Review for Medium Term Management Plan

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 for Medium Term Management Plan

II. New financial targets of Medium Term.
Management Plan



Quantitative Evaluation

Steady and firm advance for achievement of 10/3 target

Billions of yen	08/3	10/3 Target	Status
Net Sales	955.8	1,000.0	Good
Operating Income	135.2	125.0	Excellent
Ordinary Income	120.1	115.0	Excellent

< Conditions of exchange rate >

08/3 (Actual): 114 yen/US\$, 162 yen/Euro

10/3 (Estimation):110 yen/US\$, 140 yen/Euro



Precision Equipment company

Key Objective	Status	
No.1 share of ArF Immersion	Fair	
Enhancing cost competitiveness	Excellent	
Further expanding the market share in the large LCD scanner market	Excellent	



Imaging Company

Key Objectives	Status
Maintaining market position as the SLR-DSC leading company	Excellent
Adding more value to compact DSC	Good
Strengthening manufacturing competitiveness	Good



Instruments Company

Key Objectives	Status
Developing solution business in the live-cell imaging field	Fair
Developing Non-contact vision based measuring systems utilizing image processing technology and creating series lineup of auto macro inspection equipment	Fair
30% reduction of development lead-time	Good



Agenda

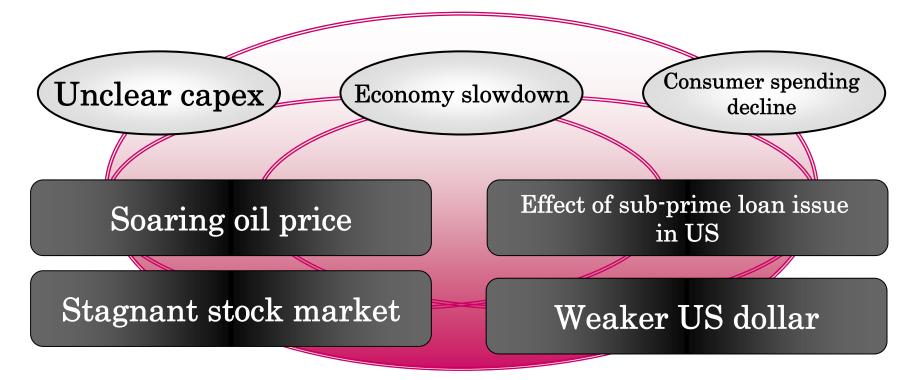
- I. Review for Medium Term Management Plan
- II. New financial targets of Medium Term
 Management Plan



Environments surrounding Nikon

Market conditions change

Completely different business environments against the recent continued economic growth where we have steadily been expanding our business.





Policy of Medium Term Management Plan

Consolidation of "Strong Nikon" that can grow continuously in whatever business environment.

Continuing Reinforcement of **Earning** growth power

Business strategy

Strengthening the competitiveness of major businesses with leading-edge technologies and products as core.

Creation and fostering new businesses becoming new pillars that support our group through appropriate investment of our resources

Innovation of manufacturing competitiveness and strengthening of sales & marketing power

Expansion of free cash flow via improvement of asset efficiency

Base

Endeavor for preserve the global environment and execution of fair management based on the CSR

Settlement of system & climate for utilization of diverse human resources and raising corporate personnel who leads our group in the future



New financial targets of Medium Term Management Plan

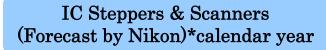
Billions of yen	08/3	11/3	
Net Sales	955.8	1,200.0	
Operating Income	135.2	160.0	
Net Income	75.5	100.0	

< Conditions of exchange rate >

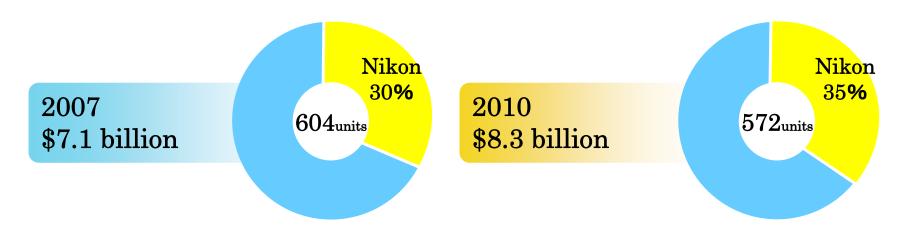
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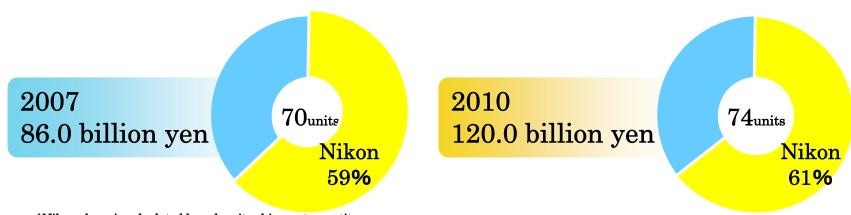


* The market size includes the new and refurbished systems.



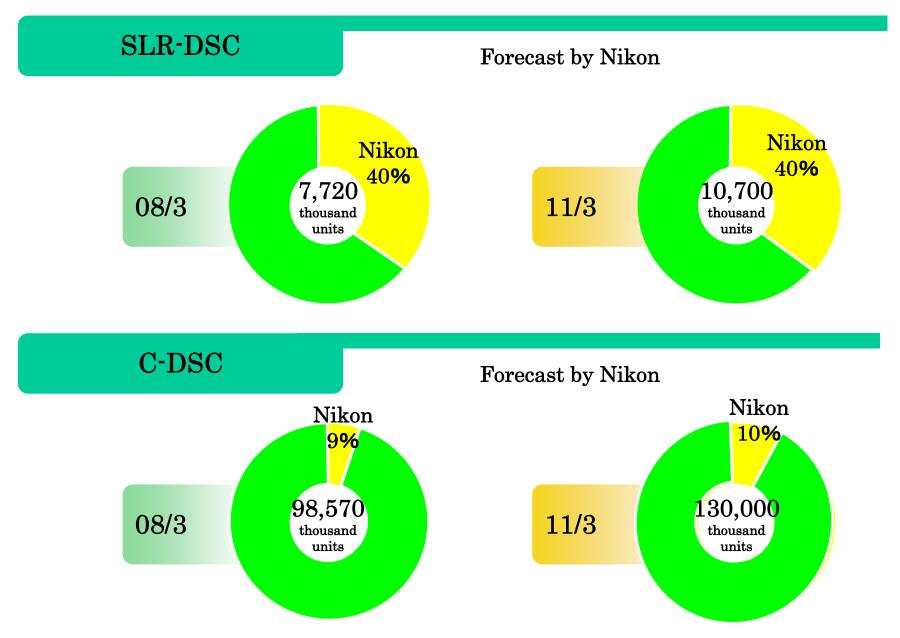


* LCD lithography system for color filter are excluded from the market size.



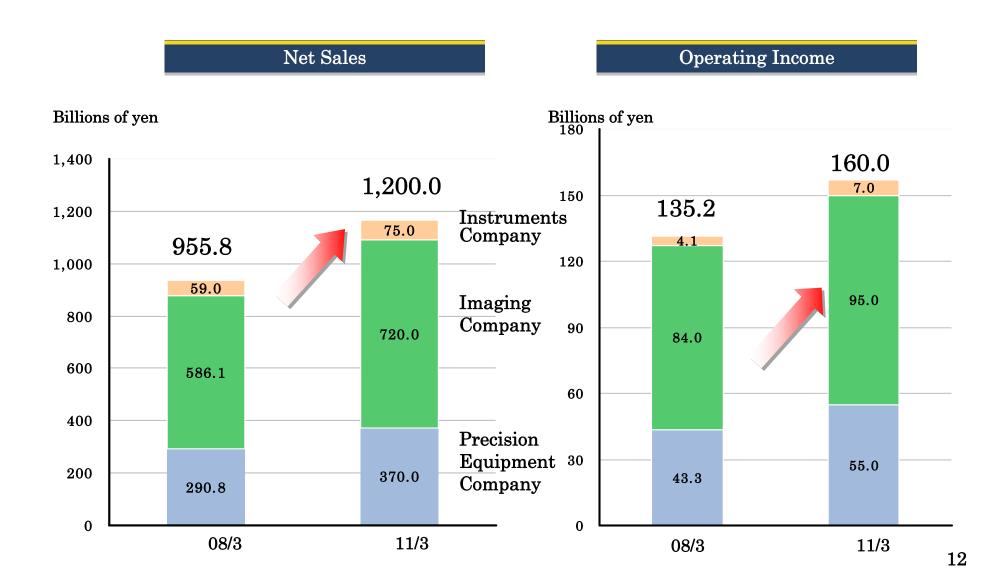
^{*}Nikon share is calculated based on its shipment quantity







Consolidated financial target of each Company





Plan of Capital investment and R&D (09/3 - 11/3)

Expanding investment for Next generation products development, Productivity improvement and New market exploration.

Capital investment
Total amount:
160 billion yen

Fund for R&D Total amount 220 billion yen (R&D ratio of sales 7%)

Precision Equipment Company

Developing next generation scanners / Improving Productivity

Imaging Company

Developing next generation DSC and Enhancing productivity

Instruments Company

Enhancing bio-science related businesses

New Business

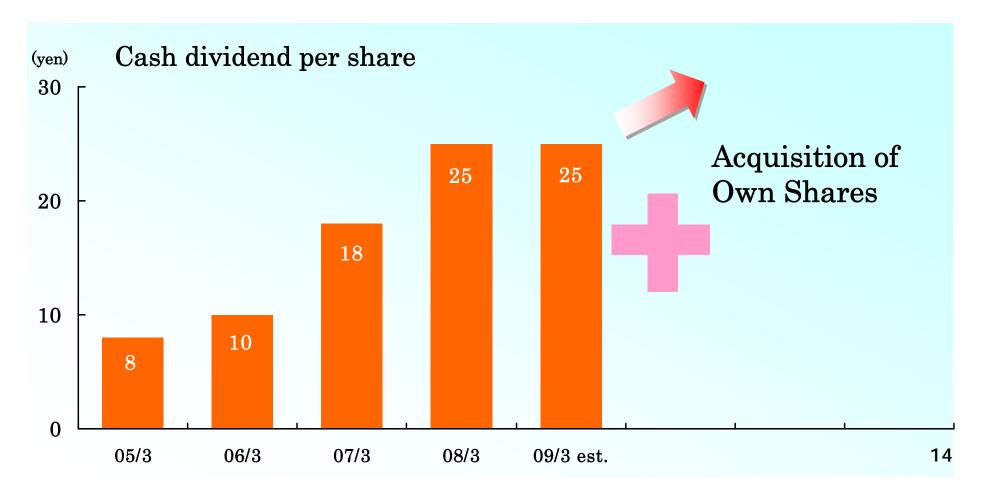
Strengthening new businesses and development of elemental technologies



Shareholders benefit

Stable dividend payment based on business performance and flexible execution of acquisition of own shares

Targeted total return ratio equivalent to 25% or more





NIKON CORPORATION