



# Medium Term Management Plan

Conference in Tokyo (May 10, 2012)

**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 . Review of previous year**

II . Nikon Group goals and challenges

III . Operation target

IV . Shareholder's return

# Review of previous year



## Target and result of previous year (FY12/3)

Target

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Result

**Net Sales**

**940.0** billion yen

**918.7** billion yen

**Operating  
Income**

**68.0** billion yen

**80.1** billion yen

The initial year targets were achieved for income but just unachieved for sales.  
Policy for continuous growth remains unchanged.

**1<sup>st</sup> half: Recovery from the disaster**

**2<sup>nd</sup> half: Recovery from Thai floods**

**IC steppers/scanners:**

S620D sales expansion, S621D/320F launch

Production L/T shortened by process innovation

**LCD steppers/scanners:**

Responded to rapidly increasing demands for high-precision mid/small-sized panels

# Review of previous year



New product “Nikon 1” expanded non-reflex markets.

Increased sales improved the share and raised Nikon brand recognition amid shrinking compact camera markets.

Imaging and Instruments businesses penetrated into emerging markets.

Super resolution microscope sales expanded, and development was strengthened for non-contact 3D metrology tools including X-ray systems.

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

Further expand Nikon brand

Realize robust corporate characteristics to flexibly and speedily respond to environmental changes

Achieve firm footings as industry leaders in existing businesses

Explore new fields to create a new core business by FY2015/3

Recognize importance of CSR and contribute to sustainable growth of the society

- **Business strengthening and portfolio improvement**
  - Expansion and profitability improvement of existing businesses
  - New business
    - Creation of a new core business by viewing alliances with companies and research institutes
- **Realization of robust characteristics by process innovation and business functionality enhancement**
- **CSR-oriented global business activities**

## Whole Business environment:

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- World's economy shows gradual growth with some concerns.
- Economy in Japan remains in difficult conditions.
- Strong yen trend is likely to continue.

## Business environment of each Company:

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### Precision Equipment

IC steppers/scanners will recover in 2H of 2012.

LCD steppers/scanners may stagnate in 2012, but will recover in and after 2013.

### Imaging

Digital camera-interchangeable lens type markets maintain growth.

Compact camera markets mature, but growth is seen in emerging nations.

### Instruments

Live cell imaging and non-contact 3D metrology grow in bioscience and industrial instruments businesses, respectively. Expansion of Asian markets continue.

# Precision Equipment Company



## Objectives

- Expand the market share by improving competitiveness of immersion exposure systems
- Launch LCD steppers/scanners with higher precision and accuracy capabilities
- Improve profitability by reducing leadtime and cost
- Develop new technologies and explore new fields

2015/3

Market

Target

IC Steppers &  
Scanners

Approx. 300 units  
Immersion: 30-40%

Immersion share: 40%

LCD  
Steppers &  
Scanners

Approx. 70 units  
Recovery seen in large-  
panel investment

Share: slightly over 60%

## Objectives

- Launch technically-differentiated products seamlessly.
- Establish Nikon brand to win leading position in emerging nations.
- Drastically improve cost competitiveness including procurement capability
- Achieve the operating income ratio of 15% for FY2015/3

2015/3

Market

Target

Digital camera –  
Interchangeable  
Lens Type

Approx. 25M units  
Double digit growth  
continues.

- Forge the current leading
- position to increase the
- share.
- Share: 40%.

Compact DSC

Approx. 100M units  
Flat sales

- Continuous share
- expansion.
- Profitability improvement.
- Share: 20%

## Objectives

- Microscope: Gain leading position both in advanced research field and general research/clinical field.
- Measuring instrument: Win leading position in non-contact and X-ray metrology fields
- Infuse resources into emerging nations with high grow potentials

2015/3

Market

Target

Biological  
microscope

Generally matured  
Live cell: high growth

- Expand super-resolution functions.

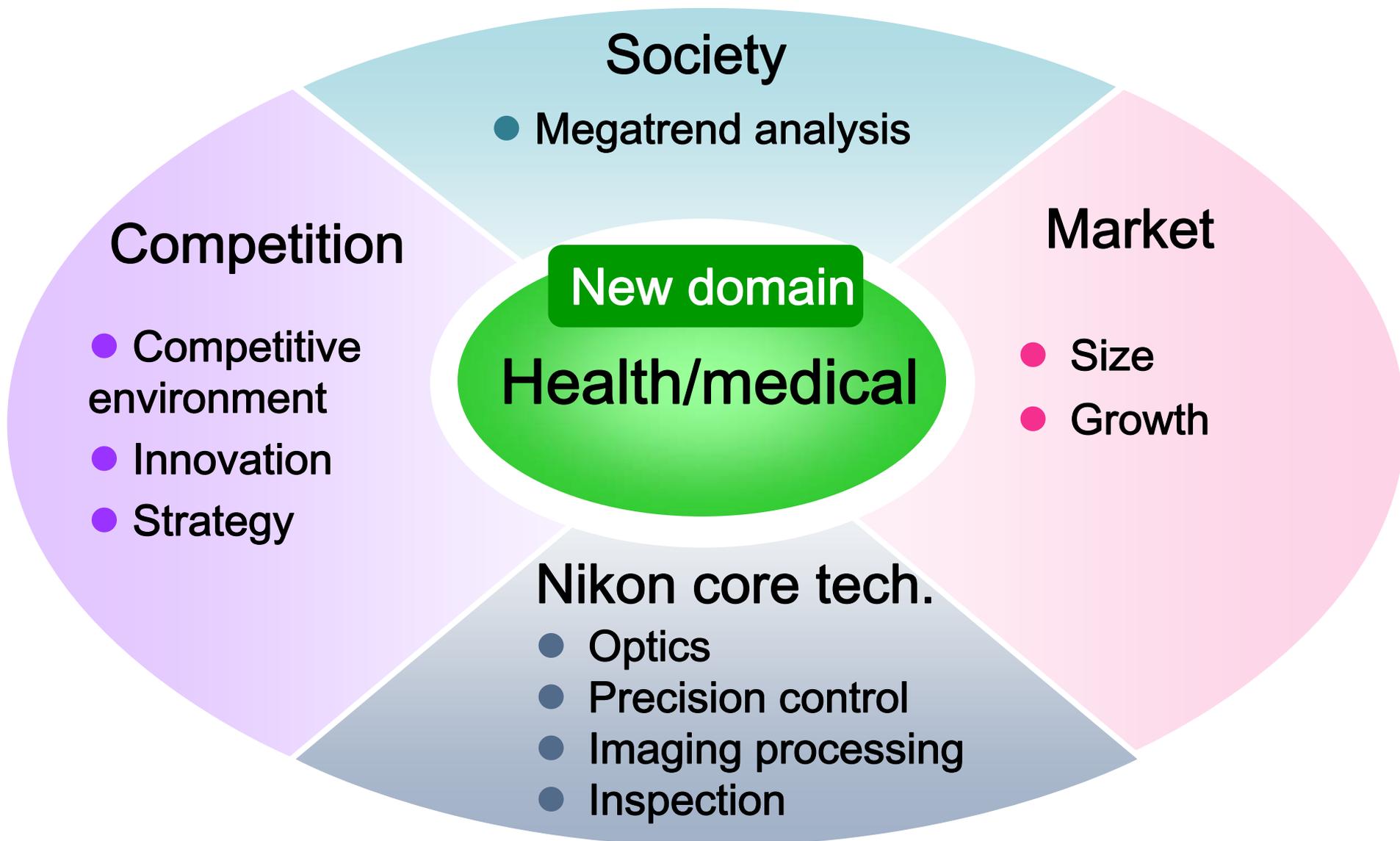
Asia: high growth

- Accelerate China operations.

Non-contact  
3D metrology

Annual growth of 10%

- Accelerate differentiation by utilizing optical technologies.
- Strengthen development of X-ray metrology technology.



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# Consolidated financial targets



Billions of yen	2012/3	2013/3	2015/3
<b>Net Sales</b>	918.7	1,030.0	1,250.0
<b>Operating Income</b>	80.1	90.0	150.0
<b>Net Income</b>	59.3	65.0	95.0
<b>Exchange Rate (Yen)</b>			
<b>US\$</b>	79	80	80
<b>EURO</b>	109	105	105

# Consolidated financial target of each Company



<b>Net Sales</b> Billions of yen	<b>2012/3</b>	<b>2013/3</b>	<b>2015/3</b>
Precision Equipment	248.1	210.0	320.0
Imaging	587.1	730.0	820.0
Instruments	56.0	61.0	80.0

<b>Operating Income</b> Billions of yen (% vs Net Sales)			
Precision Equipment	42.7 ( 17.2% )	25.0 ( 11.9% )	50.0 ( 15.6% )
Imaging	54.0 ( 9.2% )	80.0 ( 11.0% )	120.0 ( 14.6% )
Instruments	-3.2 ( - )	-1.0 ( - )	5.0 ( 6.3% )

# Capital Investment and R&D Plan



Investments aim to strengthen and rationalize current businesses as well as explore new businesses. The ratio of R&D cost is kept at 7% level of sales.

## Precision Equipment



## Imaging



## Instruments



**Capital Investment : 160 billion yen total (10 billion yen up from previous plan)**

**R&D expenses : 250 billion yen total (40 billion yen up from previous plan)  
(cumulative total from FY2013/3 to FY2015/3)**

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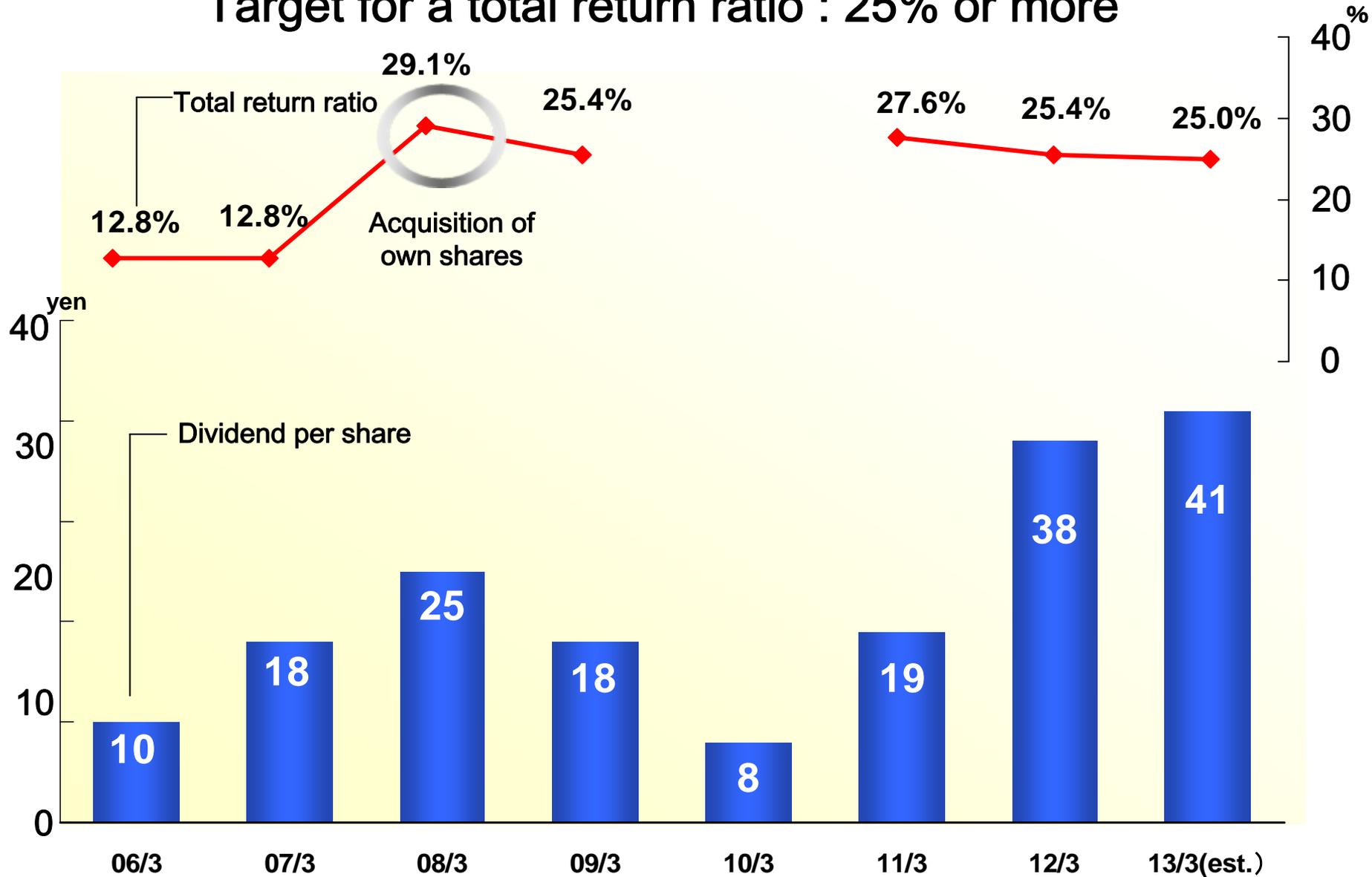
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# Dividend per share and total return ratio



Target for a total return ratio : 25% or more





**NIKON CORPORATION**