

This is a translation of the original Japanese “Notice of the 151st Annual General Shareholders’ Meeting” prepared for the convenience of non-Japanese speakers. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

Securities Code: 7731

June 5, 2015

NIKON CORPORATION

(Registered Head Office) 6, Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo

(Head Office) 15-3, Konan 2-chome, Minato-ku, Tokyo

Dear Shareholder,

Notice of the 151st Annual General Shareholders’ Meeting

You are cordially invited to attend our 151st Annual General Shareholders’ Meeting to be held as outlined below.

Sincerely yours,

Kazuo Ushida

President, Member of the Board

- 1. Date & Time:** 10:00 a.m., June 26, 2015 (Friday)
- 2. Place:** Kiku-no-ma, the fourth floor of Hilton Tokyo Hotel
6-2, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo

3. Agenda:

Matters to be reported

1. Business report, Consolidated Financial Statements, and audit reports concerning Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors for the 151st term (April 1, 2014 to March 31, 2015)
2. Non-Consolidated Financial Statements for the 151st term (April 1, 2014 to March 31, 2015)

Matters to be resolved

- Item 1:** Appropriation of Surplus
- Item 2:** Partial Amendments to the Articles of Incorporation
- Item 3:** Election of Ten Directors
- Item 4:** Election of Three Corporate Auditors
- Item 5:** Payment of Bonuses to Directors
- Item 6:** Determination of the Amount and Contents of Compensation, etc. in Performance-based Stock Remuneration System for the Directors

If you are unable to attend the meeting, you may exercise your voting rights in writing (by mail) or by electromagnetic methods. Please examine the attached Reference Materials for the General Shareholders' Meeting and exercise your voting rights by 5:00 p.m. on June 25, 2015 (Thursday).

- * Pursuant to the relevant laws and regulations and the provisions of the Company's Articles of Incorporation, among documents to be attached to this notice, matters to be stated or presented in notes to the Consolidated Financial Statements and the Non-Consolidated Financial Statements are posted on the Company's website indicated below and are not attached to this notice.
- * If it becomes necessary to amend the contents of the Reference Materials for the General Shareholders' Meeting, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements, the amended version of the relevant documents will be posted on the Company's website indicated below.

The Company's website: http://www.nikon.com/about/ir/stock_info/meeting/index.htm

Voting Procedures

Voting by attending the meeting

If you plan to attend the meeting in person, please present the enclosed voting form to the receptionist at the venue. If you exercise your voting rights by proxy, such proxy must be one other shareholder with voting rights who will act on your behalf pursuant to the provisions of the Company's Articles of Incorporation, and the proxy will be asked to submit a statement in writing attesting to his or her appointment as proxy (letter of attorney).

Voting by mail

Please indicate your approval or disapproval for each of the items on the enclosed voting form and return it to the Company by 5:00 p.m. on June 25, 2015 (Thursday).

If approval or disapproval is not indicated for any item on the submitted voting form, your vote for that item will be counted as a vote of approval.

Voting by electromagnetic methods (ex. on the Internet)

Please exercise your voting rights by 5:00 p.m. on June 25, 2015 (Thursday), after referring to the "Electromagnetic Voting Procedures" (in Japanese only).

- * When shareholders exercise their voting rights more than once by voting by mail and by electromagnetic methods, the electromagnetic vote is deemed to be valid.
- * If multiple votes by electromagnetic methods are received, the most recent vote is deemed to be valid.
- * Depending on your Internet environment, your provider's service or equipment type, you may not be able to access the website for exercising voting rights.
- * Any connection fees to the internet or communication charges, etc. for accessing the website for exercising voting rights shall be borne by the shareholders.

To Institutional Investors

The electronic voting platform for institutional investors operated by Investor Communications Japan Inc. is available for institutional investors that have applied to use such platform in advance.

Reference Materials for the General Shareholders' Meeting

Item 1: Appropriation of Surplus

It is proposed that surplus be appropriated as follows:

Matters concerning year-end dividends

The Company intends to distribute stable dividends by increasing the extent to which they reflect the consolidated business results while proactively making investments for future growth based on cash flow-oriented management.

Based on this dividend policy, it is proposed that a year-end dividend be paid out as follows.

(1) Type of dividend assets

Cash

(2) Allotment of dividend assets to shareholders and total amount

22 yen per Company common stock

Total payment of dividends: 8,727,984,210 yen

(3) Effective date of dividends from surplus

June 29, 2015

The annual dividend for the fiscal year under review, including an interim dividend, will be 32 yen per Company common stock, the same amount as in the previous fiscal year.

Item 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The Company has relocated its head office function from Chiyoda-ku, Tokyo to Minato-ku, Tokyo in November 2014 for the purpose of strengthening collaboration between head office function and business segment function. Accordingly, the address of the head office stipulated in Article 2 of the Articles of Incorporation shall be amended.

2. Description of the amendments

Amendments are described as follows:

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendments
Article 2. Location of Head Office The Company shall have its head office in <u>Chiyoda-ku, Tokyo.</u>	Article 2. Location of Head Office The Company shall have its head office in <u>Minato-ku, Tokyo.</u>

Item 3: Election of Ten Directors

As the terms of office for all eleven Directors will expire at the conclusion of this General Shareholders' Meeting, it is proposed that ten Directors be elected.

The candidates are as follows:

External: candidates for the position of External Director
Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
1	Makoto Kimura (February 3, 1948)	<p>Apr. 1974: Joined the Company</p> <p>Jun. 2001: Corporate Vice President, General Manager of Marketing & Merchandising Management Department, Imaging Company, the Company</p> <p>Jan. 2002: Corporate Vice President, General Manager of Marketing Management Department, Imaging Company, the Company</p> <p>Oct. 2002: Corporate Vice President, President of Imaging Company, the Company</p> <p>Jun. 2003: Managing Director, Member of the Board & Executive Vice President, President of Imaging Company, the Company</p> <p>Jun. 2005: Senior Managing Director, Member of the Board & Executive Vice President, President of Imaging Company, the Company</p> <p>Jun. 2007: Director, Member of the Board & Executive Vice President, President of Imaging Company, the Company</p> <p>Jun. 2009: Director, Member of the Board & Senior Executive Vice President, Officer in charge of Business Development Headquarters, President of Imaging Company, the Company</p> <p>Jun. 2010: Director, President, Member of the Board, Officer in charge of Business Development Headquarters, the Company</p> <p>Jun. 2014: Chairman of the Board and Director, the Company (to present)</p>	43,800 shares	-
2	Kazuo Ushida (January 25, 1953)	<p>Apr. 1975: Joined the Company</p> <p>Jun. 2003: Corporate Vice President, General Manager of Development Headquarters, Precision Equipment Company, the Company</p> <p>Jun. 2005: Managing Director, Member of the Board & Executive Vice President, President of Precision Equipment Company, the Company</p> <p>Jun. 2007: Director, Member of the Board & Executive Vice President, President of Precision Equipment Company, the Company</p> <p>Jun. 2009: Director, Member of the Board & Executive Vice President, Officer in charge of Intellectual Property Headquarters, President of Precision Equipment Company, the Company</p> <p>Jun. 2013: Director, Member of the Board & Senior Executive Vice President, Officer in charge of Intellectual Property Headquarters, President of Precision Equipment Company, Vice Officer in charge of Corporate Planning Headquarters, the Company</p> <p>Jun. 2014: Director, President, Member of the Board, Overseeing Medical Business Development Division and Business Development Division, the Company (to present)</p>	24,199 shares	-

External: candidates for the position of External Director
Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
3	Junichi Itoh (November 26, 1950)	<p>Apr. 1975: Joined Mitsubishi Bank, Ltd. Jun. 2002: Executive Officer of The Bank of Tokyo-Mitsubishi, Ltd. May 2005: Managing Executive Officer of The Bank of Tokyo-Mitsubishi, Ltd. Jun. 2005: Managing Director of The Bank of Tokyo-Mitsubishi, Ltd. Jan. 2006: Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2009: Senior Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Jun. 2011: Director, Member of the Board & Senior Executive Vice President & CFO, Officer in charge of Corporate Planning Headquarters, Finance & Accounting Headquarters, the Company Oct. 2012: Director, Member of the Board & Senior Executive Vice President & CFO, Officer in charge of Corporate Planning Headquarters, Finance & Accounting Headquarters, Information Security Headquarters, the Company Jun. 2014: Director, Member of the Board & Senior Executive Vice President & CFO, Overseeing Internal Audit Department and Corporate Strategy Division, the Company (to present)</p> <p>[Important concurrent positions outside the Company] Chairman of Nikon Americas Inc. Chairman of Nikon Holdings Europe B.V. Chairman of Nikon Holdings Hong Kong Limited</p>	8,400 shares	-
4	Yasuyuki Okamoto (January 3, 1956)	<p>Apr. 1978: Joined the Company Jun. 2005: Corporate Vice President, General Manager of Marketing Management Department, Imaging Company, the Company Oct. 2006: Corporate Vice President, General Manager of Marketing Headquarters, Imaging Company, the Company Oct. 2007: Corporate Vice President, the Company President & CEO of Nikon Inc. Jun. 2009: Senior Vice President, the Company President & CEO of Nikon Inc. Jun. 2010: Director, Member of the Board & Senior Vice President, President of Imaging Company, the Company Jun. 2014: Director, Member of the Board & Senior Vice President, Overseeing Business Support Division and Imaging Business Unit, the Company (to present)</p>	11,300 shares	-

External: candidates for the position of External Director
Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
5	Hiroshi Ohki (August 12, 1954)	Apr. 1979: Joined the Company Jun. 2008: Corporate Vice President, General Manager of Research & Development Headquarters, Core Technology Center, the Company Jun. 2011: Senior Vice President, Vice President of Core Technology Center & General Manager of Research & Development Headquarters, Core Technology Center, the Company Jun. 2012: Director, Member of the Board & Senior Vice President, President of Core Technology Center, the Company Jun. 2014: Director, Member of the Board & Senior Vice President, General Manager of Core Technology Division, Overseeing Intellectual Property Division, Semiconductor Lithography Business Unit, Microscope Solutions Business Unit, Industrial Metrology Business Unit, Customized Products Business Unit, the Company (to present)	12,200 shares	-
6	Takaharu Honda (November 20, 1954)	Apr. 1977: Joined the Company Jun. 2008: Corporate Vice President, General Manager of Business Planning Department, Imaging Company, the Company Jun. 2011: Senior Vice President, Officer in charge of Corporate Communications & IR Department, General Manager of Corporate Planning Headquarters, the Company Jun. 2014: Director, Member of the Board & Senior Vice President, General Manager of Human Resources & Administration Division, Overseeing Information Security Division and Information System Division, the Company (to present)	10,000 shares	-
7	Tomohide Hamada (February 6, 1957)	Apr. 1980: Joined the Company Jun. 2009: Corporate Vice President, General Manager of 2nd Development Department, LCD Equipment Division, Precision Equipment Company, the Company Jun. 2012: Corporate Vice President, General Manager of LCD Equipment Division, Precision Equipment Company, the Company Jun. 2013: Senior Vice President, General Manager of LCD Equipment Division, Precision Equipment Company, the Company Jun. 2014: Director, Member of the Board & Senior Vice President, General Manager of Corporate Strategy Division, the Company (to present)	6,300 shares	-
8	Toshiyuki Masai (August 5, 1952)	Mar. 1980: Joined the Company Jun. 2005: Corporate Vice President, the Company President & CEO of Nikon Inc. Sep. 2007: Corporate Vice President, the Company President of Nikon Europe B.V. Jun. 2009: Director, Member of the Board & Senior Vice President, President, Instruments Company, the Company Jun. 2014: Director, Member of the Board, the Company (to present) [Important concurrent positions outside the Company] Director & Executive Vice President of JEOL Ltd.	14,900 shares	-

External: candidates for the position of External Director
Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
9	External/Independent Kenji Matsuo (June 22, 1949)	<p>Apr. 1973: Joined Meiji Life Insurance Company Jul. 2001: Director of Meiji Life Insurance Company Jan. 2004: Director of Meiji Yasuda Life Insurance Company Apr. 2005: Managing Director of Meiji Yasuda Life Insurance Company Dec. 2005: President, Representative Director of Meiji Yasuda Life Insurance Company Jun. 2006: External Director, Member of the Board, the Company (to present) Jul. 2006: President, Representative Executive Officer and Director of Meiji Yasuda Life Insurance Company Jul. 2013: Senior Advisor of Meiji Yasuda Life Insurance Company (to present)</p> <p>[Important concurrent positions outside the Company] External Corporate Auditor of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Outside Statutory Auditor of Mitsubishi Estate Company, Limited</p>	0 shares	-
10	External/Independent Koukei Higuchi (March 14, 1936)	<p>Apr. 1960: Joined The Tokio Marine & Fire Insurance Co., Ltd. Jun. 1996: President of The Tokio Marine & Fire Insurance Co., Ltd. Jun. 2001: Chairman of The Tokio Marine & Fire Insurance Co., Ltd. Jun. 2003: Counsellor of The Tokio Marine & Fire Insurance Co., Ltd. Oct. 2004: Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Jun. 2010: External Director, Member of the Board, the Company (to present) Jun. 2013: Honorary Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (to present)</p> <p>[Important concurrent positions outside the Company] External Corporate Auditor of Japan Airport Terminal Co., Ltd. External Director of NOHMI BOSAI LTD. External Corporate Auditor of Mitsubishi Research Institute, Inc.</p>	0 shares	-

Notes:

1. Kenji Matsuo and Koukei Higuchi are candidates for the position of External Director as provided for under the Companies Act.
2. Kenji Matsuo has a wealth of knowledge and experience as an executive at other companies and we believe that he will be able to monitor and supervise overall management owing to his excellent insight. He will have served as External Director for the Company for nine years at the conclusion of this General Shareholders' Meeting.
3. Koukei Higuchi has a wealth of knowledge and experience as an executive at other companies and we believe that he will be able to monitor and supervise overall management owing to his excellent insight. He will have served as External Director for the Company for five years at the conclusion of this General Shareholders' Meeting.
4. If this proposal is approved, the Company plans to renew its agreement with Kenji Matsuo that limits his liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
5. If this proposal is approved, the Company plans to renew its agreement with Koukei Higuchi that limits his liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
6. Kenji Matsuo and Koukei Higuchi are reported to Tokyo Stock Exchange, Inc. as being independent directors.
7. The Company borrows loans from Meiji Yasuda Life Insurance Company and The Bank of Tokyo-Mitsubishi UFJ, Ltd. In addition, the Company has insurance transaction relationships with Meiji Yasuda Life Insurance Company and The Tokio Marine & Nichido Fire Insurance Co., Ltd. respectively. Although the Company had real estate rental transactions concerning the Company's head office with Mitsubishi Estate Company, Limited, the said transactions has ceased to exist after the relocation of the Company's head office in November 2014. Additionally, the amount of payment to each of the aforementioned companies accounts for less than 1% of consolidated net sales of the Company.

Item 4: Election of Three Corporate Auditors

As the terms of office for Corporate Auditors Yoshimichi Kawai, Haruya Uehara and Hiroshi Hataguchi will expire at the conclusion of this General Shareholders' Meeting, it is proposed that three Corporate Auditors be elected.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates are as follows:

Newly appointed: newly appointed candidates
 External: candidates for the position of External Corporate Auditor
 Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
1	Newly appointed Norio Hashizume (December 4, 1952)	Apr. 1975: Joined the Company Jun. 2005: Corporate Vice President, General Manager of Financing & Accounting Department, the Company Jun. 2009: Director, Member of the Board & Corporate Vice President, Officer in charge of Affiliates Administration Department, General Manager of Financing & Accounting Department, the Company Jun. 2010: Director, Member of the Board & Senior Vice President, General Manager of Finance & Accounting Headquarters, the Company Jun. 2014: Director, Member of the Board & Senior Vice President, Overseeing Finance & Accounting Division, the Company (scheduled to retire from the position in June 2015)	14,306 shares	-
2	External/Independent Haruya Uehara (July 25, 1946)	Apr. 1969: Joined Mitsubishi Trust and Banking Corporation Jun. 1996: Director of Mitsubishi Trust and Banking Corporation Jun. 2002: Deputy President of Mitsubishi Trust and Banking Corporation Apr. 2004: President of Mitsubishi Trust and Banking Corporation Oct. 2005: President of Mitsubishi UFJ Trust and Banking Corporation Jun. 2008: Chairman of Mitsubishi UFJ Trust and Banking Corporation Jun. 2011: External Corporate Auditor, the Company (to present) Apr. 2012: Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation (to present) [Important concurrent positions outside the Company] External Director of KOITO MANUFACTURING CO., LTD. External Corporate Auditor of Mitsubishi Research Institute, Inc.	3,700 shares	-
3	External/Independent Hiroshi Hataguchi (April 8, 1940)	Apr. 1967: Registered as attorney at law Apr. 1967: Joined Export-Import Bank of Japan Apr. 1969: Resigned from Export-Import Bank of Japan Feb. 1972: Joined Otsuka General Legal Office Apr. 1987: Professor of Legal Training and Research Institute, Supreme Court of Japan Mar. 1990: Retired from the position of Professor, Legal Training and Research Institute, Supreme Court of Japan Apr. 1990: Lecturer of Faculty of Law, Hosei University Apr. 1994: Vice President of Daiichi Tokyo Bar Association Mar. 1995: Retired from the position of Vice President, Daiichi Tokyo Bar Association Apr. 1996: Governor of Japan Federation of Bar Associations Mar. 1997: Retired from the position of Governor, Japan Federation of Bar Associations Mar. 2005: Retired from the position of Lecturer, Faculty of Law, Hosei University Dec. 2009: Retired from Otsuka General Legal Office Jan. 2010: Established Hataguchi Legal Office (to present) Jun. 2011: External Corporate Auditor, the Company (to present) [Important concurrent positions outside the Company] External Director of SOSHIN ELECTRIC CO., LTD. (scheduled to assume the position in June 2015) External Corporate Auditor of TOKYO ENERGY & SYSTEMS INC.	6,500 shares	-

Notes:

1. Haruya Uehara and Hiroshi Hataguchi are candidates for the position of External Corporate Auditor as provided for under the Companies Act.
2. Haruya Uehara has a wealth of knowledge and experience as an executive at other companies and we believe that he is capable of adequately contributing to the auditing function as an External Corporate Auditor of the Company. He will have served as External Corporate Auditor for the Company for four years at the conclusion of this General Shareholders' Meeting.
3. Despite of having no experiences in corporate management other than having served as an external director or an external corporate auditor in the past, Hiroshi Hataguchi has expertise and experience concerning compliance, etc. as an attorney at law and we believe that he is capable of adequately contributing to the auditing function as an External Corporate Auditor of the Company. He will have served as External Corporate Auditor for the Company for four years at the conclusion of this General Shareholders' Meeting.
4. During his tenure as an External Director of KOITO MANUFACTURING CO., LTD. ("KOITO"), Haruya Uehara made various recommendations to make concerted efforts for preparation and refinement of the corporate compliance framework and for thorough implementation and establishment aiming at eradication and recurrence prevention of violation of antitrust laws and competition laws regarding matters of the plea agreement KOITO has entered with the United States Department of Justice whereupon KOITO agrees to pay a fine regarding its transactions for automotive lamps. In addition, during his tenure as an External Corporate Auditor of Mitsubishi Heavy Industries, Ltd. ("MHI"), part of MHI's automobile parts business was found to have engaged in inappropriate cartel activities, including inappropriate information exchange, with competitors. Although he had no knowledge of this matter in advance, he has regularly made various recommendations from the perspective of compliance with laws and regulations at meetings of the Board of Directors and the Board of Corporate Auditors of the company, and he also proactively expressed his opinions with respect to recurrence prevention measures on this matter.
5. If this proposal is approved, the Company plans to renew its agreement with Haruya Uehara that limits his liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
6. If this proposal is approved, the Company plans to renew its agreement with Hiroshi Hataguchi that limits his liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
7. Haruya Uehara and Hiroshi Hataguchi are reported to Tokyo Stock Exchange, Inc. as independent directors.
8. The Company borrows loans from Mitsubishi UFJ Trust and Banking Corporation. The amount of payment to the company accounts for less than 1% of consolidated net sales of the Company.

Item 5: Payment of Bonuses to Directors

In view of the business results for the fiscal year under review and various other factors, it is proposed that 86,367 thousand yen in total be paid to eight Directors (excluding one non-full-time Director and two External Directors) as of the end of the fiscal year (the 151st term).

Item 6: Determination of the Amount and Contents of Compensation, etc. in Performance-based Stock Remuneration System for the Directors

Remuneration for Directors of the Company (excluding External Directors and Non-full-time Directors; hereinafter the same shall apply in this proposal) comprises of “monthly compensation”, “bonuses” and “subscription rights to shares granted as stock-related compensation” which is linked to the long-term performance. The Company will newly introduce a performance-based stock remuneration system (“System”) for Directors and Officers of the Company (collectively, “Directors, etc.”) which is linked to the mid-term performance.

Specifically, the Company hereby proposes to grant new subscription rights to shares to Directors of the Company based on the degree of accomplishment of business performance targets in the final fiscal year of the Medium Term Management Plan, separately from the upper limit of the remuneration amount for Directors of 650 million yen per year (subject to monthly fixed compensation and subscription rights to shares granted as stock-related compensation) approved at the 147th Annual General Shareholders’ Meeting held on June 29, 2011.

The Company is planning to implement the incentive plan based on the System every three years commencing 2015, and the contents will be determined at the discretion of the Board of Directors within the scope in 2. below.

It should be noted that the number of Directors subject to the System will be seven if “Item 3: Election of Ten Directors” is approved as proposed. In addition, as mentioned above, the System also applies to Officers (the current number of Officers subject to the System who do not hold concurrent position as Director is eighteen), and the remuneration based on the System includes the remuneration for the Officers. In this proposal, given that there is a possibility that these Officers may newly take office as Director during a target period of a trust (as defined in 2. (2) below), this is to propose the amount and the contents as the remuneration of Directors regarding the remuneration based on the System.

1. Reasons for the proposal and justifying such remuneration system, etc.

The Company resolved to change its traditional rolling system to fixed system by every three years in “Medium Term Management Plan of 2015” announced on May 14, 2015, and to set a goal it becomes a company growing with a portfolio of 6 businesses under “Next 100 - Transform to Grow”, the Medium Term Management Vision. The Company will introduce the System, which is closely linked to the

company's performance defined in the Medium Term Management Plan in order to reinforce the incentives to attain the goal for the Directors, etc. In addition, the Company also has the purpose of having more qualified people who play an important role in the international business arena of growing business field like medical field.

It should be noted that the introduction of the System is discussed based on the result of discussions from the Compensation Committee.

2. The amount and contents, etc. of the System

(1) The System summary

The System is a stock remuneration system where the Company acquires shares of the Company from the stock market using the trust money contributed as remuneration of Directors, etc. in accordance with (2) below, and deliver and pay the shares of the Company and cash equivalent of the conversion value of said shares ("Company Shares, etc.") as the remuneration of Directors, etc. every three years based on the degree of accomplishment of business performance in the final fiscal year of the Medium Term Management Plan ("Delivery, etc.").

(2) The upper limit of the amount to be contributed by the Company

The Company is planning to implement an incentive plan based on the System every three years, setting three consecutive fiscal years as a target period. The Company will contribute the trust money whose upper limit is 1.2 billion yen as total, every target period as remuneration of Directors, etc. (*), and resolve a trust ("Trust") with three year trust period (including extension of a trust period below; hereinafter the same shall apply) wherein the Directors, etc., who meet the beneficiary requirements, are beneficiaries. Acquisition of Company shares by the Trust will be performed by the method of using the trust money to acquire the Company shares from the stock market in accordance with the instructions of the trust caretaker.

Specifically, the Trust to be resolved initially will be for the three fiscal years starting from the fiscal year that ends on March 31, 2016 up to the fiscal year that ends on March 31, 2018 to be a target period of an incentive plan based on the System. The Company will contribute the trust money whose upper limit is 1.2 billion yen as total, and grant the share granting points to Directors, etc. during the trust period (please refer to (3) below). In June 2018, the Trust will conduct the Delivery, etc. of the Company Shares, etc. corresponding to the cumulative share granting points for the three fiscal years.

In addition, the existing Trust may be continued as an incentive plan based on the System, by changing the trust agreement and entrusting additional money at the expiration of the trust term. In such cases, the Company may further extend the trust term of the Trust by the same years of the initial trust period, set the three fiscal years after the extension of the trust term as a target period, entrust additional money to the Trust per each extended trust term to the extent of the upper limit of 1.2 billion yen as total, and continue the grant of share granting points to Directors, etc. and Deliver, etc. of the Company Shares,

etc. continuously during the extended trust term. However, in cases where such additional entrustment is made and there are remaining Company shares (excluding Company shares to be delivered to Directors, etc. corresponding to the Share Granting Points granted to the Directors, etc., which have not been delivered to the Directors, etc.) and money (collectively, the “Remaining Company Shares, etc.”) in the trust assets as of the last day of the previous trust term, the total amounts of the Remaining Company Shares, etc. and the additional contribution of trust money shall be within the upper limit of 1.2 billion yen.

* As mentioned above, this Item is to propose the amount and contents as remuneration and others of Directors regarding remuneration of Directors, etc. based on the System generally.

(3) The maximum amount of Company shares to be acquired by the Director, etc.

The amount of Company shares to deliver to the Director, etc. will be determined at the Board of Directors after consideration of discussions and advice from the Compensation Committee consisting of the representative directors, external directors and external experts, based on the number of share granting points to be granted according to the degree of accomplishment of business performance, in accordance with a certain calculation formula. One share granting point shall be equal to one share, and if the Company shares belonged to the Trust are increased or decreased due to as a share split, allotment of shares without contribution or reverse share split, the Company will adjust the number of the Company shares to be granted per share granting point according to the ratio of such increase or decrease.

A person who is in office as the Director, etc. as of the first coming June 1 every fiscal year will be granted share granting points in accordance with the calculation formula defined below.

(Points Calculation Formula)

Base compensation by title* x ratio by title* / average price per share acquired by the Trust (fractions after the decimal point to be rounded down)

* The “base compensation by title” and “ratio by title” will be determined in consideration of factors such as responsibilities and duties, and the percentage of monetary compensation and stock compensation in overall executive compensation.

A person who is in office as Director, etc. as of the first coming June 1 every three fiscal year-end counting from the fiscal year resolved the Trust will be granted Delivery, etc. from the Trust regarding the Company shares whose number is according to the number of share granting points calculated in accordance with the calculation formula defined below.

(Share Granting Points)

Three-year cumulative points x performance-based coefficient (fractions after the decimal point to be rounded down)*

* The performance-based coefficient shall be determined within the range of 0% to 150% in accordance with achievement of consolidated net sales and consolidated operating incomes, etc. for the final fiscal year of the Medium Term Management Plan to be resolved per each three fiscal

years.

The total amount of the Company Shares, etc. to be delivered to the Directors, etc. under the Trust per the target period shall be up to 730 thousand shares. The maximum amount of the Company shares to be delivered has been determined based on the upper limit of trust money mentioned in (2) above and in reference to the latest stock price, etc.

(4) Timing of the Delivery, etc. of Shares to the Directors, etc.

Eligible Directors, etc., who satisfy the beneficiary requirements shall be granted the Delivery, etc. of Company Shares, etc., of the number that is calculated based on the above (3), in the first coming June every three fiscal year-end counting from the fiscal year resolved the Trust.

In this case, Directors, etc. shall receive 50% of the Company shares corresponding to such share granting points (shares less than one unit to be rounded down), and the remaining will be converted within the Trust and the cash equivalent of the conversion value shall be paid.

It should be noted that if a person who was not a Director, etc. at the resolution of the Trust but newly took office as a Director, etc. during the target period, such person shall not be eligible for the System for the relevant target period. However, such person may be granted share granting points according to his/her service period in the same manner as an eligible Director, etc. If the Trust is extended, such person may receive the Delivery, etc., of the Company Shares, etc., corresponding to the share granting points granted during the target period in addition to the Delivery, etc. of the Company Shares, etc. corresponding to the share granting points granted from the System after the extension.

(5) The voting rights of Company shares in the Trust

The voting rights of Company shares in the Trust will not be exercised during the trust term, to ensure the neutrality of the Company management.

(6) Other contents of the System

Other contents regarding the System will be determined by the Board of Directors on each occasion such as resolving of the Trust, changing the trust agreement and entrusting additional money to the Trust.

(Attached documents)

Business Report

(From April 1, 2014 to March 31, 2015)

1. Matters relating to the current state of the Group

(1) Results of operations

(i) Review of operations

In the global economy during the consolidated fiscal year ended March 31, 2015, although the US experienced a recovery due to factors including robust personal consumption, sluggishness in the European economy and a slowdown in economic growth in emerging countries continued. In addition, the Japanese economy moved in a recovery trend despite the impact of the hike in consumption taxes.

In the Precision Equipment Business, capital investments were firm in the semiconductor-related field. Meanwhile, in the FPD (Flat Panel Display)-related field, although there was a recovery in capital investments for large displays, its performance was weak as a result of a settling down in capital investments for mid-to-small size displays. In the Imaging Products Business, the market for the Digital camera—Interchangeable Lens Type was sluggish mainly in Europe and China, and the compact digital camera market continued to shrink. In the Instruments Business, although the microscope-related field was sluggish due to a reduction in the public budget of Japan and delays in execution, the field was robust in the Americas and China. In the industrial metrology-related field, capital investments related to electronic component and automobiles recovered.

Under these circumstances, the Group commenced structural reform measures in order to re-build the business portfolio and try to achieve a transformation into a business model capable of realizing sustained growth based on the Medium Term Management Plan announced in June 2014.

Firstly, the Group shifted to a divisional organization under direct control of the President from a company-based organization with decentralized operations, in order to create a system that allows the flexible allocation of management resources. In addition, the Group established the Medical Business Development Division in order to promote faster business development of the Medical Business that will serve as a new business pillar.

In existing core businesses, the Group has worked to strengthen the business base through the introduction of innovative new products and working on further cost reductions, etc. In addition, the Group promoted the development of corporate venture capital projects to utilize external resources through means such as M&As and business alliances, and to explore new fields.

For example, as a stepping stone toward full-fledged entry into the Medical Business, the Group reached an agreement with Optos Plc, which is a leading company in the UK's retina diagnostic imaging equipment market, for the friendly acquisition of Optos Plc and commencement of procedures to convert it into a wholly owned subsidiary.

However, due to factors including the deterioration in the business environment, net sales of the Group for the fiscal year ended March 31, 2015 decreased by 122,774 million yen (12.5%) year on year to 857,782 million yen, operating income decreased by 19,529 million yen (31.0%) year on year to 43,412 million yen, and ordinary income decreased by 15,356 million yen (24.9%) year on year to 46,368 million yen. In addition, as a result of factors including an impairment loss recorded in the

Semiconductor Lithography Business, net income decreased by 28,460 million yen (60.8%) year on year to 18,364 million yen.

Performance by business segment is as follows.

a. Precision Equipment Business

In the Semiconductor Lithography System field, the Group worked to improve performance and expand sales of equipment, focusing on ArF immersion scanners, and launched the new NSR-S630D equipment that offers extremely high overlay accuracy and improved productivity. However, the situation was challenging due to factors including the impact of changes in capital investment plans by customers.

In the FPD Lithography System field, although focusing on sales of products such as the FX-67S that are ideal for the production of mid-to-small size high definition displays for smart-phone/tablet terminals, etc., the Group was affected by the settling down of capital investments. In the equipment for large displays, sales of its latest products such as the FX-86S2 and FX-86SH2 grew steadily, supported by a recovery in capital investment.

Although the Group made efforts across its business as a whole to improve the profit structure, including shortening manufacturing periods and cutting costs, net sales decreased by 16.9% from the previous fiscal year to 170,757 million yen, and operating income decreased by 58.4% from the previous fiscal year to 8,355 million yen.

b. Imaging Products Business

In the Imaging Products Business, the performance of Digital camera—Interchangeable Lens Type was strong for D750 and D810, the digital single-lens reflex (SLR) cameras with full-scale specifications comparable to those of professional models, D7200 and D7100, the middle-class models, and D5500 and D3300, the entry class models, and the market share grew significantly, especially in the USA and Russia during the fourth quarter.

In compact digital cameras, sales were strong for products including the multi-function model COOLPIX P600 which comes with 60x optical zoom and the stylish model COOLPIX S9700 equipped with a 30x optical zoom.

Cumulative production of interchangeable lenses reached 90 million units in November 2014.

As a result of the foregoing, due in part to the expansion in market share, net sales only decreased by 14.5% from the previous fiscal year to 586,019 million yen and operating income only decreased by 11.8% to 56,698 million yen despite a downturn in the market.

c. Instruments Business

In the Microscope field, although the Group was influenced by the market downturn in Japan, sales grew mainly in inverted microscopes for research driven by China, where market share was expanded, and the Americas, where sales were strong in cellular research related field.

In the Industrial Metrology field, profits improved by increased the sales for products such as the CNC Video Measuring System -NEXIV series- and non-contact 3D Metrology System through recovery in capital investment, and working to further improve productivity.

As a result of the foregoing, net sales increased by 11.9% from the previous fiscal year to 72,381 million yen, marking a record high and operating income was 1,199 million yen (compared with operating loss of 2,156 million yen in the previous fiscal year).

d. Other Businesses

In the Customized Products Business, sales of space-related products grew significantly, and although sales decreased in the Glass Business due to poor sales of photomask substrates for FPD, efforts to improve profits were successful.

As a result of the foregoing, net sales of these businesses increased by 14.7% from the previous fiscal year to 28,622 million yen, and operating income increased by 53.7% from the previous fiscal year to 6,791 million yen.

Note: Business segment operating income or loss includes earnings or losses from transactions within the Group.

Business Segment Sales for 151st term (Year Ended March 31, 2015)

Business segment	Net sales (million yen)	Percentage of total sales (%)	Change from previous year (%)
Precision Equipment Business	170,757	19.9	(16.9)
Imaging Products Business	586,019	68.3	(14.5)
Instruments Business	72,381	8.5	11.9
Other Businesses	28,622	3.3	14.7

(ii) Capital investments

Fiscal year capital investments totaled 32,549 million yen. The amounts of investment by business were 6,034 million yen in the Precision Equipment Business, 8,329 million yen in the Imaging Products Business, 1,788 million yen in the Instruments Business, and 8,365 million yen for Other Businesses. Major capital investments in the fiscal year included additional equipment for the development and manufacturing of cutting-edge lithography systems in the Precision Equipment Business and manufacturing equipment upgrade in the Imaging Products Business.

(iii) Fund procurement

The balance of long-term loans payable (including current portion) at the end of the fiscal year is 49,600 million yen, no change from the end of the previous fiscal year.

The Company did not procure funds through issuance of new shares or bonds during the fiscal year.

(iv) Business transfers and absorption-type and incorporation-type demerger

None

(v) Businesses acquired from other companies

None

(vi) Receipt of rights and obligations associated with operations of other company, etc. due to absorption and merger or to absorption and demerger

None

(vii) Acquisition or disposal of stock or other ownership or subscription rights to shares, etc. of other company

None

(2) Financial highlights for three previous fiscal years

Financial highlights related to the Group are as follows.

Item	148th term (Year ended March 31, 2012)	149th term (Year ended March 31, 2013)	150th term (Year ended March 31, 2014)	151st term (Year ended March 31, 2015)
Net sales (million yen)	918,651	1,010,493	980,556	857,782
Operating income	80,080	51,001	62,941	43,412
Ordinary income (million yen)	89,383	48,344	61,725	46,368
Net income (million yen)	59,305	42,459	46,824	18,364
Net income per share (yen)	149.57	107.07	118.06	46.29
Total assets (million yen)	860,230	864,667	949,515	972,945
Net assets (million yen)	433,616	490,217	546,813	572,200

Note: Beginning from the 150th term, IAS No. 19 "Employee Benefits" (revised on June 16, 2011) have been applied to certain overseas subsidiaries. As this change in accounting policies is applied retrospectively, the amounts for total assets and net assets for the 149th term are presented after retrospective application.

(3) Major parent company and subsidiaries

(i) Relationship with parent company

None

(ii) Major subsidiaries

Company name	Location	Capital stock	Percentage of equity participation (%)	Main business
Precision Equipment Business				
TOCHIGI NIKON PRECISION CO., LTD.	Tochigi, Japan	425 million yen	100.0	Manufacture of Precision Equipment Business products and parts
Nikon Precision Inc.	US	1 thousand US dollars	*100.0	Sales in the US and Europe of Precision Equipment Business products
Imaging Products Business				
TOCHIGI NIKON CORPORATION	Tochigi, Japan	363 million yen	100.0	Manufacture of Imaging Products Business products
SENDAI NIKON CORPORATION	Miyagi, Japan	480 million yen	100.0	Manufacture of Imaging Products Business products
NIKON IMAGING JAPAN INC.	Tokyo, Japan	400 million yen	100.0	Sales in Japan of Imaging Products Business products
Nikon (Thailand) Co., Ltd.	Thailand	1.2 billion bahts	100.0	Manufacture of Imaging Products Business products
Nikon Imaging (China) Co., Ltd.	China	32 million US dollars	*100.0	Manufacture of Imaging Products Business products
Nikon Inc.	US	1 thousand US dollars	*100.0	Sales in the Americas of Imaging Products Business products
Nikon Europe B.V.	Netherlands	1 million euro	*100.0	Sales in Europe of Imaging Products Business products
Nikon Hong Kong Ltd.	China	5 million HK dollars	*100.0	Sales in Asia of Imaging Products Business products
Nikon Singapore Pte. Ltd.	Singapore	22 million SG dollars	*100.0	Sales in Asia/Oceania of Imaging Products Business products
Nikon Imaging (China) Sales Co., Ltd.	China	10 million US dollars	*100.0	Sales in China of Imaging Products Business products
Instruments Business				
NIKON INSTECH CO., LTD.	Tokyo, Japan	417 million yen	100.0	Sales in Japan of Instruments Business products
Nikon Metrology NV	Belgium	97 million euro	*100.0	Manufacture and sales in Europe and the US of Instruments Business products

Notes: * shows ownership ratios including indirect ownership.

(4) Issues to be addressed

The biggest issue of the Nikon Group is the restructuring of the business portfolio. Under the Medium Term Management Vision “Next 100 - Transform to Grow”, the Nikon Group needs to be reborn from the enterprise led by the Imaging Products Business, the Semiconductor Lithography Business and the FPD Lithography Business into an enterprise, which grows in the portfolio of six businesses, by expanding the Microscope Solutions Business and the Industrial Metrology Business and by growing the Medical Business. Striving for realization, the Group will invest even more internal and external management resources and actively participate in M&As, etc.

In the existing business, the Group will work on strengthening of the structures of the Semiconductor Lithography Business, where impairment loss was recorded for the current fiscal year, and the Imaging Products Business, which is facing increasingly severe business situation due to rapid changes in the market structure, and it will strive for revenue improvement.

Through these measures, the Nikon Group will achieve the transformation of its business model in order to achieve sustainable growth and endeavor to create a new value.

(5) Main business (as of March 31, 2015)

The main businesses of the Group are the manufacture and sale of the following products.

Business segment	Main products
Precision Equipment Business	Semiconductor Lithography System, FPD Lithography System
Imaging Products Business	Digital camera—Interchangeable Lens Type, compact digital cameras, interchangeable camera lenses, film cameras, binoculars
Instruments Business	Biological microscopes, industrial microscopes, measuring instruments, X ray/CT scan systems
Other Businesses	Customized products, FPD photomask substrates

(6) Major offices and plants (as of March 31, 2015)

The major offices and plants of the Company are as follows.

Those of subsidiaries of the Company are shown in “(3) (ii) Major subsidiaries” on page 21.

Name of offices and plants	Location
Head office	Tokyo, Japan
Oi Plant	Tokyo, Japan
Yokohama Plant	Kanagawa, Japan
Sagamihara Plant	Kanagawa, Japan
Kumagaya Plant	Saitama, Japan
Mito Plant	Ibaraki, Japan
Yokosuka Plant	Kanagawa, Japan

(7) Employees (as of March 31, 2015)

(i) Employees of the Group

Number of employees	Change from the end of the previous consolidated fiscal year
25,415	up 1,556

(ii) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average service years
6,731	down 53	44.5	19.8

Note: Average age and average service years are rounded off to the nearest tenths.

(8) Major lenders (as of March 31, 2015)

Lender	Amount borrowed (million yen)
Meiji Yasuda Life Insurance Company	13,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,350
NIPPON LIFE INSURANCE COMPANY	7,200

(9) Other items concerning the status of the Group

None

2. Current state of the Company

(1) Matters relating to shares of the Company (as of March 31, 2015)

- (i) Total number of shares authorized to be issued: 1,000,000,000 shares
- (ii) Total number of shares issued: 400,878,921 shares
- (iii) Shares per unit: 100 shares
- (iv) Total number of shareholders: 46,074
- (v) Major shareholders:

Name of shareholder	Number of shares held (thousand shares)	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,676	7.0
Japan Trustee Services Bank, Ltd. (Trust Account)	22,758	5.7
Meiji Yasuda Life Insurance Company	19,537	4.9
THE BANK OF NEW YORK - JASDECNON-TREATY ACCOUNT	8,619	2.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,378	1.9
The Joyo Bank, Ltd.	6,801	1.7
NIPPON LIFE INSURANCE COMPANY	6,709	1.7
Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,041	1.5
Mitsubishi UFJ Trust and Banking Corporation	5,481	1.4
BARCLAYS CAPITAL SECURITIES LIMITED	5,007	1.3

Note: The percentage of total shares issued is calculated after deducting treasury stock of 4,152,366 shares.

(2) Subscription rights to shares

(i) Subscription rights to shares held by the Company's Directors and Corporate Auditors that were granted as remuneration for duties performed (as of March 31, 2015)

Issue number (date of issue)	Number of subscription rights to shares	Type and number of shares to be issued	Issue price per right (yen)	Exercise price per right (yen)	Exercise period	Status of holding (number of subscription rights to shares (number of holders))	
						Directors	Corporate Auditors
3rd issue (July 1, 2005)	29	29,000 shares of the Company's common stock	Gratis issue	1,273,000	From June 30, 2007 to June 29, 2015	24 (4)	5 (1)
4th issue (March 14, 2007)	25	25,000 shares of the Company's common stock	840,000	2,902,000	From February 28, 2009 to February 27, 2017	20 (5)	5 (1)
5th issue (August 27, 2007)	61	6,100 shares of the Company's common stock	325,900	100	From August 28, 2007 to August 27, 2037	49 (5)	12 (1)
6th issue (November 25, 2008)	350	35,000 shares of the Company's common stock	73,400	100	From November 26, 2008 to November 25, 2038	295 (7)	55 (1)
7th issue (August 10, 2009)	261	26,100 shares of the Company's common stock	140,800	100	From August 11, 2009 to August 10, 2039	231 (8)	30 (1)
8th issue (July 14, 2010)	291	29,100 shares of the Company's common stock	152,700	100	From July 15, 2010 to July 14, 2040	263 (8)	28 (1)
9th issue (March 19, 2012)	490	49,000 shares of the Company's common stock	203,700	100	From March 20, 2012 to March 19, 2042	490 (9)	-
10th issue (August 23, 2012)	597	59,700 shares of the Company's common stock	172,600	100	From August 24, 2012 to August 23, 2042	597 (9)	-
11th issue (August 1, 2013)	704	70,400 shares of the Company's common stock	163,200	100	From August 2, 2013 to August 1, 2043	704 (9)	-
12th issue (August 1, 2014)	985	98,500 shares of the Company's common stock	118,300	100	From August 2, 2014 to August 1, 2044	985 (8)	-

Notes:

- No subscription rights to shares have been granted to External Directors or External Corporate Auditors.
 - Subscription rights to shares held by Corporate Auditors were granted when these individuals were Directors or Vice President.
- (ii) Subscription rights to shares granted to employees, etc. as remuneration for duties performed during the fiscal year

The following subscription rights to shares were granted to Vice Presidents who do not concurrently serve as Directors.

Issue number (date of issue)	Number of subscription rights to shares	Type and number of shares to be issued	Issue price per right (yen)	Exercise price per right (yen)	Exercise period	Number of persons granted
12th issue (August 1, 2014)	789	78,900 shares of the Company's common stock	118,300	100	From August 2, 2014 to August 1, 2044	18

- (iii) Other subscription rights to shares actually issued
None

(3) Matters relating to Directors and Corporate Auditors

(i) Directors and Corporate Auditors (as of March 31, 2015)

Position	Name	Duties at the Company and important concurrent positions outside the Company	
* Director, Chairman, Member of the Board	Makoto Kimura	Matters related to the Group's important management policies	
* Director, President, Member of the Board	Kazuo Ushida	Company's operations, Overseeing Business Development Headquarters, Medical Business Development Division	
* Director, Member of the Board (Senior Executive Vice President & CFO)	Junichi Itoh	Assistant of President, Overseeing Corporate Strategy Division, Internal Audit Department Chairman of Nikon Americas Inc. Chairman of Nikon Holdings Europe B.V. Chairman of Nikon Holdings Hong Kong Limited	
Director, Member of the Board (Senior Vice President)	Yasuyuki Okamoto	Overseeing Imaging Business Unit, Business Support Division	
Director, Member of the Board (Senior Vice President)	Norio Hashizume	Overseeing Finance & Accounting Headquarters President & CEO of Nikon Americas Inc. President of Nikon Holdings Europe B.V. President of Nikon Holdings Hong Kong Limited	
Director, Member of the Board (Senior Vice President)	Hiroshi Ohki	General Manager of Core Technology Division, Overseeing Intellectual Property Headquarters, Semiconductor Lithography Business Unit, Microscope Solutions Business Unit, Industrial Metrology Business Unit, Customized Products Business Unit	
Director, Member of the Board (Senior Vice President)	Takaharu Honda	General Manager of Human Resources & Administration Division, Overseeing Information Security Headquarters, Information System Headquarters	**
Director, Member of the Board (Senior Vice President)	Tomohide Hamada	General Manager of Corporate Strategy Division	**
Director, Member of the Board	Toshiyuki Masai	Director & Executive Vice President of JEOL Ltd.	
Director, Member of the Board	Kenji Matsuo	Special Advisor of Meiji Yasuda Life Insurance Company External Corporate Auditor of Chubu Electric Power Co., Inc. External Corporate Auditor of The Bank of Tokyo-Mitsubishi UFJ, Ltd. External Corporate Auditor of Mitsubishi Estate Company, Limited	
Director, Member of the Board	Koukei Higuchi	Honorary Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. External Director of NOHMI BOSAI LTD. External Corporate Auditor of Japan Airport Terminal Co., Ltd. External Corporate Auditor of Mitsubishi Research Institute, Inc.	
Standing Corporate Auditor	Yoshimichi Kawai	External Director of Avaldata Corporation	
Standing Corporate Auditor	Koichi Fujiu	-	**
Corporate Auditor	Haruya Uehara	Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation External Director of KOITO MANUFACTURING CO., LTD. External Corporate Auditor of Mitsubishi Heavy Industries, Ltd. External Corporate Auditor of Mitsubishi Research Institute, Inc.	
Corporate Auditor	Hiroshi Hataguchi	Attorney at law External Corporate Auditor of SOSHIN ELECTRIC CO., LTD. External Corporate Auditor of TOKYO ENERGY & SYSTEMS INC.	

Notes:

- * indicates Representative Directors.
- ** indicates Directors and Corporate Auditors who were newly elected at the 150th Annual General Shareholders' Meeting held on June 27, 2014.
- Director Kenichi Kanazawa retired at the conclusion of the 150th Annual General Shareholders' Meeting held on June 27, 2014, as his term expired.
- Corporate Auditors Yoshiyuki Nagai and Susumu Kani retired at the conclusion of the 150th Annual General Shareholders' Meeting held on June 27, 2014, due to resignation.
- Kenji Matsuo and Koukei Higuchi are External Directors. The Company has submitted Independent Directors/Auditors Notifications to the Tokyo Stock Exchange, Inc. designating these two individuals as independent directors as stipulated in the Tokyo Stock Exchange, Inc. Securities Listing Regulations.

6. Haruya Uehara and Hiroshi Hataguchi are External Corporate Auditors. The Company has submitted Independent Directors/Auditors Notifications to the Tokyo Stock Exchange, Inc. designating these two individuals as independent corporate auditors as stipulated in the Tokyo Stock Exchange, Inc. Securities Listing Regulations.
7. Standing Corporate Auditor Yoshimichi Kawai has served as an Officer in charge of accounting at the Company, and Standing Corporate Auditor Koichi Fujiu has a long-term experience in the accounting division at the Company. Accordingly, both of them have considerable knowledge involving finance and accounting.
8. The Company has loans from Meiji Yasuda Life Insurance Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation. In addition, the Company has an insurance transaction relationship with Meiji Yasuda Life Insurance Company and The Tokio Marine & Nichido Fire Insurance Co., Ltd. respectively. The Company has transactions with Mitsubishi Heavy Industries, Ltd. such as selling products, etc. Although the Company had real estate rental transactions concerning the Company's head office with Mitsubishi Estate Company, Limited, the said transactions no longer exist after the relocation of the Company's head office in November 2014. Additionally, the amount of payment to each of the aforementioned companies accounts for less than 1% of consolidated net sales of the Company.

(Reference)

The Company uses the Executive Officer System. The table on the previous page shows Directors who also serve as Officers. Officers who are not Directors were as follows as of March 31, 2015.

Position	Name	Duties
Senior Vice President	Kunio Kawabata	Overseeing FPD Lithography Business Unit, Glass Business Unit, Encoder Business Unit
Senior Vice President	Toshikazu Umatate	General Manager of Semiconductor Lithography Business Unit
Senior Vice President	Nobuyoshi Gokyu	General Manager of Imaging Business Unit
Corporate Vice President	Kazuyuki Kazami	General Manager of Business Development Headquarters
Corporate Vice President	Tsuneyoshi Kon	General Manager of Business Support Division
Corporate Vice President	Masao Nakajima	General Manager of Industrial Metrology Business Unit
Corporate Vice President	Osamu Shimoda	General Manager of Medical Business Development Division
Corporate Vice President	Toru Iwaoka	President & CEO of Nikon Inc.
Corporate Vice President	Kenji Yoshikawa	Corporate Strategy Division
Corporate Vice President	Atsumi Nakamura	General Manager of Microscope Solutions Business Unit
Corporate Vice President	Takumi Odajima	Corporate Strategy Division
Corporate Vice President	Jun Nagatsuka	Deputy General Manager of Medical Business Development Division
Corporate Vice President	Yojiro Tanii	General Manager of Customized Products Business Unit
Corporate Vice President	Kiyoyuki Muramatsu	General Manager of FPD Lithography Business Unit
Corporate Vice President	Hiroyuki Hiraiwa	General Manager of Glass Business Unit
Corporate Vice President	Tetsuya Yamamoto	Sector Manager of Development Sector, Imaging Business Unit
Corporate Vice President	Naoya Sugimoto	Corporate Strategy Division
Corporate Vice President	Tadashi Nakayama	Sector Manager of Marketing Sector, Imaging Business Unit

(ii) Compensation for Directors and Corporate Auditors

Category	Monthly compensation		Subscription rights to shares granted as stock-related compensation		Bonuses		Total	
	Number of persons	Amount of compensation (million yen)	Number of persons	Amount of compensation (million yen)	Number of persons	Amount of compensation (million yen)	Number of persons	Amount of compensation (million yen)
Directors (External Directors out of all Directors)	12 (2)	331 (20)	8 (-)	113 (-)	8 (-)	86 (-)	12 (2)	531 (20)
Corporate Auditors (External Corporate Auditors out of all Corporate Auditors)	6 (3)	73 (22)	-	-	-	-	6 (3)	73 (22)
Total	18	405	8	113	8	86	18	605

Notes:

1. The number of persons shown above includes one Director (excluding External Directors) and two Corporate Auditors (including one External Corporate Auditor) who retired at the conclusion of the 150th Annual General Shareholders' Meeting held on June 27, 2014.
2. The amount of subscription rights to shares granted as stock-related compensation in the above table indicates the amount of compensation, etc. concerning subscription rights to shares granted to Directors (excluding part-time and External Directors) recorded as expenses during the fiscal year.
3. The amount of bonuses shown above represents the amount of compensation, etc. planned to be paid subject to approval and resolution of the Item 5, "Payment of Bonuses to Directors" of this Annual General Shareholders' Meeting as originally proposed.

(iii) Matters relating to External Directors and Corporate Auditors

- a. Relationships between organizations where important concurrent positions are held and the Company Information is shown in "(i) Directors and Corporate Auditors" on page 26.
- b. Major activities during the fiscal year

• Attendance at meetings of the Board of Directors and the Board of Corporate Auditors

Category	Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Corporate Auditors
Director	Kenji Matsuo	12 of 14	-
	Koukei Higuchi	13 of 14	-
Corporate Auditor	Haruya Uehara	13 of 14	8 of 9
	Hiroshi Hataguchi	13 of 14	9 of 9

- Participation in meetings of the Board of Directors and the Board of Corporate Auditors
Each of the External Directors used their extensive knowledge of management to provide advice and ask questions proactively from a perspective independent of the business execution concerning matters under consideration by the Board of Directors and the contents of reports.
Each of the External Corporate Auditors used their extensive knowledge of management and neutral perspective based on their independence to ask appropriate questions for performing the management oversight function regarding matters under consideration by the Board of Directors and the contents of reports. In addition, for matters under consideration by the Board of Corporate Auditors and the contents of reports, each of the External Corporate Auditors asked questions proactively and stated their opinions in order to achieve highly effective audits.

c. Outline of contents of liability limitation agreement

The Company has signed agreements with all External Directors and External Corporate Auditors that limit their liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act.

The limit on the liability for losses in these agreements is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.

(4) Matters relating to Independent Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.

	Amount
Total amount of remuneration, etc. of Independent Auditor during the fiscal year under review	87 million yen
Total amount of money and other properties which the Company and its subsidiaries should pay in remuneration of Independent Auditor for their services to the Company and its subsidiaries during the fiscal year under review	184 million yen

Notes:

1. Major overseas subsidiaries of the Company are audited (only companies subject to the provisions of overseas laws and regulations similar to Japan's Companies Act or Japan's Financial Instruments and Exchange Act) by parties other than Deloitte Touche Tohmatsu LLC (overseas certified public accountants or individuals with qualifications equivalent to those of an auditing company).
2. In the auditing contract between the Company and Deloitte Touche Tohmatsu LLC, there is no separation of auditing remuneration for audits performed pursuant to the provisions of the Companies Act and for ones performed pursuant to the Financial Instruments and Exchange Act. Furthermore, there is no practical way to separate these amounts. As a result, the amounts shown above are the total for these two types of audits.
3. The Company has asked Deloitte Touche Tohmatsu LLC to provide a consulting service for improving efficiency of accounting operation and introducing the International Financial Reporting Standards as part of services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services) and has paid consideration for such service to the Independent Auditor. The amount stated in the lower line of the above table includes the amount of such consideration.

(iii) Policy for decisions to terminate or not extend contracts with an Independent Auditor

The Independent Auditor can be terminated with the unanimous consent of the Board of Corporate Auditors in cases where it has been determined that actions by the Independent Auditor apply to any item of Article 340, Paragraph 1 of the Companies Act.

In addition, even if the actions of the Independent Auditor do not apply to any item of Article 340, Paragraph 1 of the Companies Act, in the event that it has been determined that the Independent Auditor is unable to perform proper audits due to a lack of accuracy and independence, the Board of Directors can submit a proposal to terminate the Independent Auditor or not renew the contract at the General Shareholders' Meeting, in accordance with the decision of the Board of Corporate Auditors.

(5) A framework regarding the “Basic Policy on Internal Control System” based on Japanese Companies Act

We believe that the reinforcement of our company’s corporate governance plays a pivotal role in achieving “a fair and transparent management deserving of stakeholders’ confidence”, and we intend to increase its effectiveness by improving the quality of our internal controls. We acknowledge that the achievement of effective and efficient business processes, the accuracy of financial reports, the compliance with relevant laws and regulations, and the preservation of assets for the Company and its subsidiaries (“the Group”) are the management’s responsibility. Accordingly, we will prepare and refine a framework, including our internal regulations as well as our organization, to ensure fair business activity in compliance with the Japanese Companies Act and relevant regulations.

- (i) A framework to ensure that performance of the Group’s Director’s or an employee’s duty is in compliance with relevant laws and the articles of incorporation
 - a. We have established the “Nikon CSR Charter”, which shows the Group’s basic stance on corporate social responsibility. Additionally, the “Nikon Code of Conduct” defines the standards of behavior to ensure sensible conduct by the Group’s Directors and employees, based on a high level of morality, pursuant to relevant laws and internal regulations. We aim at promoting and establishing awareness of corporate ethics among the Group’s Directors and employees through these measures.
 - b. Putting special emphasis on a social responsibility-oriented management, we established the “CSR Committee”, which aims at fostering, educating as well as disseminating CSR awareness. Established as its sub-committee, the “Business Conduct Committee” regularly performs its function to ensure legitimate, fair, and sound corporate behavior. Finally, established as its dedicated department, CSR Department integrates and promotes the Group’s activities pertaining to CSR and corporate compliance.
 - c. Regarding elimination of anti-social forces and groups, we have defined our basic policy and standards in the “Nikon CSR Charter” and the “Nikon Code of Conduct”. Additionally, we have established a system to liaison with attorneys and police forces, to take steadfast action as an organization.
 - d. The “Basic Policy on internal control over financial reporting” has been established to ensure credibility of financial reporting by the Group. Systems to enable the foregoing are being developed and improved.
 - e. Internal Audit Department has been established as an independent organization reporting directly to the President. This Department examines whether operations within the Group are conducted in compliance with relevant laws and internal rules, and when necessary, makes recommendations as to how such operations can be improved.
 - f. Report/consultation systems such as the “Code of Conduct Hotline” has been created and in operation at each of the Group companies in order to prevent or correct behaviors that violate social rules or corporate ethics, and to reinforce compliance within the Group.
- (ii) A framework to ensure an efficient performance of the Group’s Directors’ duties
 - a. At the Company and its domestic subsidiaries, the Executive Officers System provides a clear definition of the authority and responsibility in performance of a Vice President’s duty, resulting in quick decision-making as well as an efficient performance of the Vice President’s duty.
 - b. The rules of authority clearly define the scope of authority and responsibility for each post as well as each organization within the Group, to ensure organized and efficient performance of

duties.

- c. The “Executive Committee”, the “Executive Meeting” and other meeting bodies such as various committees have been established to enable Directors of the Company to make decisions and perform duties for the Group efficiently. Of those, “Executive Committee”, which primarily consists of full-time Directors, deliberates about and resolves major issues regarding management, general internal controls, and guidelines about general operations of the company’s business, in accordance with the basic direction of management as determined by the Board of Directors. Major issues are reported to the Executive Committee by each department.
 - d. In accordance with our corporate philosophy of “Trustworthiness & Creativity”, the Group’s management targets are defined within annual plans as well as within the Medium Term Management Plans, and implemented as specific measures. In order to achieve annual targets, management of operations is carried out through the divisional system. The regularly held “Business Activity Review Meeting” evaluates the achievement’s progress level, identifies issues, if any, and results are evaluated and validated based on the “Achievement Evaluation System”.
- (iii) A framework aimed at preservation and control of information relating to the Company’s Directors’ performance of their duties
- a. Information regarding resolutions, approvals, and reports pertaining to the Company’s Directors’ performance of their duties are preserved in documentary format and until such time as provided in the “Rules of the Board of Directors”, the “Rules of the Executive Committee”, and the “Nikon Group Information Management Rules”. The information control system is designed to allow access, when needed, from Directors, Corporate Auditors, as well as Independent Auditors.
 - b. As for security of information, Information Security Headquarters have been established as an independent organization reporting directly to the President. The Headquarters have controlled centralized management for security of information within the Group and managed to coordinate and reinforce an information management framework within the Group. Further, the “Nikon Group Information Management Rules” have been established and the Rules intend to make definitions of the access level per category and relevance, password control, measures for preventing leaks, manipulations and destructions of proprietary information and other matters generally and thoroughly known by employees and Directors within the Group.
- (iv) A framework including rules concerning the Group’s risk of loss management
- a. In accordance with our recognition of identification, assessment, and control of risk factors potentially affecting operations and business continuity as critical issues, we have established the “Risk Management Committee” and identified critical risks and prepared specific countermeasures against risks and are developing a framework to appropriately control risks surrounding the Group.
 - b. We have prepared and implemented manuals and rules pertaining to fields such as corporate ethics, protection of personal information, environmental control, quality control, export control, insider trading prevention, and disaster prevention, which reinforce the management framework concerning prevention of loss within the Group.
 - c. A framework is in place whereby Internal Audit Department audits the Group’s risk management and evaluates its effectiveness, and reports to the Board of Directors through the Representative Directors when necessary, so that corrective measures can be implemented.

- (v) A framework for reporting to the Company on matters concerning performance of duties by Directors, etc. of the subsidiaries

A framework is in place whereby subsidiaries report to the Company on significant matters which will be deliberated and approved by the Company, in accordance with the “Rules of the Executive Committee” and the “Authorization and Reporting Standards for Subsidiaries”, etc.

- (vi) Implementation of matters concerning employees assisting the Company’s Corporate Auditors based on such Corporate Auditor’s request, matters concerning such employees’ independence from other Officers, and matters concerning securing effectiveness of instructions provided to such employees by Corporate Auditors

- a. Several employees are appointed as dedicated assistants to Corporate Auditors of the Company who assist Corporate Auditors’ duties by following the instructions given by them, in order to ensure an efficient procedure of the meetings of the Board of Corporate Auditors as well as to ensure the increased effectiveness of the audit.
- b. Transfer of the assistants or evaluation of the assistants’ performance requires prior agreement by the Corporate Auditors, to ensure independence of such employees from other Officers.

- (vii) A reporting framework to the Company’s Corporate Auditors, including reporting by the Group’s Directors, etc., and a framework to ensure that reporters are not subject to any disadvantageous treatment on the ground of their reporting activities

- a. The Company’s Corporate Auditor has the authority to attend major meetings, such as the “Executive Committee”, “Executive Meeting” or the “Business Activity Review Meeting”. This ensures that the Corporate Auditors constantly understand and audit the status of operations and the decision-making process of the Group.
- b. A framework is developed to ensure appropriate and effective reporting regarding facts that can potentially cause damage to our company, information obtained through the reporting/consultation system concerning corporate compliance, or items to be reported at the meetings of the Board of Corporate Auditors as previously agreed with Directors.
- c. Internal Audit Department reports the status of internal audit as well as the results of the audit to the Company’s Corporate Auditors. The Company’s Corporate Auditors perform an effective audit in close cooperation with Internal Audit Department, by requesting, if necessary, further investigations by Internal Audit Department.
- d. We strive to develop a framework to ensure prevention of disadvantageous treatment on the ground of reporting to the Company’s Corporate Auditors through means such as placing provisions in the “Code of Conduct Hotline Operational Guideline”, which prohibit any retaliation against reporters to our report/consultation system “Code of Conduct Hotline”.

- (viii) Matters concerning the policy on the handling of expenses or liabilities incurred in the course of performance of duties by the Company’s Corporate Auditors

Auditing expenses required by the Company’s Corporate Auditors are budgeted annually to a certain extent. The Company provides any additional amount if expenses exceed the budgeted amount when deemed necessary for auditing, in accordance with relevant laws. In addition, expenses incurred to hire external expertise are also provided by the Company as needed.

(ix) A framework to ensure effective audit by the Company's Corporate Auditors

- a. While ensuring independence, this framework enables the Company's Corporate Auditor to hold regular meetings with the Representative Directors in order to exchange opinions regarding issues to be dealt with by the company, or important tasks pertaining to audits, and to make necessary requests, consequently deepening the mutual understanding between them.
- b. The Company's Corporate Auditors hold regular meetings with External Corporate Auditors, to actively exchange opinions and information.

Note: In view of "Act for Partial Revision of the Companies Act" (Act No. 90, 2014), and "Ordinance for Partial Revision of Ordinance for Enforcement of the Companies Act, etc." (Ordinance of Ministry of Justice No. 6, 2015) enforced on May 1, 2015, the Company revised the "framework regarding the "Basic Policy on Internal Control System" based on Japanese Companies Act" at the meeting of the Board of Directors held on April 3, 2015, and the contents after the revision are presented.
The revision primarily intends to enhance the framework to ensure fairness of the Group's operation and to assist Corporate Auditors in auditing.

Figures in this business report are presented as follows unless designated otherwise.

1. Monetary amounts and numbers of shares of less than the units shown are discarded.
2. Percentages are rounded off to the nearest tenths.

Consolidated Balance Sheet

(As of March 31, 2015)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	685,516	Current liabilities	287,265
Cash and deposits	262,501	Notes and accounts payable-trade	113,724
Notes and accounts receivable-trade	131,554	Short-term loans payable	28,600
Merchandise and finished goods	88,072	Lease obligations	1,011
Work in process	121,929	Accrued expenses	58,454
Raw materials and supplies	29,980	Income taxes payable	5,038
Deferred tax assets	37,862	Advances received	46,489
Other	17,774	Provision for product warranties	9,165
Allowance for doubtful accounts	(4,159)	Other	24,781
		Noncurrent liabilities	113,479
Noncurrent assets	287,429	Bonds payable	50,000
Property, plant and equipment	148,085	Long-term loans payable	34,600
Buildings and structures, net	53,094	Lease obligations	1,285
Machinery, equipment and vehicles, net	48,072	Deferred tax liabilities	11,472
Land	16,142	Net defined benefit liability	8,477
Lease assets, net	1,872	Asset retirement obligations	3,623
Construction in progress	4,393	Other	4,020
Other, net	24,510	Total liabilities	400,744
		(Net assets)	
Intangible assets	28,370	Shareholders' equity	512,290
Goodwill	3,076	Capital stock	65,475
Other	25,294	Capital surplus	80,711
		Retained earnings	378,515
Investments and other assets	110,973	Treasury stock	(12,412)
Investment securities	80,860	Accumulated other comprehensive income	58,270
Net defined benefit asset	9,658	Valuation difference on available-for-sale securities	20,775
Deferred tax assets	10,152	Deferred gains or losses on hedges	(1,200)
Other	10,586	Foreign currency translation adjustments	40,517
Allowance for doubtful accounts	(285)	Remeasurements of defined benefit plans	(1,821)
		Subscription rights to shares	1,132
		Minority interests	507
		Total net assets	572,200
Total assets	972,945	Total liabilities and net assets	972,945

Consolidated Statements of Income

(From April 1, 2014 to March 31, 2015)

(Million yen)

Item	Amount	
Net sales		857,782
Cost of sales		532,383
Gross profit		325,398
Selling, general and administrative expenses		281,986
Operating income		43,412
Non-operating income		
Interest income	1,516	
Dividends income	1,196	
Equity in earnings of affiliates	1,420	
Other	4,855	8,988
Non-operating expenses		
Interest expenses	1,405	
Foreign exchange losses	1,789	
Other	2,837	6,032
Ordinary income		46,368
Extraordinary income		
Gain on sales of noncurrent assets	91	
Gain on sales of investment securities	4,982	5,073
Extraordinary losses		
Loss on sales of noncurrent assets	56	
Impairment loss	16,229	
Loss on valuation of investment securities	3	16,289
Income before income taxes		35,153
Income taxes—current	11,006	
Income taxes—deferred	5,728	16,735
Income before minority interests		18,417
Minority interests in income		53
Net income		18,364

Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	65,475	80,711	384,843	(12,618)	518,412
Cumulative effect of changes in accounting policies			(11,970)		(11,970)
Balance of April 1, 2014 as restated	65,475	80,711	372,872	(12,618)	506,441
Changes of items during the period					
Dividends from surplus			(8,726)		(8,726)
Dividends from surplus (interim dividends)			(3,966)		(3,966)
Net income			18,364		18,364
Purchase of treasury stock				(6)	(6)
Disposal of treasury stock			(115)	211	96
Changes in the number of consolidated subsidiaries			87		87
Net changes of items other than shareholders' equity during the period					
Total changes of items during the period	-	-	5,643	205	5,848
Balance at March 31, 2015	65,475	80,711	378,515	(12,412)	512,290

	Accumulated other comprehensive income (loss)					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)			
Balance at April 1, 2014	12,859	(160)	17,424	(2,762)	27,361	952	87	546,813
Cumulative effect of changes in accounting policies								(11,970)
Balance of April 1, 2014 as restated	12,859	(160)	17,424	(2,762)	27,361	952	87	534,842
Changes of items during the period								
Dividends from surplus								(8,726)
Dividends from surplus (interim dividends)								(3,966)
Net income								18,364
Purchase of treasury stock								(6)
Disposal of treasury stock								96
Changes in the number of consolidated subsidiaries								87
Net changes of items other than shareholders' equity during the period	7,915	(1,040)	23,093	940	30,909	179	420	31,509
Total changes of items during the period	7,915	(1,040)	23,093	940	30,909	179	420	37,358
Balance at March 31, 2015	20,775	(1,200)	40,517	(1,821)	58,270	1,132	507	572,200

Non-Consolidated Balance Sheet

(As of March 31, 2015)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	422,995	Current liabilities	231,084
Cash and deposits	126,404	Notes payable-trade	705
Notes receivable -trade	4,876	Electronically recorded obligations-operating	19,562
Accounts receivable-trade	72,542	Accounts payable-trade	73,069
Finished goods	33,490	Short-term loans payable	13,600
Semi-finished goods	1,084	Current portion of long-term loans payable	15,000
Raw materials	28	Lease obligations	825
Work in process	113,044	Accounts payable - facilities	9,622
Supplies	10,308	Accrued expenses	25,638
Deferred tax assets	24,904	Income taxes payable	2,368
Short-term loans receivable from subsidiaries and affiliates	25,366	Advances received	36,164
Accounts receivable-other	9,550	Deposits received	26,986
Other	2,080	Provision for product warranties	4,114
Allowance for doubtful accounts	(686)	Other	3,426
Noncurrent assets	236,287	Noncurrent liabilities	88,745
Property, plant and equipment	59,491	Bonds payable	50,000
Buildings, net	22,911	Long-term loans payable	34,600
Structures, net	766	Lease obligations	919
Machinery and equipment, net	15,272	Asset retirement obligations	2,335
Vehicles, net	26	Other	890
Tools, furniture and fixtures, net	5,764		
Land	9,837	Total liabilities	319,829
Lease assets, net	1,332	(Net assets)	
Construction in progress	3,579	Shareholders' equity	318,777
Intangible assets	20,749	Capital stock	65,475
Software	16,668	Capital surplus	80,711
Other	4,081	Legal capital surplus	80,711
Investments and other assets	156,047	Retained earnings	185,002
Investment securities	70,054	Legal retained earnings	5,565
Stocks of subsidiaries and affiliates	48,729	Other retained earnings	179,437
Investments in capital	1	Reserve for research and development	2,056
Investments in capital of subsidiaries and affiliates	14,786	Reserve for reduction entry of replaced property	4,451
Long-term loans receivable from subsidiaries and affiliates	9,819	Reserve for reduction entry	4,902
Long-term loans receivable from employees	6	General reserve	111,211
Prepaid pension cost	5,100	Retained earnings brought forward	56,815
Deferred tax assets	3,544	Treasury stock	(12,412)
Other	4,012	Valuation and translation adjustments	19,543
Allowance for doubtful accounts	(9)	Valuation difference on available-for-sale securities	20,744
		Deferred gains or losses on hedges	(1,200)
		Subscription rights to shares	1,132
Total assets	659,283	Total net assets	339,453
		Total liabilities and net assets	659,283

Non-Consolidated Statements of Income

(From April 1, 2014 to March 31, 2015)

(Million yen)

Item	Amount	
Net sales		607,556
Cost of sales		465,887
Gross profit		141,668
Selling, general and administrative expenses		134,349
Operating income		7,319
Non-operating income		
Interest and dividends income	21,604	
Other	3,822	25,427
Non-operating expenses		
Interest expenses	1,161	
Other	3,362	4,524
Ordinary income		28,223
Extraordinary income		
Gain on sales of noncurrent assets	229	
Gain on sales of investment securities	4,982	5,211
Extraordinary losses		
Loss on sales of noncurrent assets	1	
Impairment loss	15,555	
Loss on business of subsidiaries and affiliates	3,267	18,823
Income before income taxes		14,610
Income taxes—current	4,387	
Income taxes—deferred	90	4,477
Net income		10,133

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity										Treasury stock	Total shareholders' equity
	Capital stock	Capital surplus		Retained earnings						Retained earnings brought forward		
		Legal capital surplus	Legal retained earnings	Other retained earnings								
				Reserve for special depreciation	Reserve for research and development	Reserve for reduction entry of replaced property	Reserve for reduction entry	General reserve				
Balance at April 1, 2014	65,475	80,711	5,565	7	2,056	4,453	4,797	111,211	70,831	(12,618)	332,490	
Cumulative effect of changes in accounting policies									(11,243)		(11,243)	
Balance of April 1, 2014 as restated	65,475	80,711	5,565	7	2,056	4,453	4,797	111,211	59,587	(12,618)	321,246	
Changes of items during the period												
Reversal of reserve for special depreciation				(7)					7		-	
Reversal of reserve for reduction entry of replaced property						(1)			1		-	
Provision of reserve for reduction entry							2,601		(2,601)		-	
Reversal of reserve for reduction entry							(2,496)		2,496		-	
Dividends from surplus									(8,726)		(8,726)	
Dividends from surplus (interim dividends)									(3,966)		(3,966)	
Net income									10,133		10,133	
Purchase of treasury stock										(6)	(6)	
Disposal of treasury stock									(115)	211	96	
Net changes of items other than shareholders' equity during the period												
Total changes of items during the period	-	-	-	(7)	-	(1)	105	-	(2,771)	205	(2,469)	
Balance at March 31, 2015	65,475	80,711	5,565	-	2,056	4,451	4,902	111,211	56,815	(12,412)	318,777	

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at April 1, 2014	12,844	(193)	12,650	952	346,093
Cumulative effect of changes in accounting policies					(11,243)
Balance of April 1, 2014 as restated	12,844	(193)	12,650	952	334,850
Changes of items during the period					
Reversal of reserve for special depreciation					-
Reversal of reserve for reduction entry of replaced property					-
Provision of reserve for reduction entry					-
Reversal of reserve for reduction entry					-
Dividends from surplus					(8,726)
Dividends from surplus (interim dividends)					(3,966)
Net income					10,133
Purchase of treasury stock					(6)
Disposal of treasury stock					96
Net changes of items other than shareholders' equity during the period	7,900	(1,007)	6,893	179	7,072
Total changes of items during the period	7,900	(1,007)	6,893	179	4,603
Balance at March 31, 2015	20,744	(1,200)	19,543	1,132	339,453

(TRANSLATION) Copy of Auditor's Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 11, 2015

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hitoshi Matsumoto (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masahiro Ide (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Haruko Nagayama (seal)

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2015 of NIKON CORPORATION (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from April 1, 2014 to March 31, 2015, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NIKON CORPORATION and its consolidated subsidiaries as of March 31, 2015, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION) Copy of Auditor's Report on the Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 11, 2015

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hitoshi Matsumoto (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masahiro Ide (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Haruko Nagayama (seal)

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2015 of NIKON CORPORATION (the "Company"), and the related statements of income and changes in net assets for the 151st fiscal year from April 1, 2014 to March 31, 2015, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the annexed detailed statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the accompanying supplemental

schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of NIKON CORPORATION as of March 31, 2015, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

With respect to the performance of duties of the Directors of the Company during the 151st fiscal year from April 1, 2014 to March 31, 2015, the Board of Corporate Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor and hereby reports as follows:

1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties, etc. and received a report from each Corporate Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Directors, etc. and the Independent Auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Corporate Auditor auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies and assignment of duties, etc., each Corporate Auditor endeavored to facilitate a mutual understanding with the Directors, the Internal Audit Department and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. Also, each Corporate Auditor has received reports on a regular basis from the Directors and employees, etc. and requested explanations as necessary with respect to the status of development and maintenance of (i) the contents of the Board of Directors' resolutions regarding the development of the system to ensure that the Directors' performance of their duties complied with all laws and regulations, and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company, and (ii) the systems (internal control systems) established based on such resolutions. Regarding internal controls over financial reporting, Corporate Auditors received assessments and reports concerning these internal controls from the Directors, etc. and from Deloitte Touche Tohmatsu LLC and requested explanations as necessary. With respect to the subsidiaries, each Corporate Auditor endeavored to facilitate a mutual understanding and exchanged information with the Directors and Corporate Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Corporate Auditor examined the business report and annexed detailed statements for the fiscal year.

In addition, each Corporate Auditor monitored and verified whether the Independent Auditor maintained its independence and properly conducted its audit, received a report from the Independent Auditor on the status of its performance of duties, and requested explanations as necessary. Each Corporate Auditor was notified by the Independent Auditor that it had established a "system to ensure that the performance of the duties of the Independent Auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and requested explanations as necessary. Based on the above-described methods, each Corporate Auditor examined the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and annexed detailed statements thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements), for the fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the business report and the annexed detailed statements thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the Directors' performance of their duties concerning the internal control systems, including the internal controls over financial reporting.

(2) Results of Audit of Financial Statements and their Annexed Detailed Statements

We acknowledge that the methods and results of the audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of the audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 12, 2015

Board of Corporate Auditors of NIKON CORPORATION

Standing Corporate Auditor:	Yoshimichi Kawai	(seal)
Standing Corporate Auditor:	Koichi Fujiu	(seal)
Corporate Auditor:	Haruya Uehara	(seal)
Corporate Auditor:	Hiroshi Hataguchi	(seal)

Note: Corporate Auditors Haruya Uehara and Hiroshi Hataguchi are External Corporate Auditors pursuant to Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.