



NIKON CORPORATION
Corporate Communications & Investor Relations Dept.
Corporate Strategy Division
May 14, 2015

Financial Results for the Year Ended March 31, 2015

Conference in Tokyo (May 14, 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 Year Ended
March 31, 2015**
- II . Estimation for the Year Ending
March 31, 2016
- III . Reference Data

Summary for the Year Ended March 31, 2015



◆ Overall, sales and operating income reduced 13% and 31% respectively from the year earlier. Revised sales forecast was almost achieved and operating income forecast was surpassed by 21%.

Net income did not reach the forecast due to impairment loss for fixed assets.

— Precision Equipment Business

Sales and income decreased 17% and 59% respectively, year on year, because of reduction in sales volumes both in semiconductor lithography systems and FPD lithography systems. Revised sales and operating income forecasts were both attained.

— Imaging Products Business

Sales and income declined 15% and 12% respectively, year on year due to delayed market recovery in China and Europe. Operating income ratio posted 9.7%, exceeding the previous year ratio (9.4%) and the revised forecast (9.0%).

— Instruments Business

Sales and operating income both surpassed the previous year's results and the revised forecast, and turned into black.

◆ Impairment loss was deducted from the fixed assets mainly in Semiconductor Lithography Business: thus, booked 16.2 billion yen in extraordinary loss.

◆ Year-end dividend per share: 22 yen, Annual dividend per share: 32 yen

Financial Highlights for the Year Ended March 31, 2015



Billions of yen	2014/3 (A)	1H 2H	Previous est. (B) (Feb. 5)	1H 2H	2015/3 (C)	1H 2H	(C)-(A)	(C)-(B)
Net Sales	980.5	<u>470.4</u> 510.1	860.0	<u>374.9</u> 485.1	857.7	<u>374.9</u> 482.8	-122.8	-2.3
Operating Income % vs Net Sales	62.9 6.4%	<u>21.9</u> 41.0	36.0 4.2%	<u>13.0</u> 23.0	43.4 5.1%	<u>13.0</u> 30.4	-19.5	+7.4
Ordinary Income % vs Net Sales	61.7 6.3%	<u>20.0</u> 41.7	37.0 4.3%	<u>14.7</u> 22.3	46.3 5.4%	<u>14.7</u> 31.6	-15.4	+9.3
Net Income % vs Net Sales	46.8 4.8%	<u>13.6</u> 33.2	20.0 2.3%	<u>10.0</u> 10.0	18.3 2.1%	<u>10.0</u> 8.3	-28.5	-1.7
FCF	70.9		22.0		46.3		-24.6	+24.3
Exchange Rate:	100 _{yen}	<u>99</u> _{yen} 102 _{yen}	109 _{yen}	<u>103</u> _{yen} 115 _{yen}	110 _{yen}	<u>103</u> _{yen} 117 _{yen}	Impact on Net Sales:	
US\$	134 _{yen}	<u>130</u> _{yen} 139 _{yen}	139 _{yen}	<u>139</u> _{yen} 139 _{yen}	139 _{yen}	<u>139</u> _{yen} 138 _{yen}	+34.1	+1.1
EURO							Impact on Op. Income:	
							+4.0	-0.7

Operating income achieved the revised forecast with 21% margin, but net income reduced 9% due to allocation of extraordinary loss caused by impairment loss.

Precision Equipment Business



Billions of yen	2014/3	<u>1H</u> <u>2H</u>	Previous est. (Feb. 5)	<u>1H</u> <u>2H</u>	2015/3	<u>1H</u> <u>2H</u>
Net Sales	205.4	<u>79.8</u> 125.6	170.0	<u>54.9</u> 115.1	170.7	<u>54.9</u> 115.8
Operating Income % vs Net Sales	20.0 9.7%	<u>3.7</u> 16.3	8.0 4.7%	<u>- 3.2</u> 11.2	8.3 4.9%	<u>- 3.2</u> 11.5
Semiconductor Lithography Systems New / Refurbished	32/8 units	<u>10/2</u> 22/6	19/14 units	<u>5/1</u> 14/13	19/13 units	<u>5/1</u> 14/12
FPD Lithography Systems	56 units	<u>35</u> 21	34 units	<u>13</u> 21	34 units	<u>13</u> 21

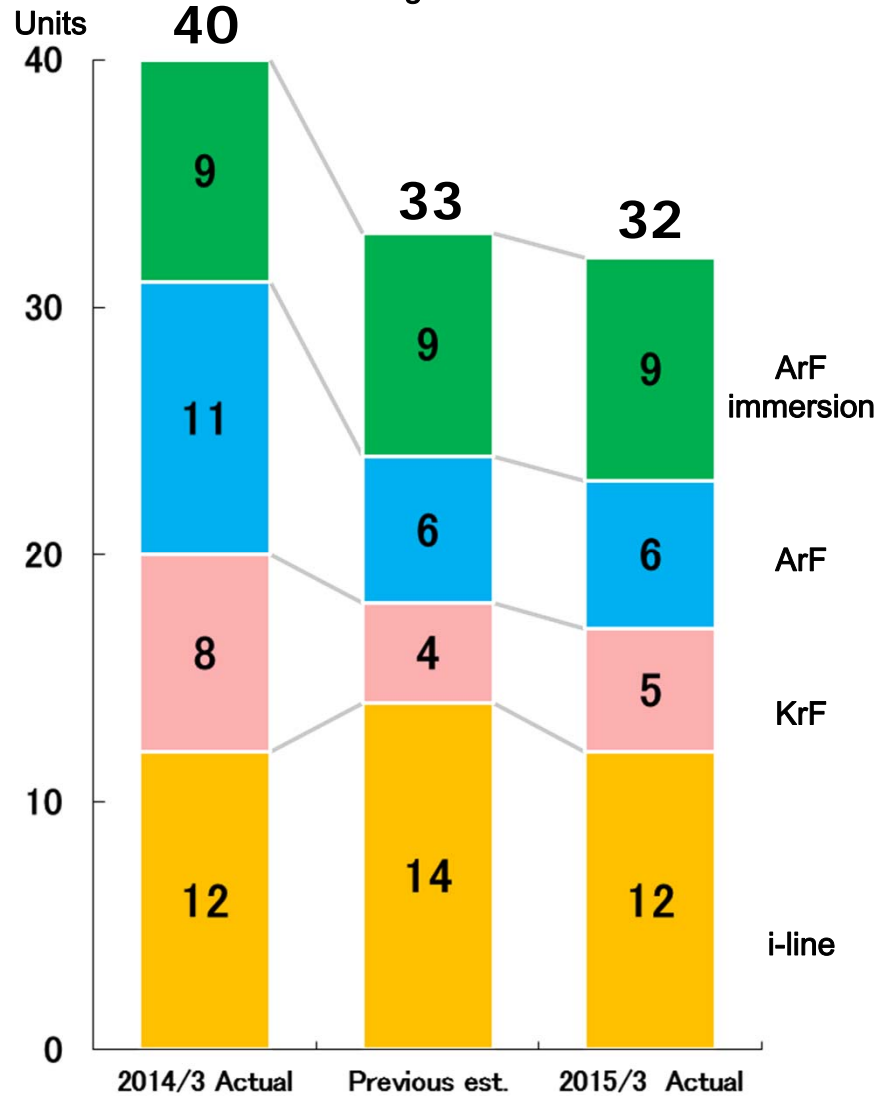
FPD Lithography Business ended the year with large reductions, pushing down Precision Equipment Business sales by 17% and income by 59% from the year earlier. The revised sales and income forecasts were both achieved.

Precision Equipment Business

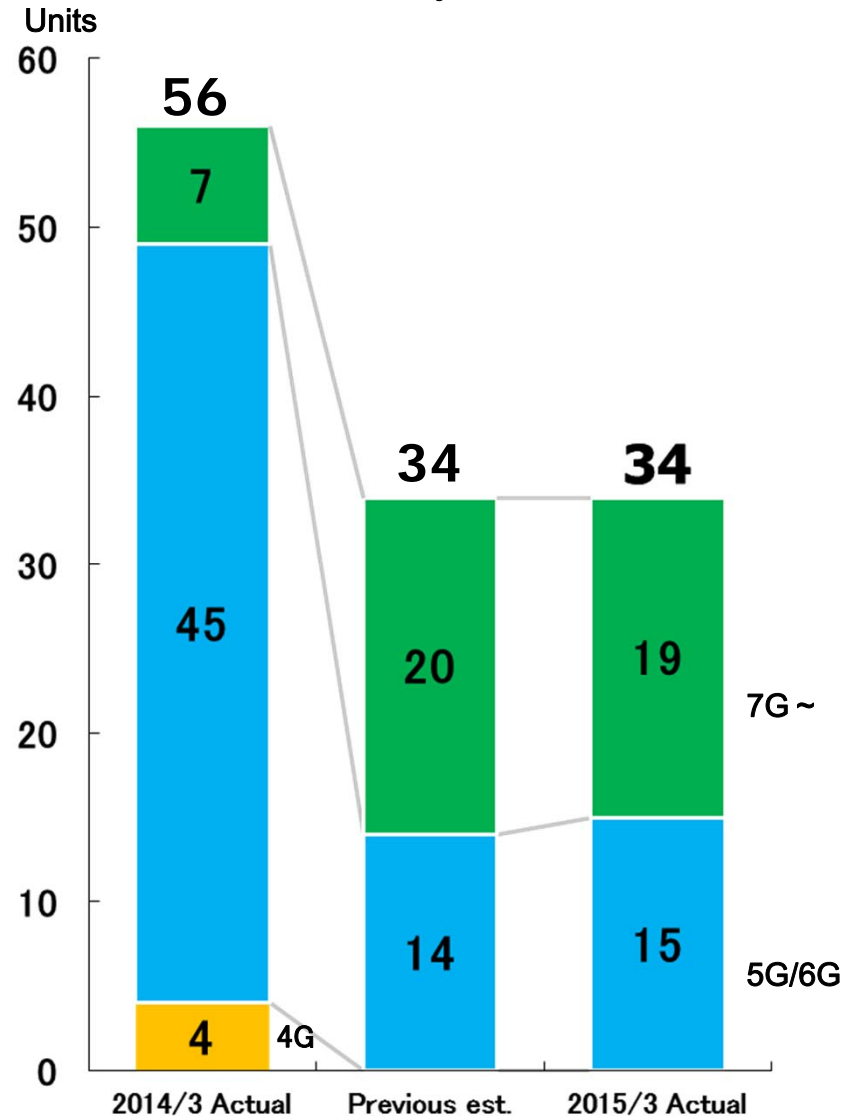


Semiconductor Lithography Systems Sales by Technology

*Including refurbished



FPD Lithography Systems Sales by Generation



Imaging Products Business



Billions of yen Cameras & Lenses (1,000 of units sold)	2014/3	<u>1H</u> <u>2H</u>	Previous est. (Feb. 5)	<u>1H</u> <u>2H</u>	2015/3	<u>1H</u> <u>2H</u>
Net Sales	685.4	<u>352.5</u> 332.9	590.0	<u>277.4</u> 312.6	586.0	<u>277.4</u> 308.6
Operating Income % vs Net Sales	64.2 9.4%	<u>30.9</u> 33.3	53.0 9.0%	<u>27.5</u> 25.5	56.6 9.7%	<u>27.5</u> 29.1
Digital camera – Interchangeable Lens Type	5,750	<u>2,980</u> 2,770	4,650	<u>2,180</u> 2,470	4,610	<u>2,180</u> 2,430
Interchangeable Lens	8,230	<u>4,200</u> 4,030	6,750	<u>3,090</u> 3,660	6,680	<u>3,090</u> 3,590
Compact DSC	11,160	<u>5,800</u> 5,360	7,500	<u>3,570</u> 3,930	7,690	<u>3,570</u> 4,120
D-CIL Market Scale	16,780		13,700		13,570	
IL Market Scale	26,280		22,000		22,620	
C-DSC Market Scale	41,180		28,000		28,030	

Both sales and income declined from the year earlier. Digital camera – interchangeable lens type and interchangeable lens did not reach the forecasted volume and sales fell short of achieving the revised forecast. But, operating income posted better-than-forecasted result.

Instruments Business



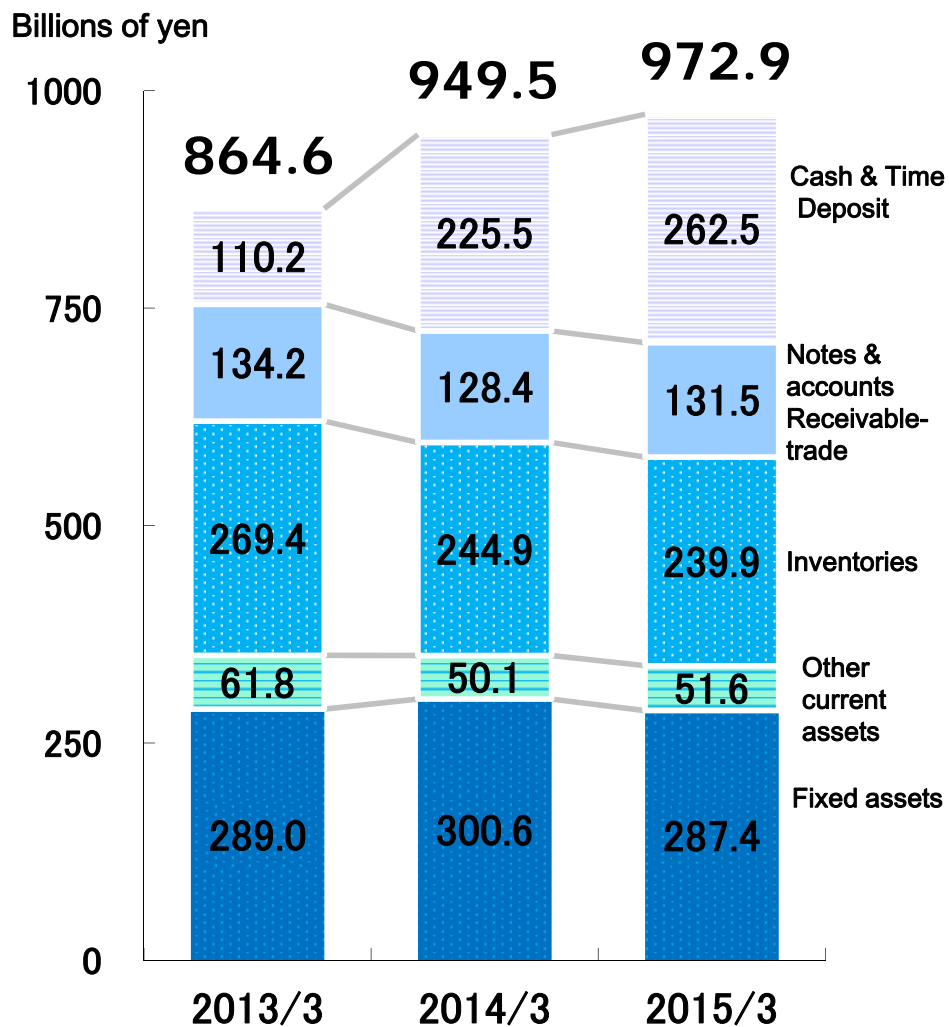
Billions of yen	2014/3	<u>1H</u> 2H	Previous est. (Feb. 5)	<u>1H</u> 2H	2015/3	<u>1H</u> 2H
Net Sales	64.7	<u>26.0</u> 38.7	70.0	<u>28.5</u> 41.5	72.3	<u>28.5</u> 43.8
Operating Income % vs Net Sales	- 2.1 — %	<u>- 3.4</u> 1.3	1.0 1.4%	<u>- 2.1</u> 3.1	1.1 1.5%	<u>- 2.1</u> 3.2

Both Microscope Solutions Business and Industrial Metrology Business increased sales year on year, satisfying the revised forecast. Black ink was attained.

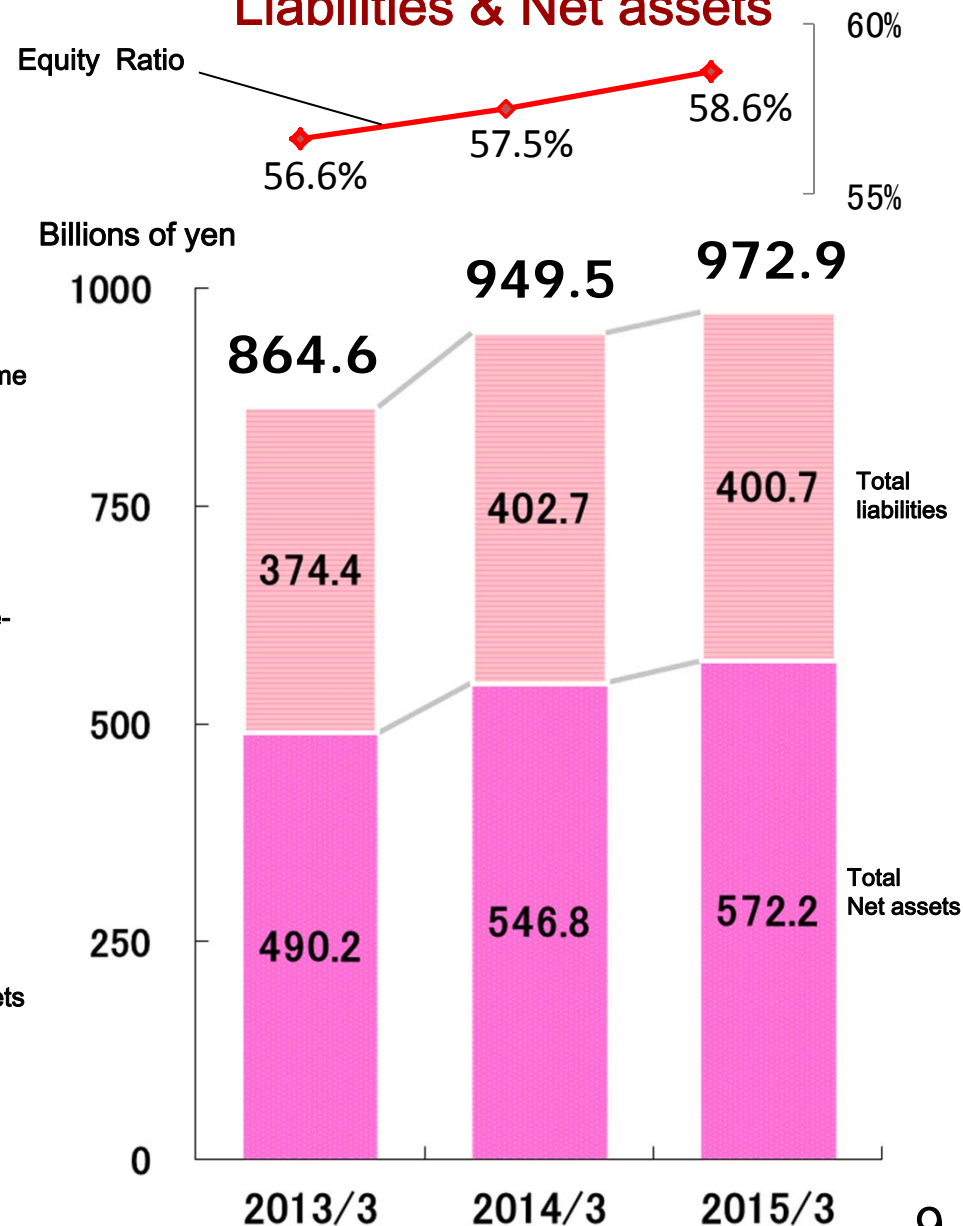
Balance Sheet



Assets



Liabilities & Net assets

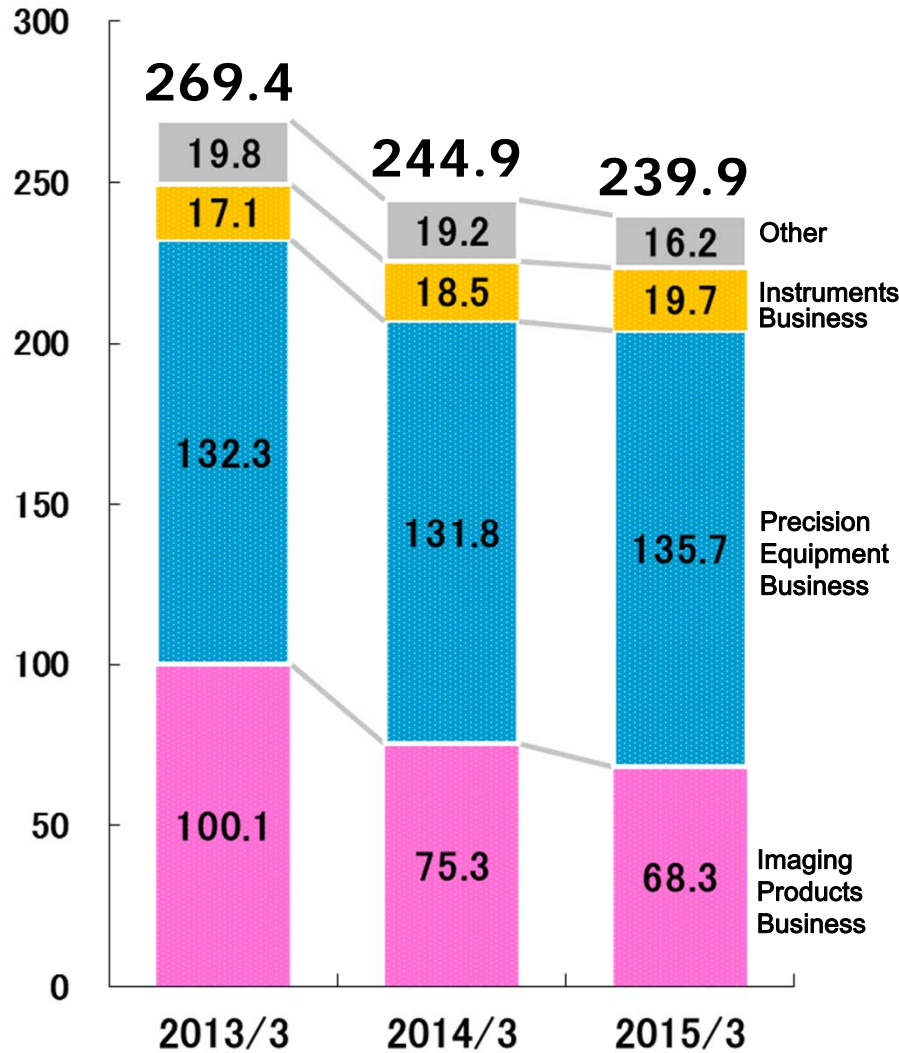


Balance Sheet



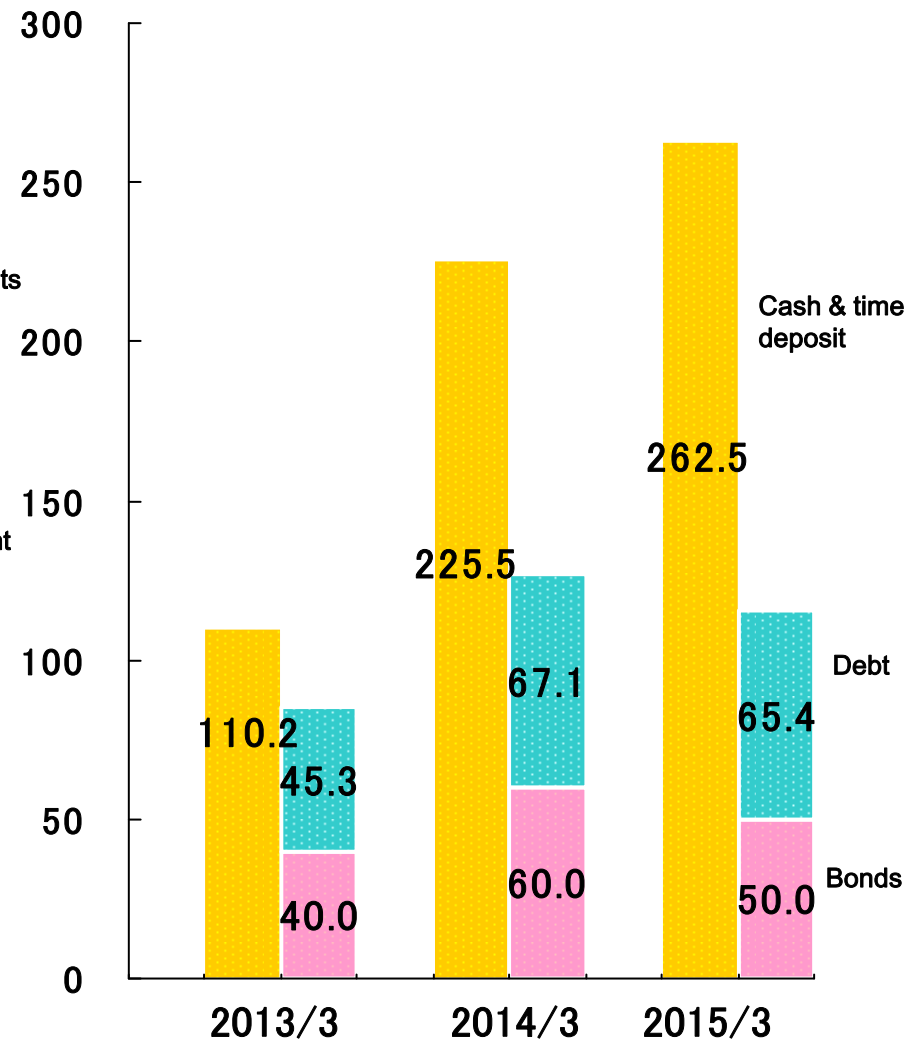
Inventories

Billions of yen



Cash & Time Deposit and Interest-bearing Debt

Billions of yen



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Summary of Estimation for the Year Ending March 31, 2016



◆ Precision Equipment Business and Instruments Business expect to increase both sales and income while Imaging Products Business foresees downturn in both sales and income. Overall sales expect to stay flat while 31% drop is forecasted for operating income.

— Precision Equipment Business

Sales volume of ArF immersion scanners and 5G/6G FPD lithography systems is expected to rise. Precision Equipment Business aims to increase sales 23% and operating income 2.4 times.

— Imaging Products Business

Although market conditions continue to be sluggish, expenditure spending will continue to ensure sustainable growth in the future. Year-on-year reductions in sales by 10% and income by 33% are estimated.

— Instruments Business

Microscope Solutions Business and Industrial Metrology Business expect higher sales and income. Overall, sales hike of 11% and operating income doubling are expected.

— Medical Business

Forecast - Sales: 15 billion yen, Operating loss: 6 billion yen.

Acquisition of Optos is expected to complete in May.

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

Total return ratio policy: 30% or more

Estimation for the Year Ending March 31, 2016



Billions of yen	2015/3 Actual	1H 2H	2016/3 Estimation	1H 2H	Change
Net Sales	857.7	<u>374.9</u> 482.8	860.0	<u>374.0</u> 486.0	+ 2.3
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	- 13.4
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	- 13.3
Net Income % vs Net Sales	18.3 2.1%	<u>10.0</u> 8.3	20.0 2.3%	<u>1.0</u> 19.0	+ 1.7
FCF	46.3		- 10.0		- 56.3
Exchange Rate:					
US\$	110yen	<u>103yen</u> 117yen	115yen		Impact on Net Sales : Approx. + 9.5
EURO	139yen	<u>139yen</u> 138yen	130yen		Impact on Op. Income : Approx. -3.4

Sales stay flat and operating income lowers 31% due to downturn performance of Imaging Products Business. Net income expects to grow 9%.

Estimation for Precision Equipment Business



Billions of yen	2015/3 Actual	1H 2H	2016/3 Estimation	1H 2H
Net Sales	170.7	$\frac{54.9}{115.8}$	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%	$\frac{-2.0}{22.0}$
Semiconductor Lithography Systems New / Refurbished	19/13 units	$\frac{5}{14} / \frac{1}{12}$	23/15 units	$\frac{3}{20} / \frac{9}{6}$
FPD Lithography Systems	34 units	$\frac{13}{21}$	50 units	$\frac{19}{31}$
Semiconductor Lithography Systems Market Scale CY14/15	195 units		Approx. 200 units	
FPD Lithography Systems Market Scale CY14/15	54 units		Approx. 75 units	

FPD Lithography Systems increases its sale volume, thanks to recovering investment in mid/small-sized high definition panel productions. Semiconductor Lithography Systems sells more ArF immersion scanners. Overall, sales and operating income expect to jump 39.3 billion yen and 11.7 billion yen respectively.

Estimation for Precision Equipment Business

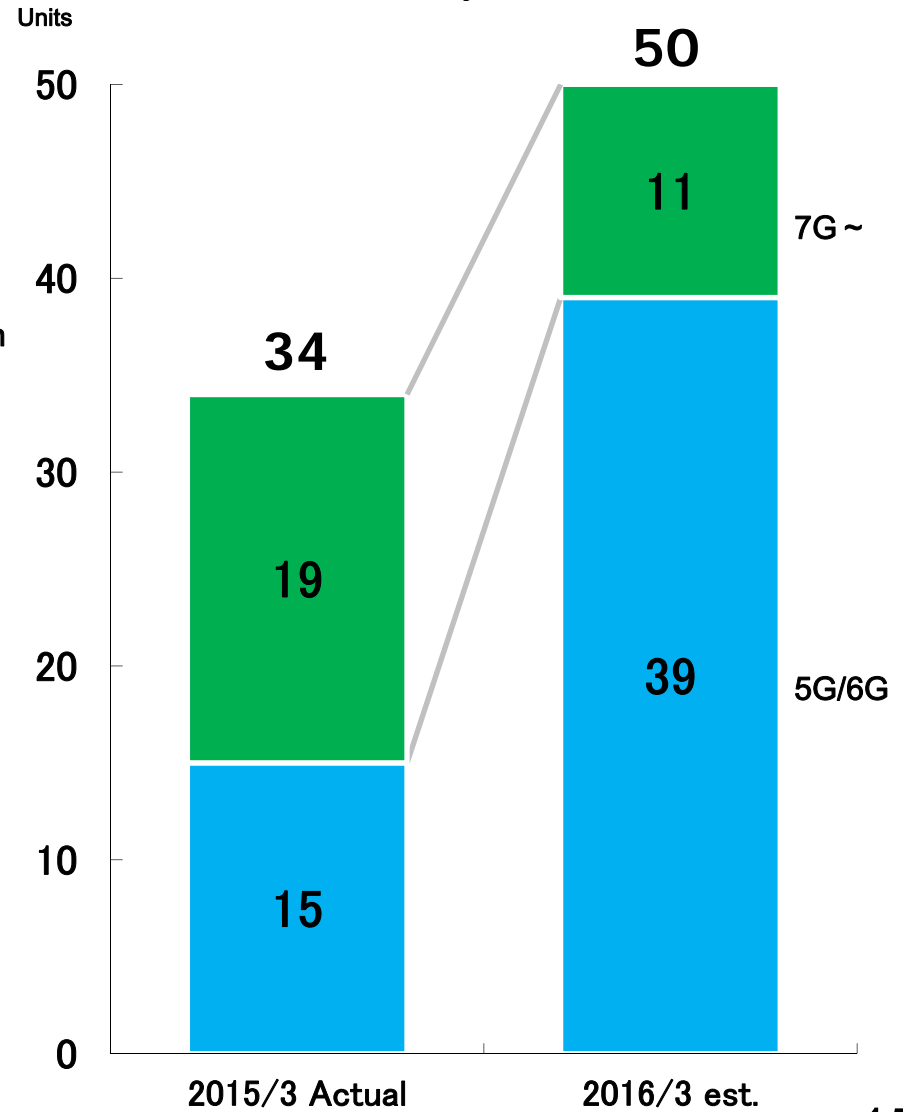


Semiconductor Lithography Systems Sales by Technology

*Including refurbished



FPD Lithography Systems Sales by Generation



Estimation for Imaging Products Business



Billions of yen Cameras & Lenses (1,000 of units sold)	2015/3 Actual	1H 2H	2016/3 Estimation	1H 2H
Net Sales	586.0	<u>277.4</u> 308.6	525.0	<u>255.0</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
Digital camera – Interchangeable Lens Type	4,610	<u>2,180</u> 2,430	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
Compact DSC	7,690	<u>3,570</u> 4,120	6,000	<u>2,900</u> 3,100
D-CIL Market Scale	13,570		12,400	
IL Market Scale	22,620		20,600	
C-DSC Market Scale	28,030		19,200	

In spite of market shrinkage, expenditure spending necessary for future growth continues in order to develop markets in emerging nations, strengthen brand and R&D, etc. It is estimated to lower sales by 10% and income by 33%.

Estimation for Instruments Business



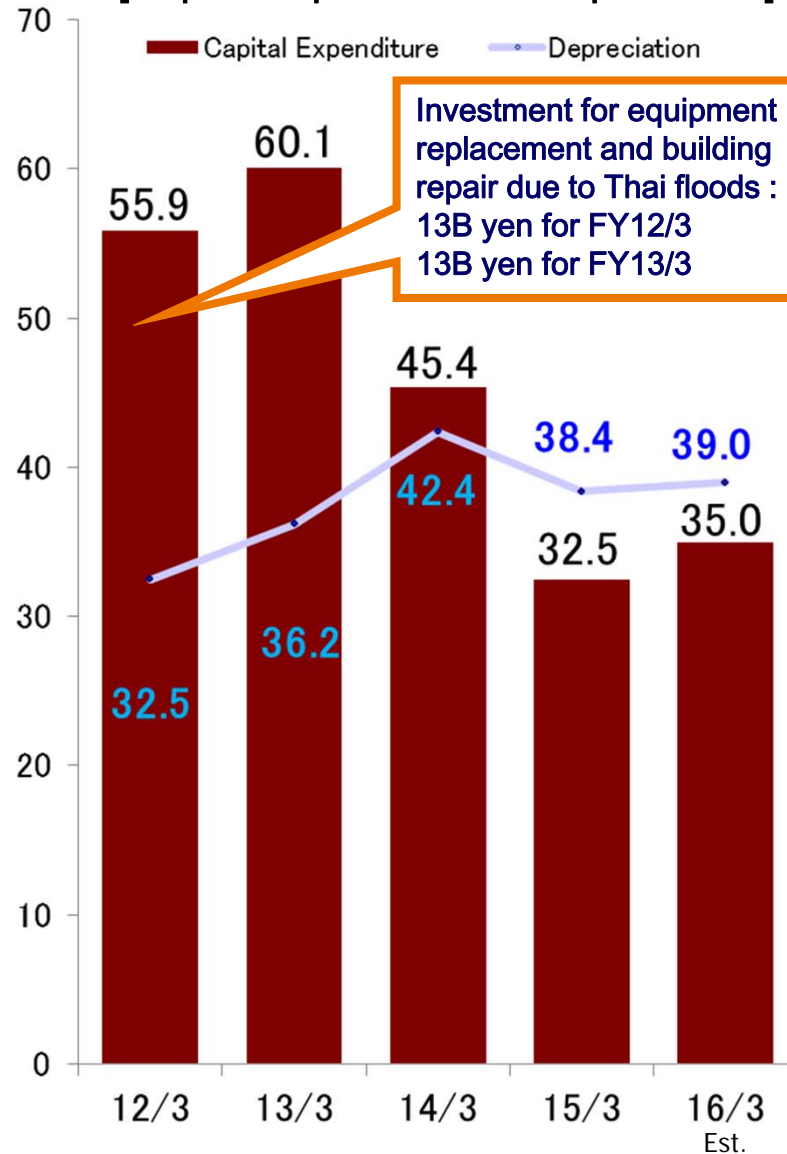
Billions of yen	2015/3 Actual	<u>1H</u> 2H	2016/3 Estimation	<u>1H</u> 2H
Net Sales	72.3	<u>28.5</u> 43.8	80.0	<u>32.0</u> 48.0
Operating Income % vs Net Sales	1.1 1.5%	<u>- 2.1</u> 3.2	2.0 2.5%	<u>- 1.5</u> 3.5

Microscope Solutions Business improves its sales in Japan where public spending is recovering, as well as Asia and Americas where public spending is recovering. Industrial Metrology Business increases its sales of products for electronic components, semiconductor, and automotive sectors in Japan and the US. Overall, sales improvement of 11% is expected with nearly doubled operating income.

Estimation for Capital Expenditure, Depreciation and R&D

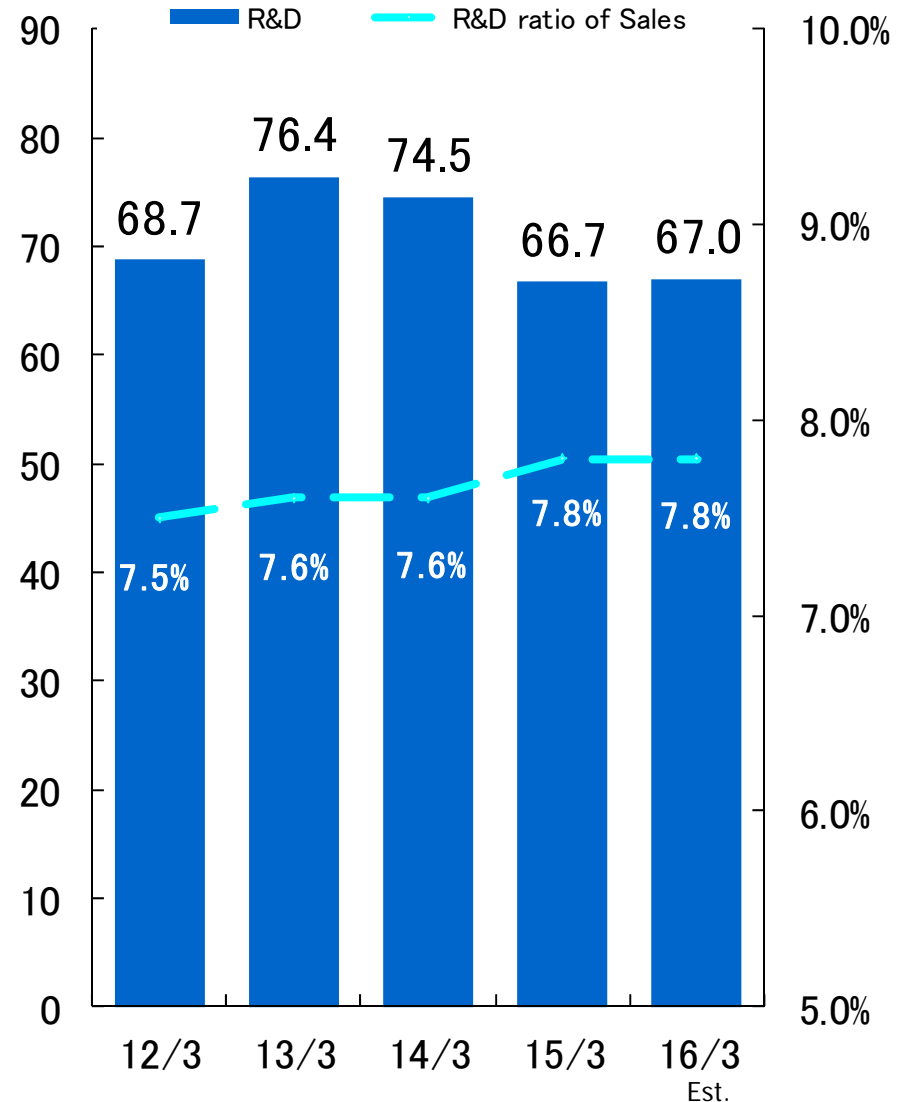


Billions of yen [Capital Expenditure & Depreciation]



Billions of yen

[R&D]



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

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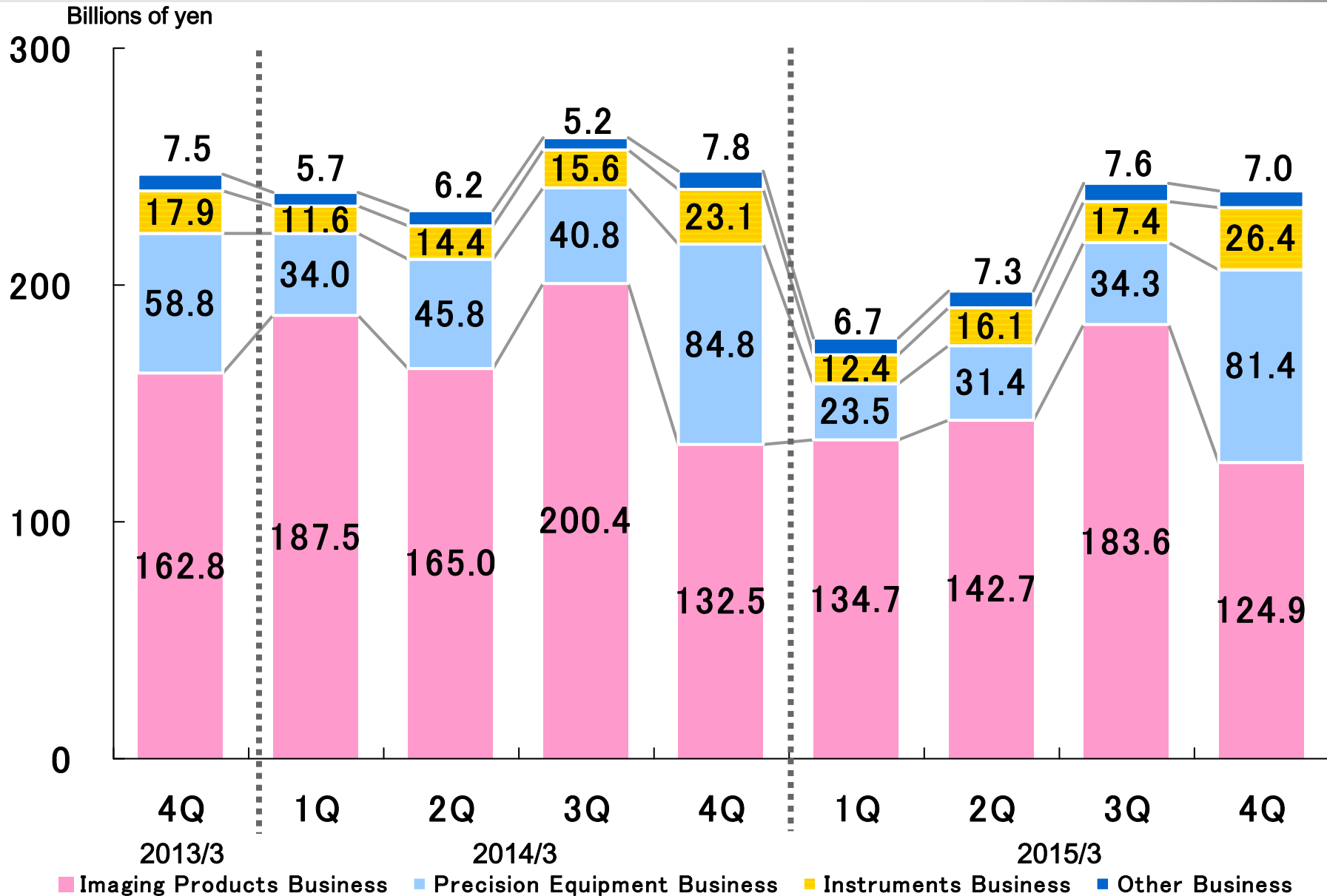
Exchange Rate



2016/3 Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	2016/3 Forecast	Net Sales	Operating Income
US \$	115 yen	Approx. 3.7 billion yen	Approx. 0.4 billion yen
EURO	130 yen	Approx. 1.0 billion yen	Approx. 0.6 billion yen

Quarterly Net Sales by Segment

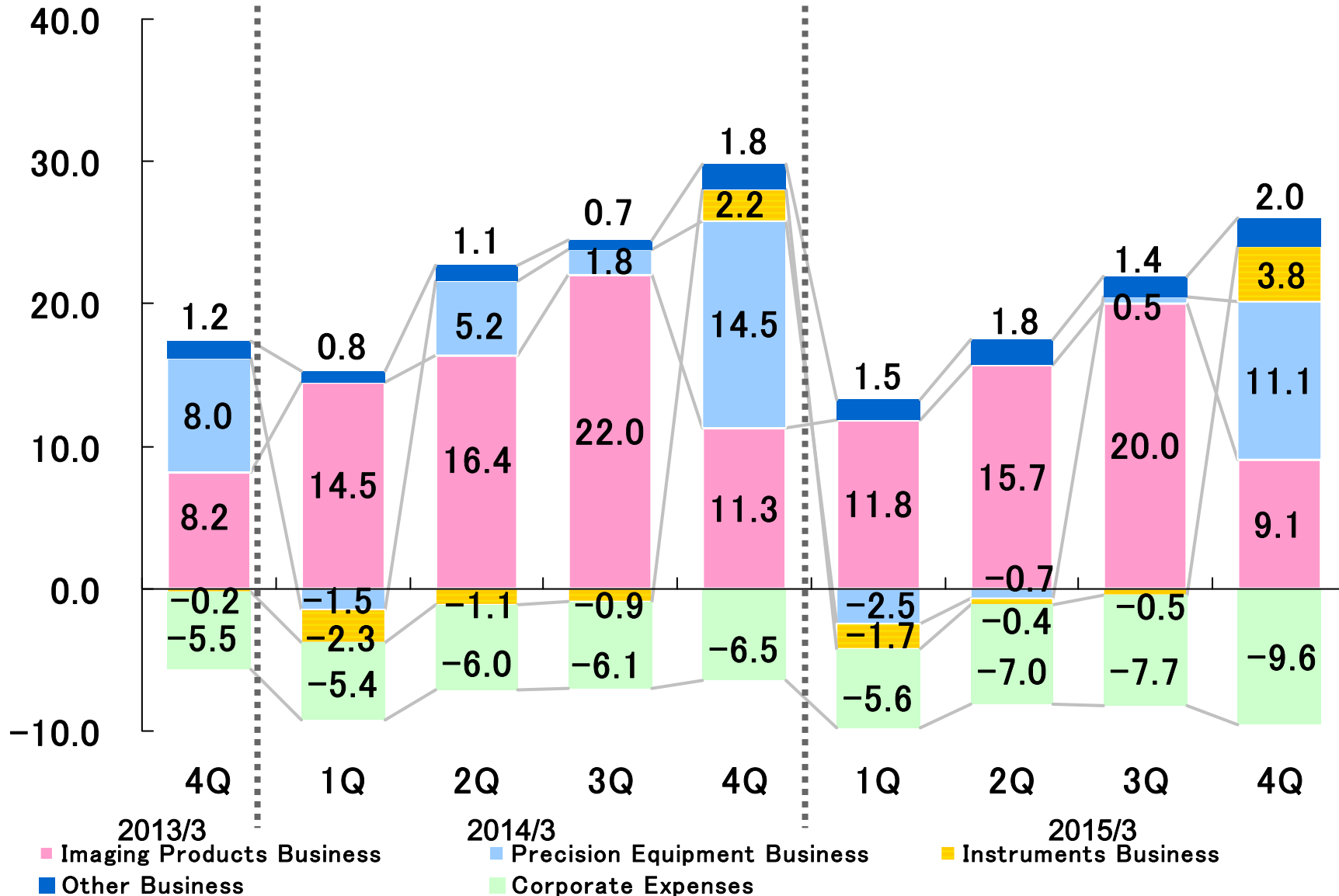


* Amounts in this statement are rounded down to the hundred million: the sum of breakdown values may not match the total.

Quarterly Operating Income by Segment



Billions of yen



* 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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