



Nikon Medium Term Management Plan

June 18, 2010

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 . Missions of Nikon Group

II . Overview of Medium Term Management Plan

III . Management Plans of each Company

IV . Financial Position and Shareholders Benefit

V . Summary

Nikon's Philosophy Trustworthiness & Creativity

For Nikon group to sustain
growth and provide customers
with new values

Expanding
Nikon brand

Creating
new businesses

CSR management

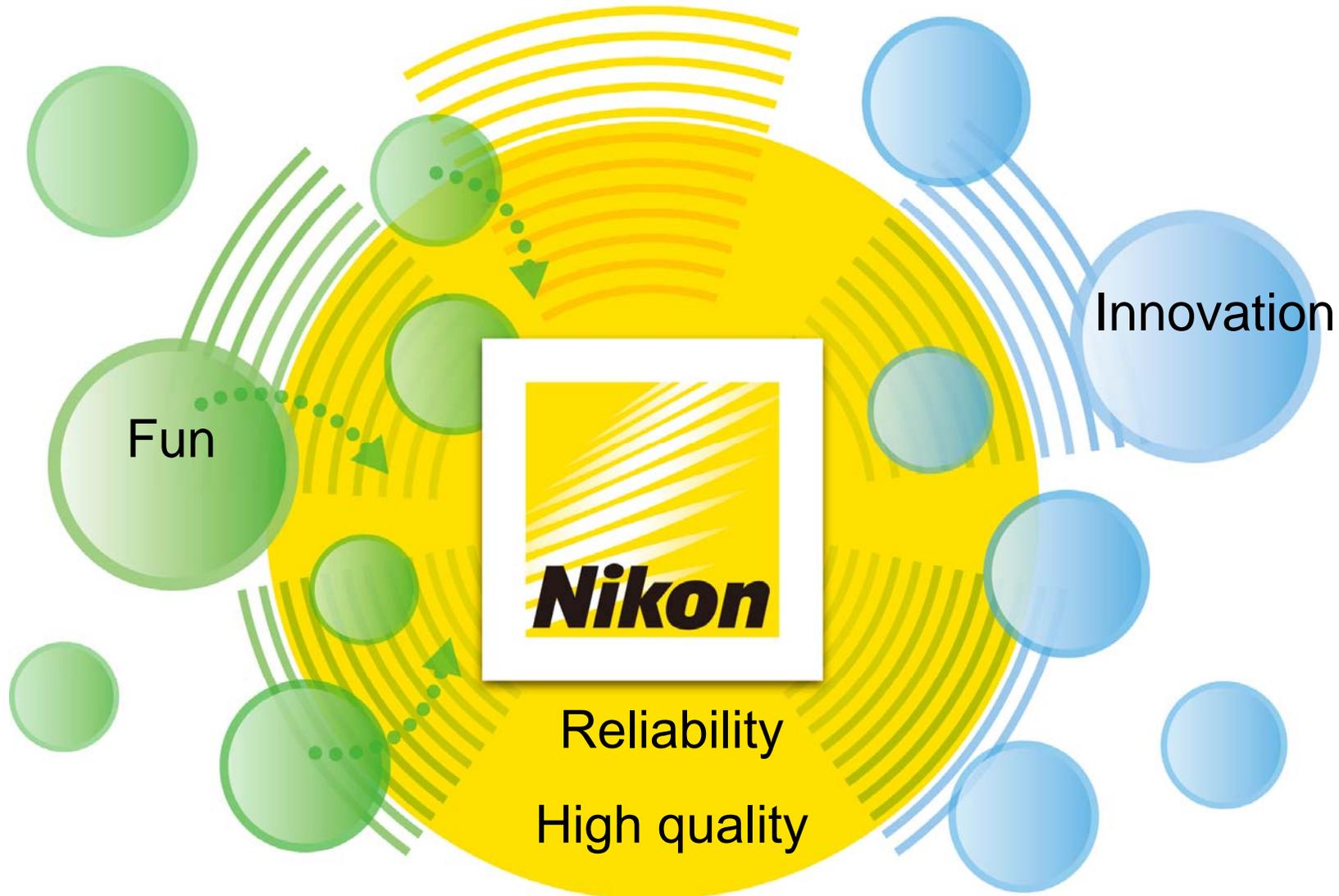
Realizing unified
and quick-
responding
organizations

Strengthening
business functions
and innovating
processes

Expanding Nikon brand



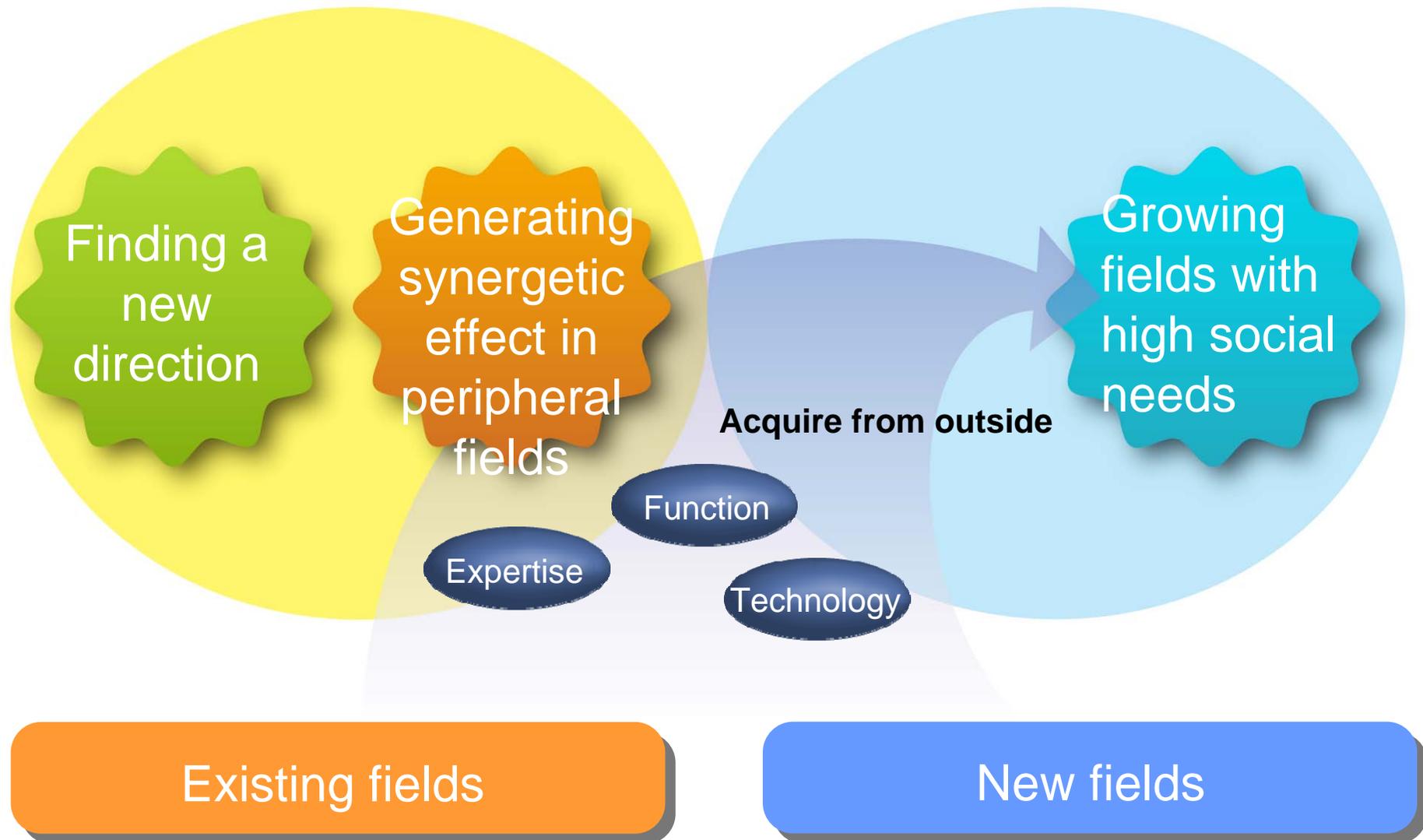
Appeal Nikon brand's strength "spirit of innovation"
added with "Fun."



Creating new businesses

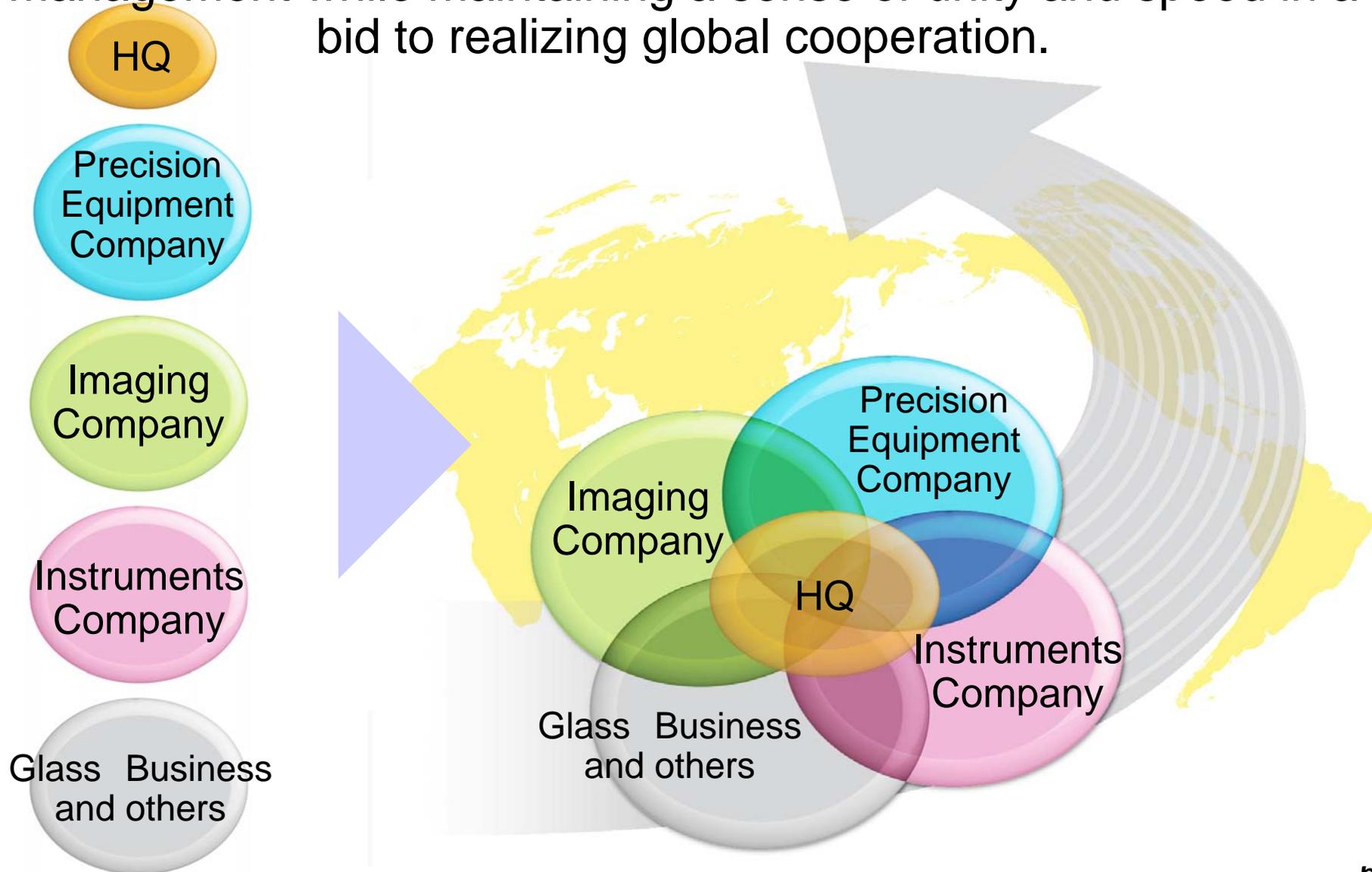


Create new businesses in existing and new fields.



Realizing unified and quick-responding organizations

Headquarters and companies exercise autonomous management while maintaining a sense of unity and speed in a bid to realizing global cooperation.



Strengthening business functions and innovating processes



Both processes/operations and high technological capabilities collaborate at high levels.



CSR-oriented management pursues processes to materialize our company philosophy “Trustworthiness & Creativity.”



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Economic trend:

- Showing continuous growth although degrees of recovery vary depending on industry and region.
- Growing presence of newly emerging nations
- Assumed exchange rates (FY2013/3) : 90 yen per US dollar; 110 yen per Euro

Business environment:

Precision equipment

IC: Rapid expansion and continuation of favorable condition

LCD: Needs for large scale and high density panels, expansion of Chinese market seeking steady investments

Imaging

Maintaining constant growth in spite of fierce competitions.
Expansion of other digital businesses than camera.

Instruments

Both bioscience and industrial equipment showing steady growth. In some fields, 2-digit growth is forecasted.

Consolidated financial targets



Gain the leading position in the existing fields
Create new businesses

Billions of yen	2010/3	2011/3	2013/3
Net Sales	785.5	880.0	1,100.0
Operating Income	-13.9	52.0	120.0
Net Income	-12.6	30.0	65.0

EXCHANGE RATE (YEN)

10/3	1US DOLLAR=93	1EURO=131
11/3	1US DOLLAR=90	1EURO=120
13/3	1US DOLLAR=90	1EURO=110

Consolidated financial target of each Company



Billions of Yen	2010/3	2011/3	2013/3
Net Sales	785.5	880.0	1,100.0
Precision Equipment	150.1	210.0	280.0
Imaging	569.5	590.0	720.0
Instruments	45.1	60.0	80.0
Operating Income % vs Net Sales	-13.9 (-%)	52.0 (5.9%)	120.0 (10.9%)
Precision Equipment	-58.6 (-%)	3.0 (1.4%)	28.0 (10.0%)
Imaging	52.1 (9.1%)	52.0 (8.8%)	88.0 (12.2%)
Instruments	-9.3 (-%)	-5.5 (-%)	4.0 (5.0%)

Capital Investment and R&D Plan



Implementing investments to ensure sustainable growth.
Maintaining the R&D expenses at 7% of net sales.

Precision equipment



Imaging



Instruments



Capital Investment: 120 billion yen total (10 billion yen up from previous plan)
R&D expenses: 200 billion yen total (30 billion yen up from previous plan)
(cumulative total from fiscal 2011/3 to 2013/3)

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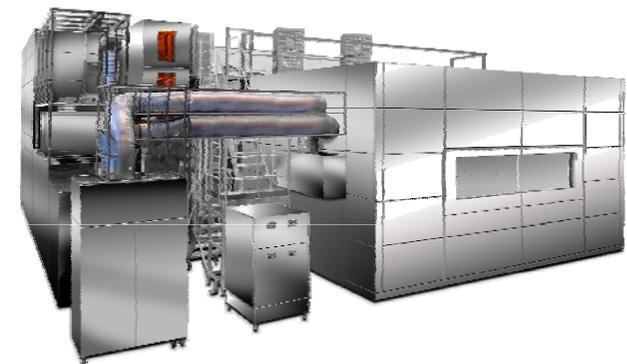
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Precision Equipment Company

Expanding market shares and improving earning power in the cutting-edge equipment field
Creating new products and new businesses



Challenges

IC steppers and scanners

- **Strengthen competitiveness of ArF immersion scanners to expand market shares.**
- **Promote development of next-generation systems and technologies**
- **Strengthen business structure through operation/process reforms**

LCD steppers and scanners

- **Reflect customer needs, i.e. large scale panels and high density, to the product lineup**
- **Penetrate aggressively into the Chinese market**

Key technologies

- Concentrating resources to advancement of immersion technologies: NSR-S620 platform

*Projection lens
NA 1.35*

*Overlay accuracy
2 nm*

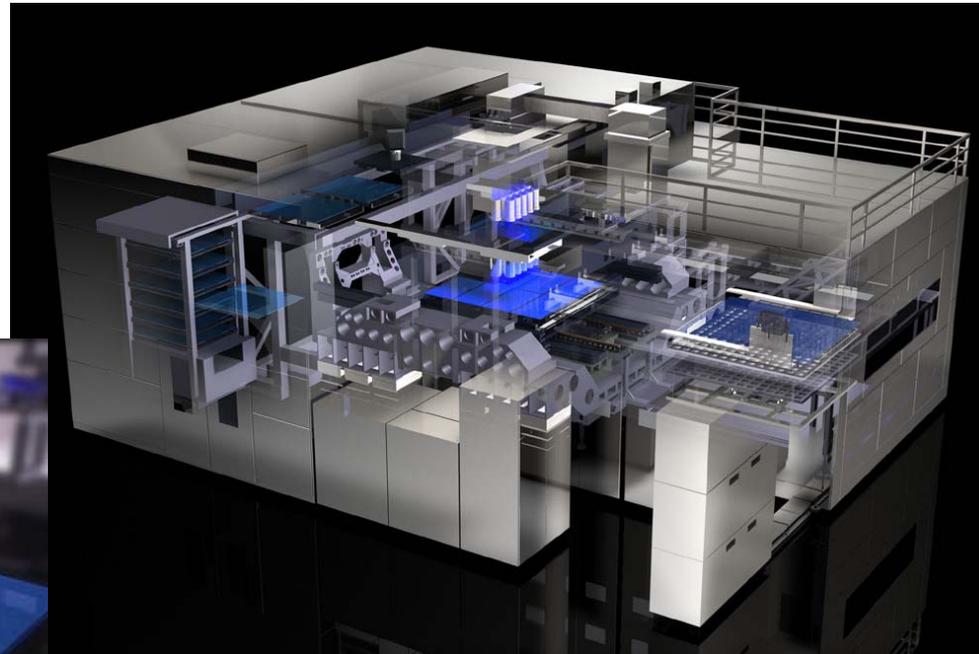
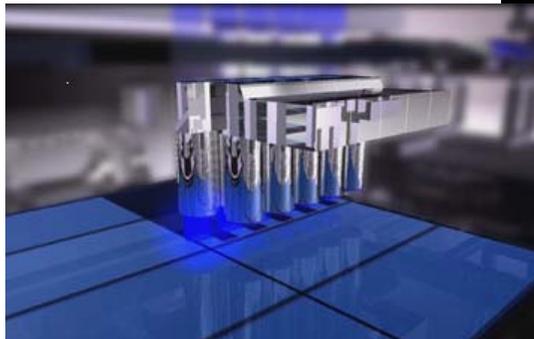


*Throughput
200 wafers/h*

*Installation
20 days*

Key technologies

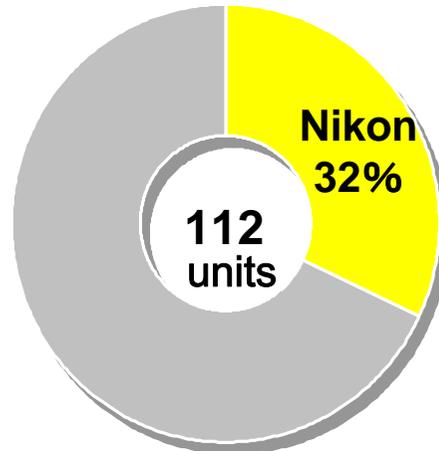
- Nikon's propriety multi-lens projection optical system that accommodates needs for large plates
- Promoting system development with high performance and high density technologies



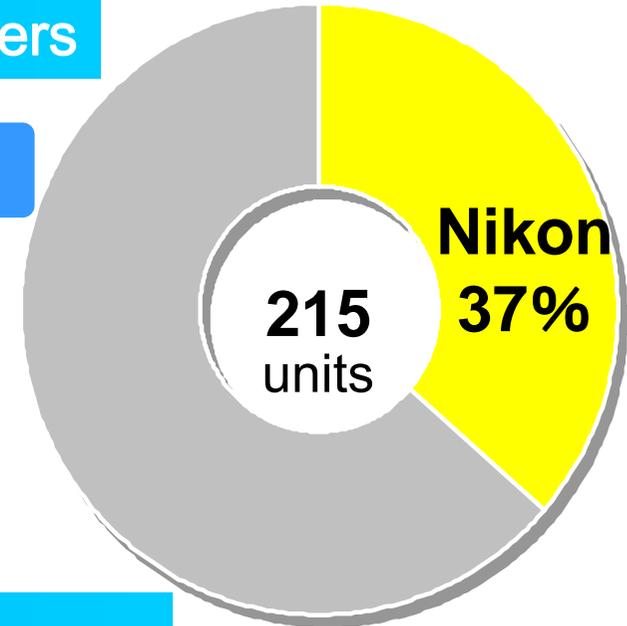
Forecast by Nikon

Market and Shares : IC Steppers and Scanners

2010/3

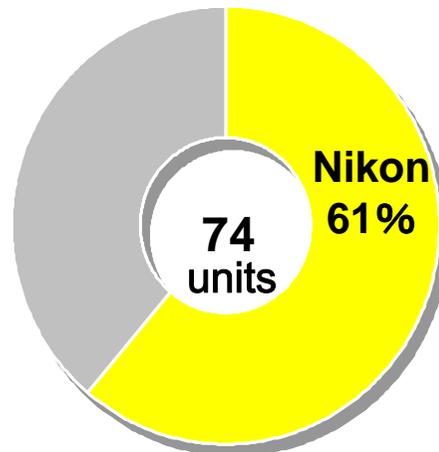


2013/3

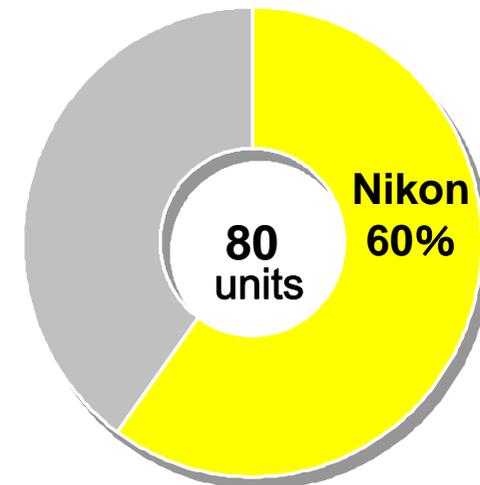


Market and Shares : LCD Steppers and Scanners

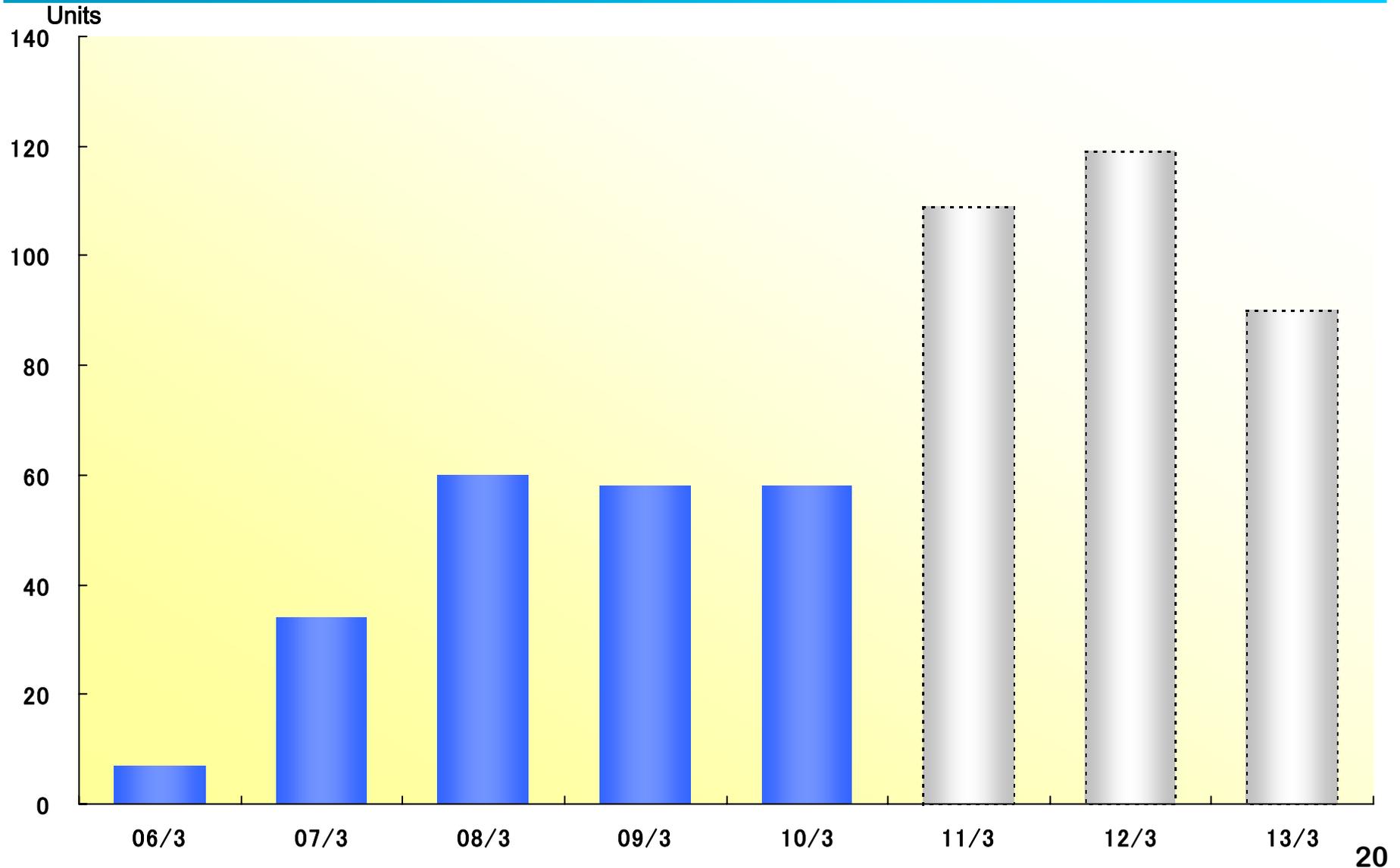
2010/3



2013/3



Market of immersion scanners (volume)



Imaging Company

Leading company in digital camera industry
Expanding the domain of imaging business



Challenges

- **Add the “innovation,” “originality,” and “fun” to brand image.**
- **Create markets through development of next-generation products and new business territories’ products.**
- **Strengthen earning power by constantly improving our business structure.**

Digital Image Communications



Digital technology

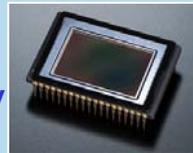
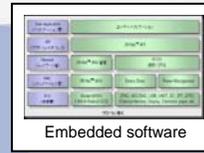


Image sensor



Image processing engine



Firmware

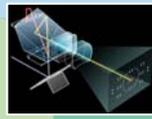


Application software

Software technology



Camera technology



Light sensing

Optical technology

Precision technology

Network technology

Output technology



Projector display



Wearable display



Lens technology



Vibration reducing mechanism



High density PCB

my **Picturetown**



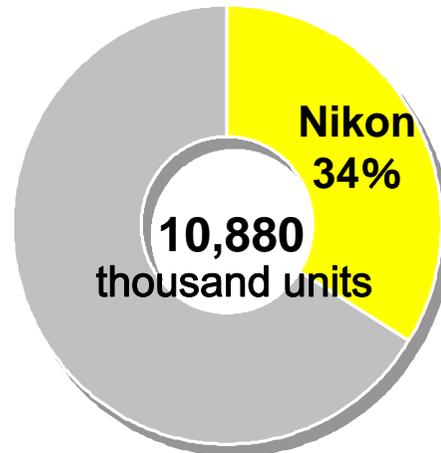
Internet



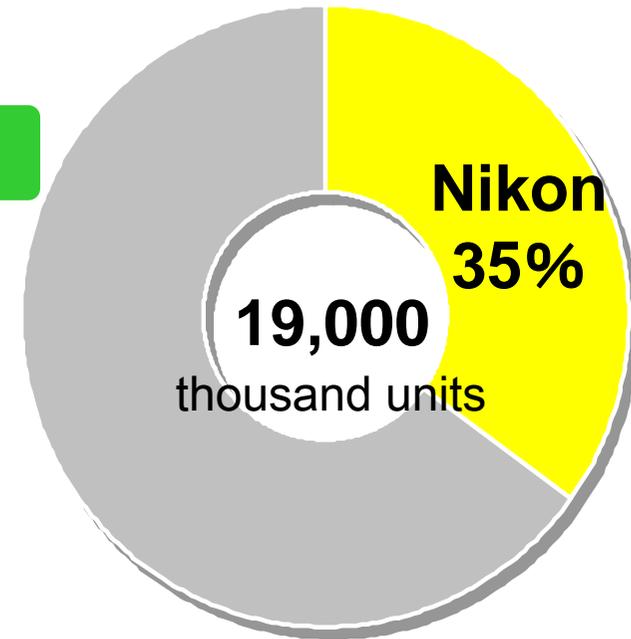
Forecast by Nikon

Market and Shares : SLR-DSC

2010/3

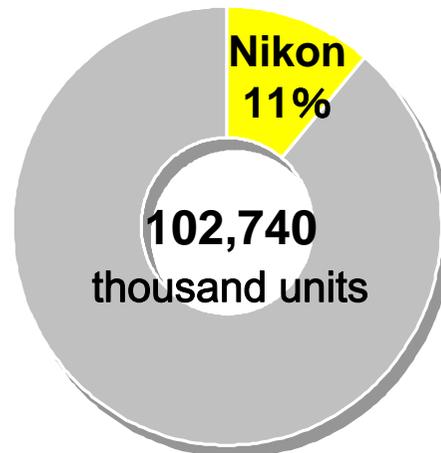


2013/3

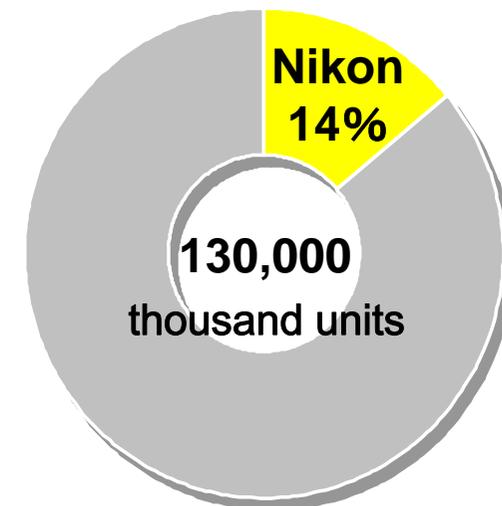


Market and Shares : C-DSC

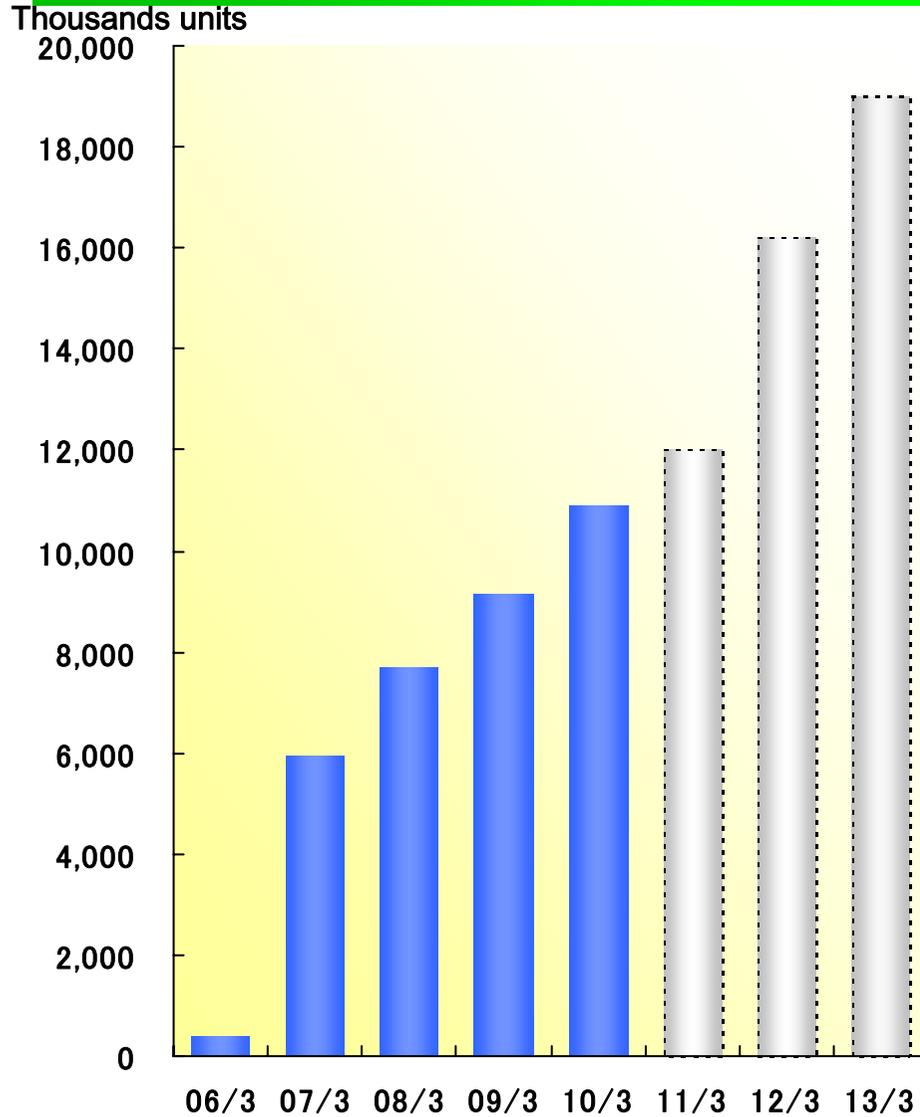
2010/3



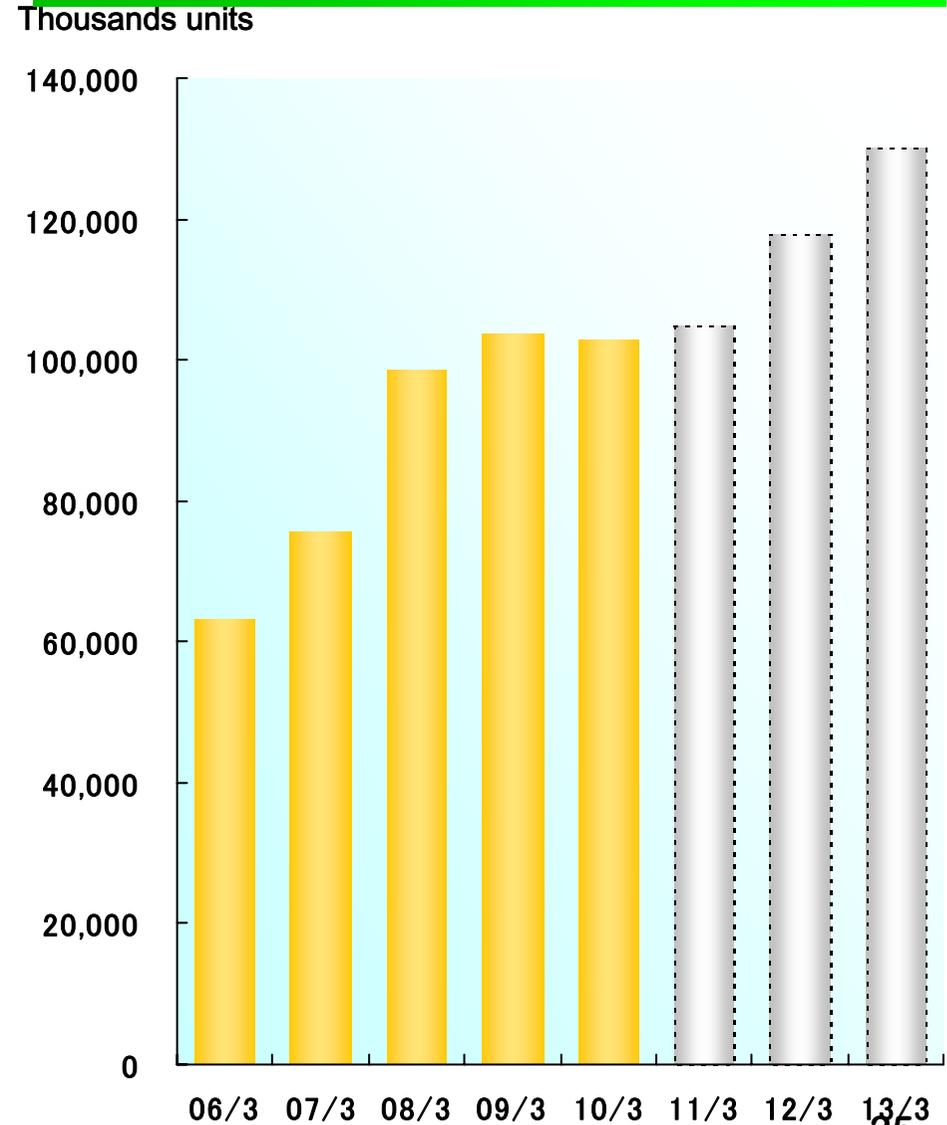
2013/3



Market of SLR-DSC (Volume)



Market of C-DSC (Volume)



Instruments Company

Gaining the leading position in existing fields

Creating new businesses in the fields of bioscience and measuring instruments



Challenges

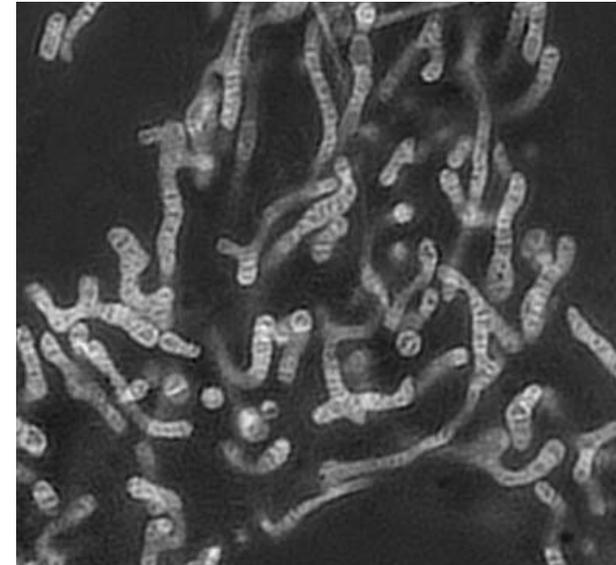
- **Establish the leading position in the field of microscopes by focusing on cutting-edge research instruments.**
- **Establish the leading position in non-contact 3D measurement systems in the measuring instruments field.**
- **Pursue to create new businesses in the fields of bioscience and measuring instruments**

Key technologies

Live Cell Imaging

- Confocal microscopes
Enhance functionality of A1/C1 series
- Develop and implement super high resolution technologies

Observed by Super
Resolution
Microscope N-SIM



Diverse applications of non-contact measurements

- Develop non-contact metrology instruments that can measure dimensions, roughness, and geometry.
- Implement on-site measurements and robot measurements
- Provide various measurement technologies including X-ray measurement

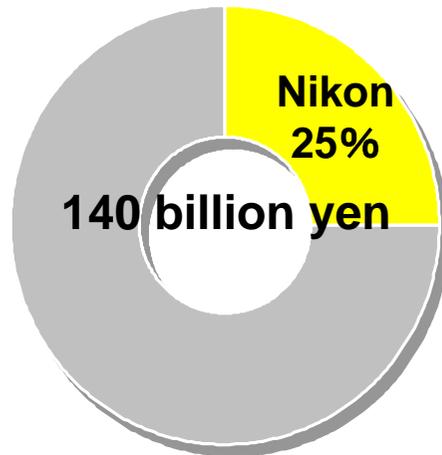
Measuring a SLR
camera



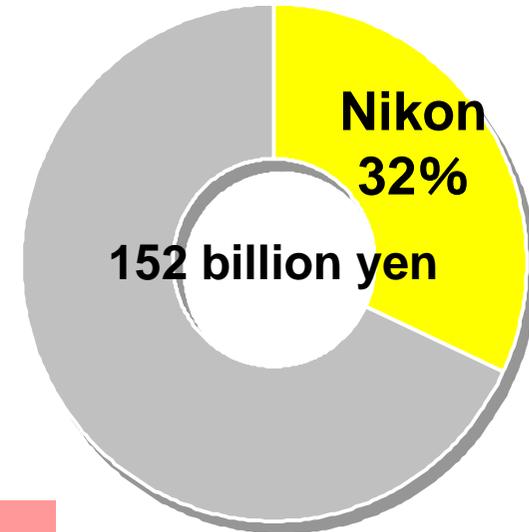
Forecast by Nikon

Market and Shares : Biological Microscopes

2010/3

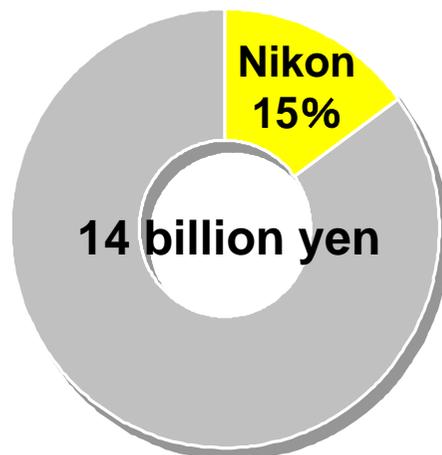


2013/3

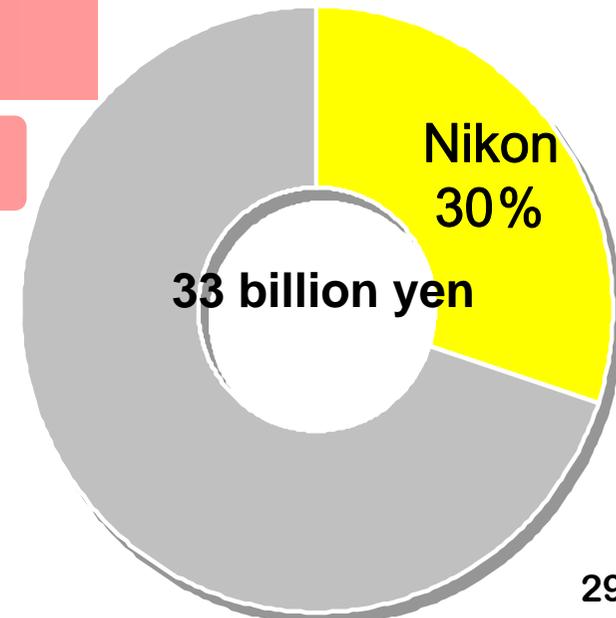


Market and Shares : non-contact 3D measurement

2010/3



2013/3



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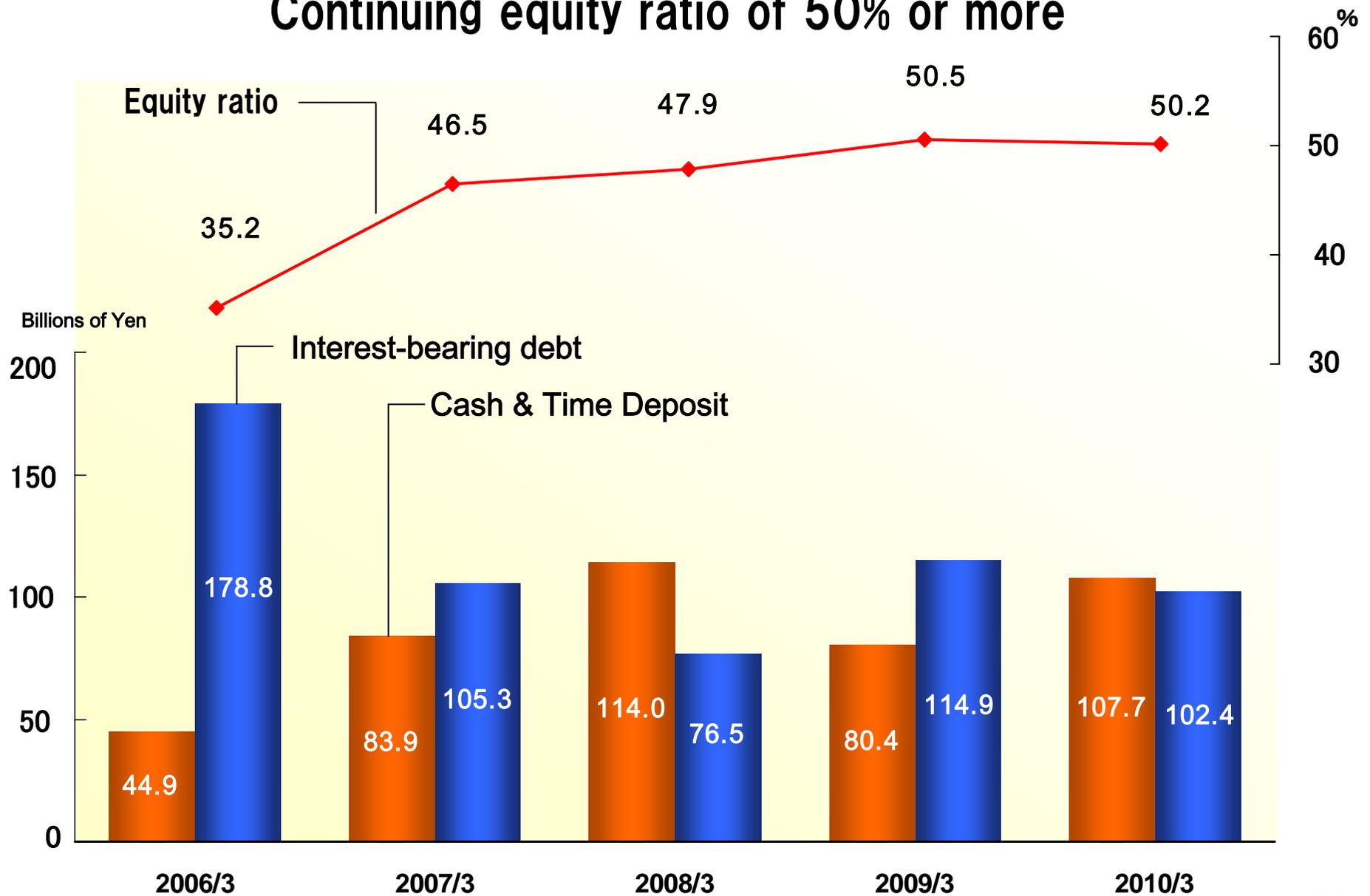
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Equity Ratio, Cash & Time Deposit and Interest-bearing Debt



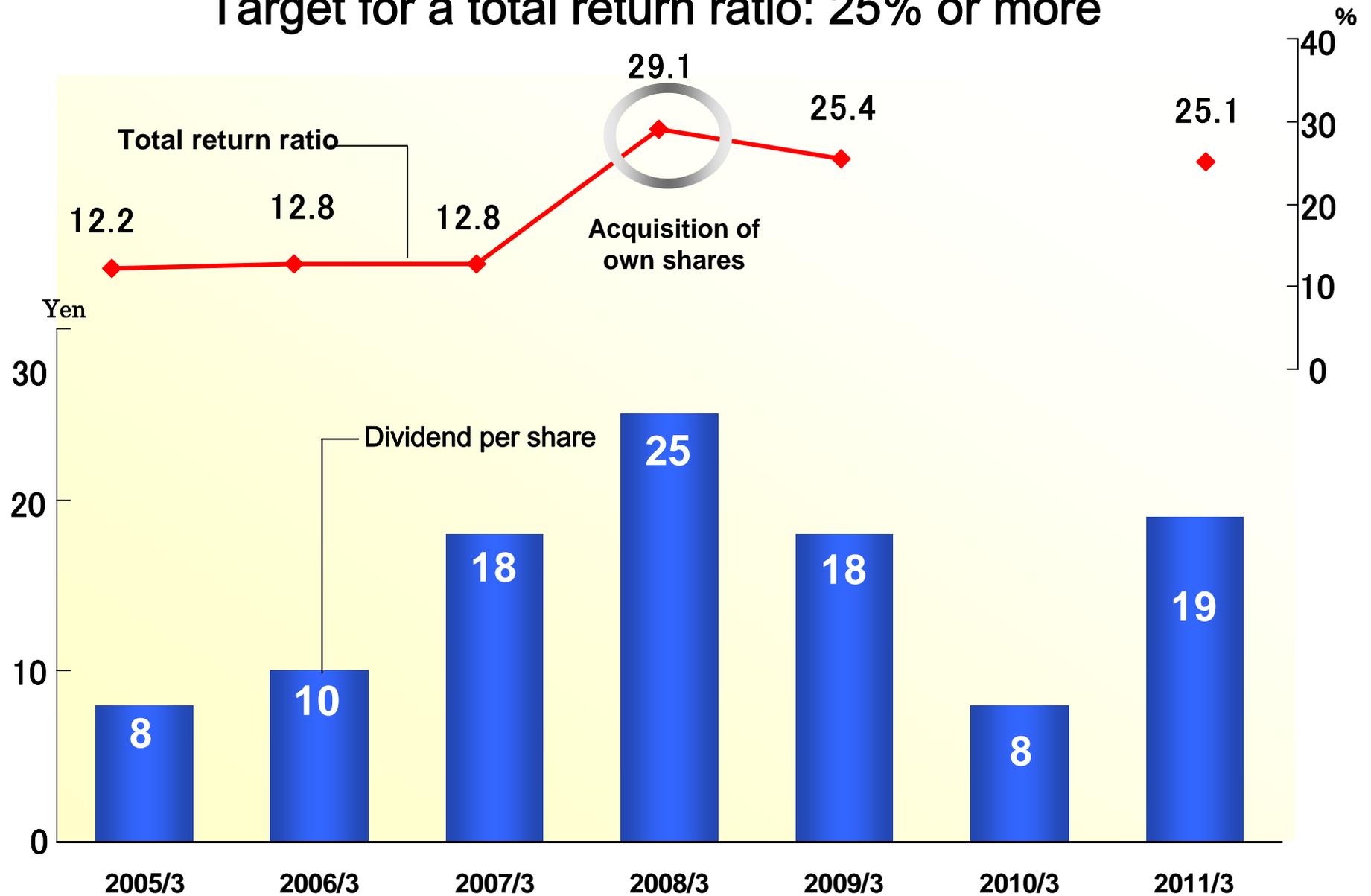
Continuing equity ratio of 50% or more



Dividend per share and total return ratio



Target for a total return ratio: 25% or more



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Nikon Group is committed to continue providing new values and growing.

Fiscal 2013/3

**Net Sales
1,100 billion yen**

**Operating Income
120 billion yen**