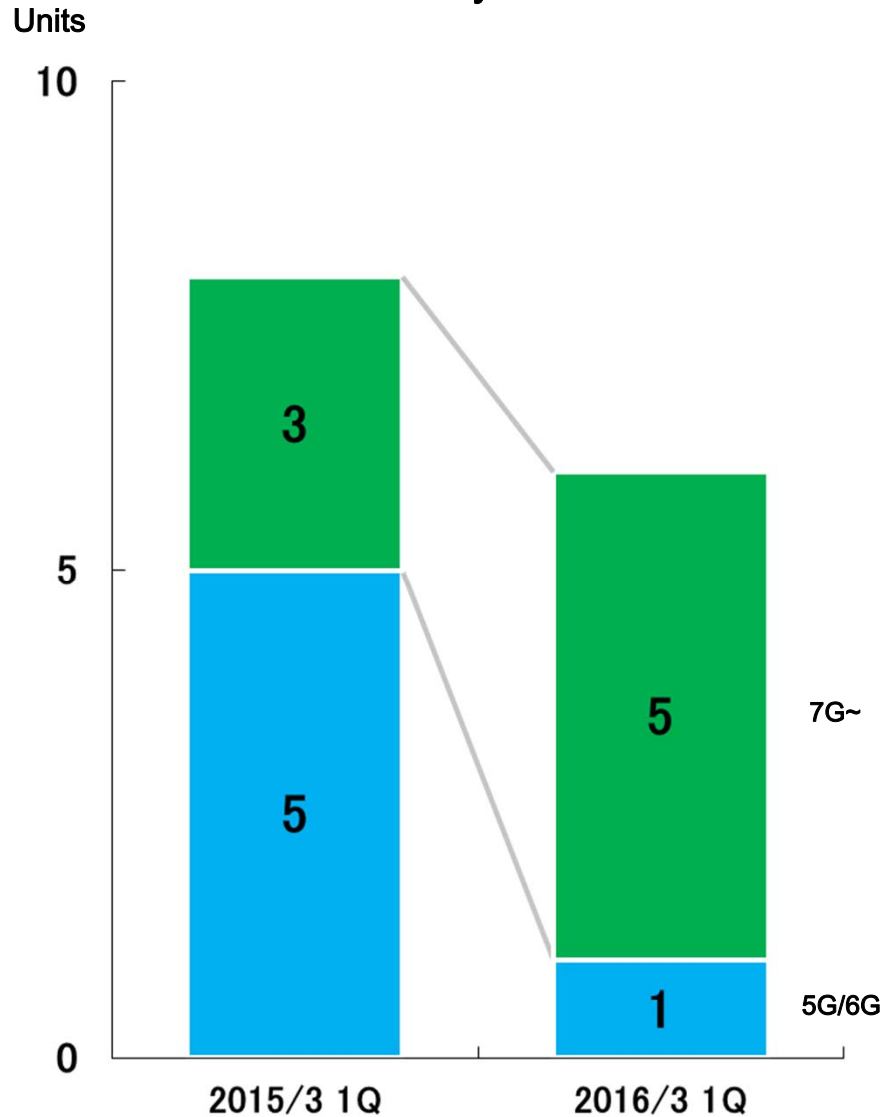


Semiconductor Lithography Systems Sales by Technology

*Including refurbished



FPD Lithography Systems Sales by Generation



Imaging Products Business



Billions of yen Cameras & Lenses (1,000 of units sold)	2015/3 1Q (A)	2016/3 1Q (B)	Change (B)-(A)
Net Sales	134.7	137.1	+ 2.4
Operating Income <small>% vs. Net Sales</small>	11.8 8.8%	13.4 9.8%	+ 1.6
Digital camera – Interchangeable Lens Type	1,100	1,040	- 60
Interchangeable Lens	1,610	1,490	- 120
Compact DSC	1,780	1,530	- 250

Although the sales volume was reduced from the same period last year, the weaker yen pushed up sales. Operating income was lifted by the product mix improvement and cost reduction measures.

Instruments Business



Billions of yen	2015/3 1Q (A)	2016/3 1Q (B)	Change (B)-(A)
Net Sales	12.4	14.0	+ 1.6
Operating Income % vs. Net Sales	- 1.7 — %	- 1.7 — %	± 0

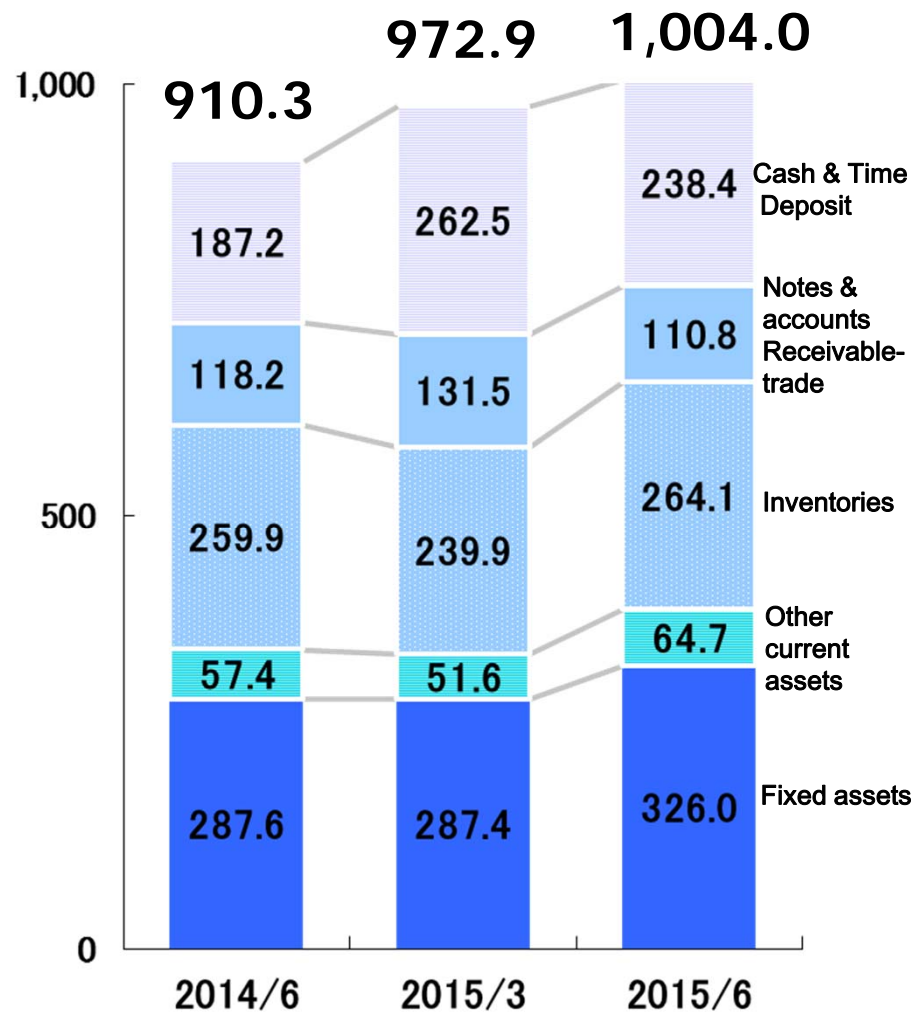
Microscope Solutions Business ended with sales improvement in overseas markets. Industrial Metrology Business sales grew thanks to investment increase for electronic components and semiconductor sectors. Operating loss stayed flat, year on year, due to increased R&D expenditures.

Balance Sheet



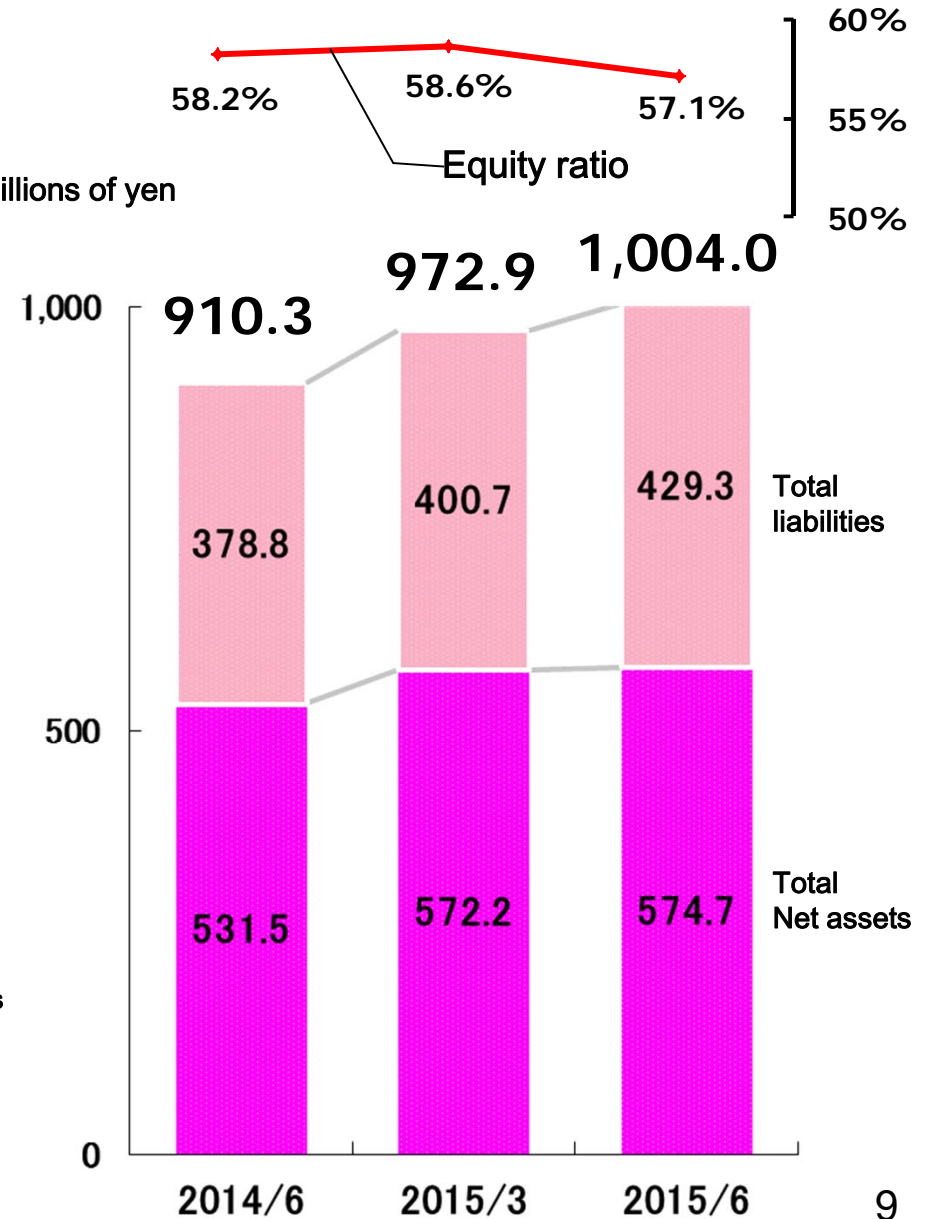
Assets

Billions of yen



Liabilities & Net assets

Billions of yen



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◆ The first quarter forecast is upgraded. After the forecast update, the company expects to post ¥870 billion for sales and ¥34 billion for operating income in the full year. Compared to the last year results, sales expects to increase slightly and operating income to reduce 22%.

- Precision Equipment Business

Operating income forecast for the first half is upgraded by ¥2 billion, but the yearly forecast is unchanged. Compared to the year earlier, 23% sales hike and 2.4-fold operating income improvement are expected.

- Imaging Products Business

For the first half year, sales and operating income forecasts are favorably corrected by ¥10 billion and ¥4 billion, respectively, but the second half forecast is not changed due to uncertainty in the economic outlook. Yearly sales and operating income are expected to reduce by 9% and 26%, respectively, from the last year.

- Instruments Business

The current forecasts remain unchanged both for Microscope Solutions Business and Industrial Metrology Business. While sales expects to post 11% improvement year on year, operating income is almost expected to double.

◆ The assumed exchange rates for Q2 to Q4 are unchanged: ¥115/US dollar and ¥130/euro.

◆ Estimated Annual dividend per share: 16 yen (Interim dividend: 8 yen)

Estimation for the Year Ending March 31, 2016



Billions of yen	2015/3 Actual (A)	1H 2H	2016/3 Previous est. (May 14) (B)	1H 2H	2016/3 New est. (C)	1H 2H	Change (C)-(A)	Change (C)-(B)	1H 2H
Net Sales	857.7	<u>374.9</u> 482.8	860.0	<u>374.0</u> 486.0	870.0	<u>384.0</u> 486.0	+12.3	+ 10.0	<u>+10.0</u> ±0
Operating Income % vs. Net Sales	43.4 5.1%	<u>13.0</u> 30.4	30.0 3.5%	<u>2.0</u> 28.0	34.0 3.9%	<u>8.0</u> 26.0	- 9.4	+ 4.0	<u>+6.0</u> - 2.0
Ordinary Income % vs. Net Sales	46.3 5.4%	<u>14.7</u> 31.6	33.0 3.8%	<u>4.0</u> 29.0	37.0 4.3%	<u>10.0</u> 27.0	- 9.3	+ 4.0	<u>+6.0</u> - 2.0
Net Income attributable to owners of parent % vs. Net Sales	18.3 2.1%	<u>10.0</u> 8.3	20.0 2.3%	<u>1.0</u> 19.0	20.0 2.3%	<u>5.0</u> 15.0	+ 1.7	±0	<u>+4.0</u> - 4.0
FCF	46.3		- 10.0		- 6.0		- 52.3	+4.0	—
Exchange Rate US\$ EURO	110 _{yen} 139 _{yen}	<u>103</u> _{yen} 117 _{yen} <u>139</u> _{yen} 138 _{yen}	115 _{yen} 130 _{yen}		117 _{yen} 131 _{yen}	<u>118</u> _{yen} 115 _{yen} <u>132</u> _{yen} 130 _{yen}	Impact on Net Sales: Approx. +12.9 Impact on Op. Income: Approx. - 3.0		

The full-year forecasts for sales and operating income are upgraded because of forecast updates by Imaging Products Business.

Estimation for Precision Equipment Business



Billions of yen	2015/3 Actual	<u>1H</u> 2H	2016/3 Previous est. (May 14)	<u>1H</u> 2H	2016/3 New est.	<u>1H</u> 2H
Net Sales	170.7	$\frac{54.9}{115.8}$	210.0	$\frac{70.0}{140.0}$	210.0	$\frac{70.0}{140.0}$
Operating Income % vs. Net Sales	8.3 4.9%	$\frac{-3.2}{11.5}$	20.0 9.5%	$\frac{-2.0}{22.0}$	20.0 9.5%	$\frac{0}{20.0}$
Semiconductor Lithography Systems New / Refurbished	19/13 units	$\frac{5/1}{14/12}$	23/15 units	$\frac{3/9}{20/6}$	23/15 units	$\frac{3/9}{20/6}$
FPD Lithography Systems	34 units	$\frac{13}{21}$	50 units	$\frac{19}{31}$	50 units	$\frac{19}{31}$
Semiconductor Lithography Systems Market Scale CY14/15	195 units		Approx. 200 units		Approx. 200 units	
FPD Lithography Systems Market Scale CY14/15	54 units		Approx. 75 units		Approx. 75 units	

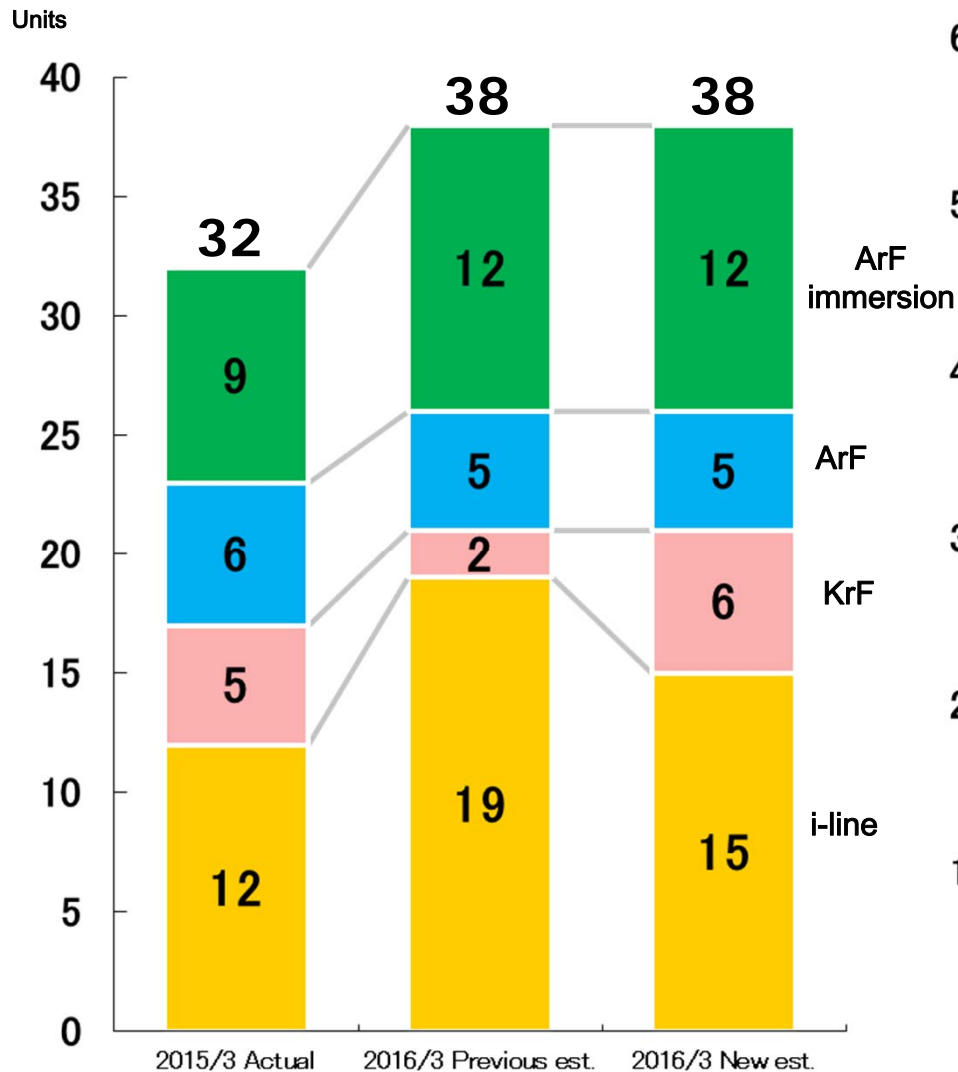
With the Q1 result reflected, the operating income forecast for the 1st half is upgraded.
The full-year forecasts remain unchanged.

Estimation for Precision Equipment Business



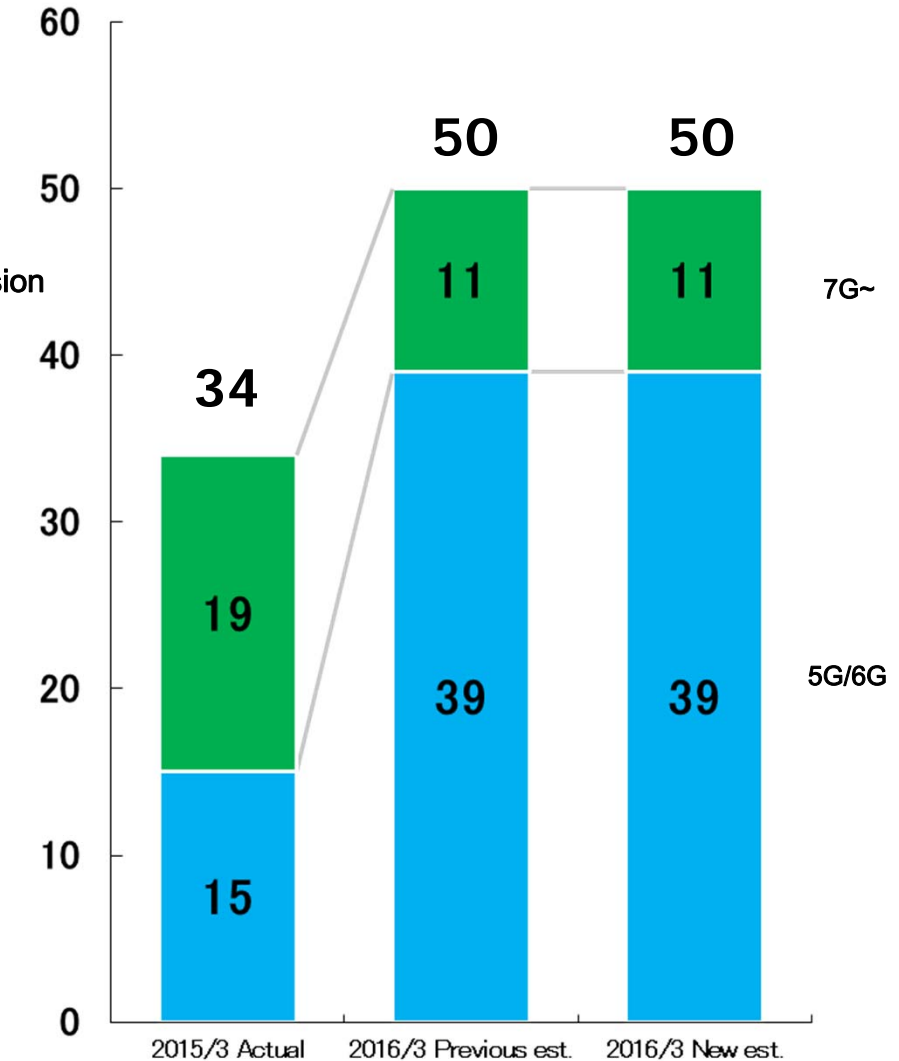
Semiconductor Lithography Systems Sales by Technology

*Including refurbished



FPD Lithography Systems Sales by Generation

Units



Estimation for Imaging Products Business



Billions of yen Cameras & Lenses (1,000 of units sold)	2015/3 Actual	1H 2H	2016/3 Previous est. (May 14)	1H 2H	2016/3 New est.	1H 2H
Net Sales	586.0	<u>277.4</u> 308.6	525.0	<u>255.0</u> 270.0	535.0	<u>265.0</u> 270.0
Operating Income % vs. Net Sales	56.6 9.7%	<u>27.5</u> 29.1	38.0 7.2%	<u>18.0</u> 20.0	42.0 7.9%	<u>22.0</u> 20.0
Digital camera – Interchangeable Lens Type	4,610	<u>2,180</u> 2,430	4,250	<u>2,050</u> 2,200	4,250	<u>2,050</u> 2,200
Interchangeable Lens	6,680	<u>3,090</u> 3,590	6,100	<u>2,950</u> 3,150	6,100	<u>2,950</u> 3,150
Compact DSC	7,690	<u>3,570</u> 4,120	6,000	<u>2,900</u> 3,100	6,000	<u>2,900</u> 3,100
D-CIL Market Scale	13,570		12,400		12,400	
IL Market Scale	22,620		20,600		20,600	
C-DSC Market Scale	28,030		19,200		19,200	

Based on the Q1 result, both sales and operating income forecasts for the 1st half are upgraded. The 2nd half forecasts remain unchanged.

Estimation for Instruments Business



Billions of yen	2015/3 Actual	<u>1H</u> 2H	2016/3 Previous est. (May 14)	<u>1H</u> 2H	2016/3 New est.	<u>1H</u> 2H
Net Sales	72.3	$\frac{28.5}{43.8}$	80.0	$\frac{32.0}{48.0}$	80.0	$\frac{32.0}{48.0}$
Operating Income % vs. Net Sales	1.1 1.5%	$\frac{-2.1}{3.2}$	2.0 2.5%	$\frac{-1.5}{3.5}$	2.0 2.5%	$\frac{-1.5}{3.5}$

Both Microscope Solutions Business and Industrial Metrology Business have been receiving steady purchase orders, expecting to post higher sales and operating income.

Estimation for Medical Business



Billions of yen	2015/3 Actual	1H 2H	2016/3 Previous est. (May 14)	1H 2H	2016/3 New est.	1H 2H
Net Sales	—	—	15.0	$\frac{5.0}{10.0}$	15.0	$\frac{5.0}{10.0}$
Operating Income	—	—	- 6.0	$\frac{- 3.0}{- 3.0}$	- 6.0	$\frac{- 3.0}{- 3.0}$
% vs. Net Sales	—%		—%		—%	

The full-year forecasts remain unchanged.

The acquisition of Optos Plc in UK has been completed, and its sales and income are to be posted from Q2.

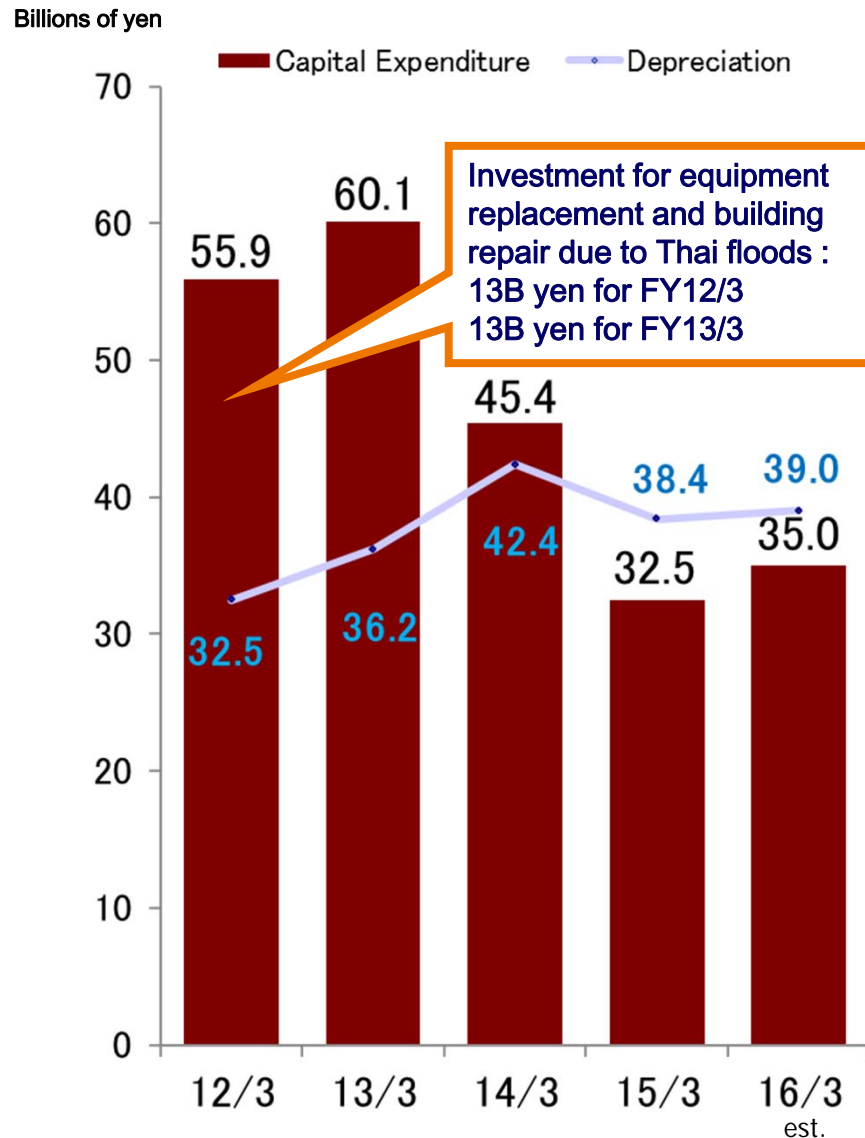
The goodwill amortization expense for this fiscal year is approximately ¥2.6 billion.

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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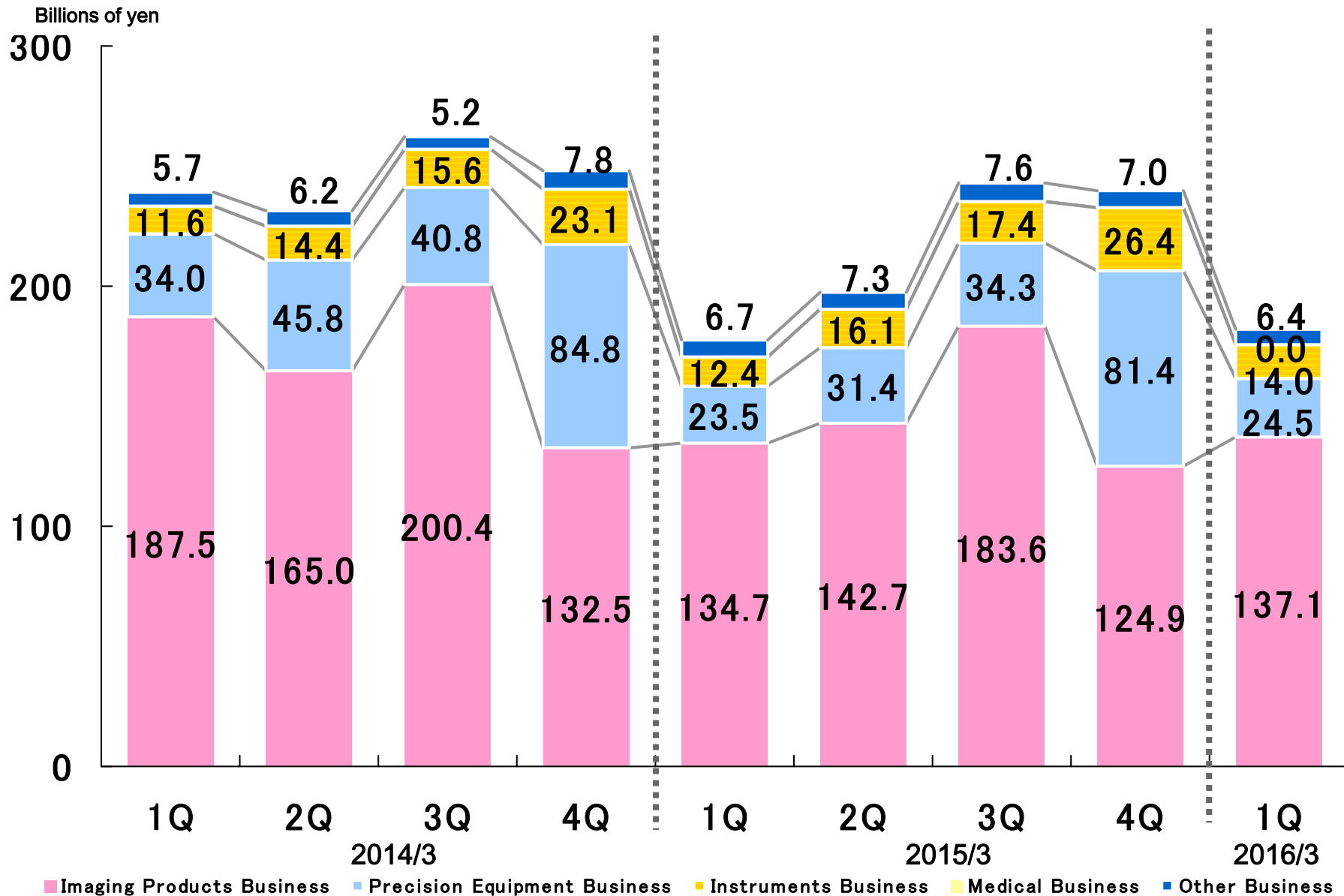
Exchange Rate



2016/3 Estimation

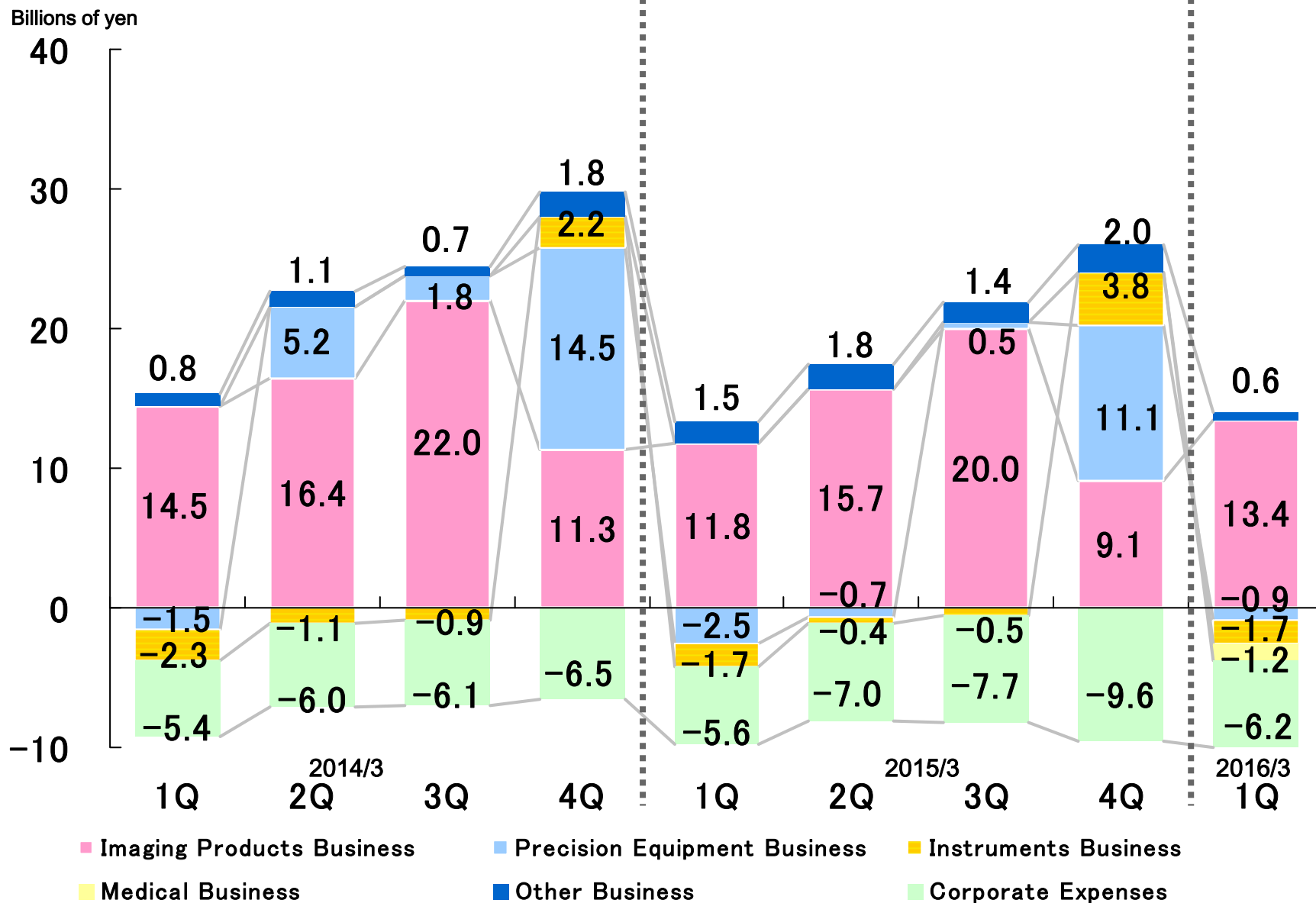
	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	2016/3 Forecast for 2Q-4Q	Net Sales 2Q-4Q	Operating Income 2Q-4Q
US \$	115 yen	Approx. 2.8 billion yen	Approx. 0.3 billion yen
EURO	130 yen	Approx. 0.8 billion yen	Approx. 0.4 billion yen

Quarterly Net Sales by Segment



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

Quarterly Operating Income by Segment



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



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