

This is a translation of the original Japanese “Notice of the 156th 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 11, 2020

NIKON CORPORATION

15-3, Konan 2-chome, Minato-ku, Tokyo

Dear Shareholder,

Notice of the 156th Annual General Shareholders’ Meeting

You are cordially notified that our 156th Annual General Shareholders’ Meeting will be held as outlined below.

As a result of careful consideration from the viewpoint of preventing the spread of COVID-19, we have decided to hold this General Meeting of Shareholders with appropriate measures in place to prevent the spread of the infection.

In light of measures to prevent the spread of infections, we would like to strongly request our shareholders to exercise your voting rights in advance in writing or via the Internet if at all possible, and refrain from attending this General Meeting of Shareholders on the date of the meeting, regardless of your health conditions.

Please review the attached Reference Materials for the General Shareholders’ Meeting and exercise your voting rights no later than 5:45 p.m. (end of business hours) on Thursday, June 25, 2020.

Sincerely yours,

Toshikazu Umatate
Representative Director
President

1. Date & Time: 10:00 a.m., June 26, 2020 (Friday)

2. Place: Kiku-no-ma, the fourth floor of Hilton Tokyo Hotel
6-2, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo

For this year's meeting, as we will keep a wide space between seats in order to prevent the spread of infections, the numbers of seats available will be significantly fewer than usual. As a result, there is a possibility that some attendees may be denied entry to the venue. We appreciate your understanding.

3. Agenda:

Matters to be reported

1. Business report, Consolidated Financial Statements, and audit reports concerning Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 156th term (April 1, 2019 to March 31, 2020)
2. Non-Consolidated Financial Statements for the 156th term (April 1, 2019 to March 31, 2020)

Matters to be resolved

Item 1: Appropriation of Surplus

Item 2: Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Item 3: Election of Four Directors Who Are Audit and Supervisory Committee Members

<Requests to shareholders>

- * There may be changes to the above measures depending on the status of the spread of infections and the details of announcements made by the national government, etc. until the date of the General Shareholders' Meeting. For updated information, please check our website (https://www.nikon.com/about/ir/stock_info/meeting/index.htm).
- * In the course of exercising voting rights in writing, there will be a risk of infections associated with the process of returning your votes or with the process of counting the votes. Accordingly, when exercising your voting rights in advance, we request our shareholders to exercise your voting rights via the internet, if at all possible.
- * Alcohol-based disinfectants will be provided for shareholders at the entrance of the venue. We kindly request our shareholders attending the meeting to bring and wear a mask.
- * We will check the body temperatures of prospective attendees at the entrance of the venue. Attendees who are deemed to have a fever, feel unwell, or those who have returned from overseas in the past 14 days may be denied entry to the venue. Please inform the reception staff if you have returned from overseas in the past 14 days.
- * The operating staff will also check their own physical conditions, including measuring their body temperature, and wear masks at the venue.
- * In order to shorten the duration of the meeting to help prevent the spread of COVID-19, the detailed explanations of matters to be reported (including audit reports) and proposal items at the meeting venue will be omitted. We kindly request our shareholders to read this convocation notice in advance.

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- * 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 and are not attached to this notice. The Audit and Supervisory Committee and the Accounting Auditor have audited documents subject to audit including the above documents posted on the Company's website.
 - * Any revisions to the Reference Materials for the General Shareholders' Meeting as well as to the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements will be posted on the Company's website.
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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's policy on shareholder returns is basically to pay a stable dividend from the perspective of shareholder's value, while striving to reinforce its competitiveness by expanding the investment on the business and development of technology for future growth, while simultaneously realizing appropriate capital allocation flexibly from a mid to long-term perspective.

Based on this 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

10 yen per Company common stock

Total payment of dividends: 3,676,965,590 yen

(3) Effective date of dividends from surplus

June 29, 2020

The annual dividend for the fiscal year under review, including an interim dividend, will be 40 yen per Company common stock.

Item 2: Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office for all six Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this General Shareholders' Meeting. Accordingly, the Company propose that six Directors (excluding Directors who are Audit and Supervisory Committee Members) be elected.

The Audit and Supervisory Committee has reported that there are no matters to be addressed with regard to the election of Directors (excluding Directors who are Audit and Supervisory Committee Members).

The candidates are as follows:

Candidate number	Name	Status of committees attended	Attendance at meetings of the Board of Directors*
1	[Reappointment] Kazuo Ushida	Nominating Committee Compensation Committee	100% (14 of 14)
2	[Reappointment] Toshikazu Umatate	Nominating Committee Compensation Committee	90% (9 of 10)
3	[Reappointment] Takumi Odajima		100% (14 of 14)
4	[New candidate] Muneaki Tokunari		-
5	[External/ Independent/ Reappointment] Akio Negishi	Nominating Committee Compensation Committee	100% (14 of 14)
6	[External/ Independent/ New candidate] Shigeru Murayama		-

* Since Toshikazu Umatate was newly appointed at the 155th Annual General Shareholders' Meeting held on June 27, 2019, the number of meetings held, the number of meetings attended, and the participation rate are indicated based on the number of meetings held after his appointment.

Candidate number 1	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p style="text-align: center;">Kazuo Ushida</p> <p>Date of birth: January 25, 1953 (Age: 67)</p> <p>Shares held in the Company: 28,899 shares</p> <p>Years of service as Director: 15 years</p>	<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: Representative 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: President and Representative Director, Overseeing Medical Business Development Division and Business Development Division, the Company</p> <p>Jun. 2015: President and Representative Director, Overseeing Corporate Strategy Division, Medical Business Development Division and Business Development Division, the Company</p> <p>Jun. 2016: President and Representative Director, Officer in charge of Business Development Division, the Company</p> <p>Jun. 2017: President and Representative Director, Officer in charge of Business Development Division, Optical Engineering Division and Research & Development Division, the Company</p> <p>Apr. 2019: Representative Director and Chairman of the Board, the Company</p> <p>Apr. 2020: Chairman of the Board, the Company (to present)</p>
	<p>[Special interests in the Company]</p> <p style="text-align: center;">None</p>
	<p>[Reasons for candidacy]</p> <p>Kazuo Ushida has been engaged mainly in development of the semiconductor lithography systems since joining the Company, and has served as General Manager of Development Headquarters and President of Precision Equipment Company. He has led the restructuring as a President, exploiting his experience in business operation cultivated in the globally competitive environment of the cutting-edge semiconductor lithography market. As he is sufficiently qualified for directorship, we nominate him as a candidate to continue as Director.</p>

Candidate number 2	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>Toshikazu Umatate</p> <p>Date of birth: March 1, 1956 (Age: 64)</p> <p>Shares held in the Company: 18,065 shares</p> <p>Years of service as Director: 1 year</p>	<p>Apr. 1980: Joined the Company</p> <p>Jun. 2005: Corporate Vice President, General Manager of Development Headquarters, Precision Equipment Company, the Company</p> <p>Jun 2009: Corporate Vice President, Vice President of Precision Equipment Company & General Manager of Sales Headquarters, Precision Equipment Company, the Company</p> <p>Jun. 2012: Senior Vice President, Vice President of Precision Equipment Company & General Manager of Semiconductor Equipment Division, Precision Equipment Company, the Company</p> <p>Jun. 2014: Senior Vice President, General Manager of Semiconductor Lithography Business Unit, the Company</p> <p>Apr. 2018: Senior Vice President, General Manager of Semiconductor Lithography Business Unit, Officer in charge of Technology Strategy and Precision Components & Modules Business Unit, the Company</p> <p>Apr. 2019: President, Officer in charge of Business Development Division, Research & Development Division and Precision Components & Modules Business Unit, the Company</p> <p>Jun. 2019: President, CEO and Representative Director, Officer in charge of Business Development Division, Research & Development Division and Precision Components & Modules Business Unit, the Company</p> <p>Jul. 2019: President, CEO and Representative Director, Officer in charge of Research & Development Division, Next Generation Project Division and Precision Components & Modules Business Unit, the Company</p> <p>Apr. 2020: Representative Director and President, CEO, Officer in charge of Research & Development Division, Design Center and Digital Solutions Business Unit (to present)</p>
	<p>[Special interests in the Company]</p> <p>None</p>
	<p>[Reasons for candidacy]</p> <p>Toshikazu Umatate has been engaged mainly in development of the semiconductor lithography systems since joining the Company and has served as General Manager of Development Headquarters and General Manager of Semiconductor Equipment Division, among other positions. He comprehensively grasps the current technology portfolio and is involved in the formulation of Company-wide growth strategies as Chairman of Technology Strategy Committee. As he is sufficiently qualified for directorship, we nominate him as a candidate to continue as Director.</p>

Candidate number 3	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>Takumi Odajima</p> <p>Date of birth: December 5, 1958 (Age: 61)</p> <p>Shares held in the Company: 11,300 shares</p> <p>Years of service as Director: 3 years</p>	<p>Apr. 1981: Joined the Company</p> <p>Jun. 2012: Corporate Vice President, General Manager of Planning Headquarters, Precision Equipment Company, the Company</p> <p>Jun. 2014: Corporate Vice President, Corporate Strategy Division, the Company</p> <p>Dec. 2016: Corporate Vice President, Corporate Strategy Division and Deputy General Manager of Human Resources & Administration Division, the Company</p> <p>Jun. 2017: Senior Vice President and Director, General Manager of Human Resources & Administration Division, the Company</p> <p>Apr. 2018: Senior Vice President and Director, General Manager of Human Resources & Administration Division, Officer in charge of Risk Management, the Company</p> <p>Apr. 2020: Representative Director and Executive Vice President, General Manager of Human Resources & Administration Division, Officer in charge of Risk Management, Internal Audit Department, Information Security Department and Intellectual Property Division, the Company (to present)</p>
	<p>[Special interests in the Company]</p> <p>None</p>
	<p>[Reasons for candidacy]</p> <p>Takumi Odajima, after having been engaged primarily in the sales and business planning sections of the Instruments Business, has served as General Manager of Corporate Planning Department, General Manager of Planning Headquarters, Precision Equipment Company, and General Manager of Human Resources & Administration Division. As he possesses a wealth of experience as the person responsible for promoting important policies, he is sufficiently qualified for directorship. Therefore, we nominate him as a candidate to continue as Director.</p>

Candidate number 4	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>Muneaki Tokunari</p> <p>Date of birth: March 6, 1960 (Age: 60)</p> <p>Shares held in the Company: 0 shares</p> <p>Years of service as Director: 0 years</p>	<p>Apr. 1982: Joined The Mitsubishi Trust and Banking Corporation (current Mitsubishi UFJ Trust and Banking Corporation)</p> <p>Oct. 2005: General Manager, Frontier Strategy Planning and Support Division of the said Company</p> <p>Apr. 2007: Assistant to the Executive Officer of the said Company and General Manager, Financial Planning Division of Mitsubishi UFJ Financial Group, Inc.</p> <p>Jun. 2009: Executive Officer of the said Company and General Manager, Financial Planning Division of Mitsubishi UFJ Financial Group, Inc.</p> <p>Jun. 2010: Executive Officer and General Manager, Corporate Planning Division of the said Company</p> <p>Jun. 2011: Managing Executive Officer and General Manager, Corporate Planning Division of the said Company</p> <p>Jun. 2012: Managing Director in charge of Corporate Planning Division, Frontier Strategy Planning and Support Division, Human Resources Division and Employee Counselling Office of the said Company</p> <p>Jun. 2013: Senior Managing Director in charge of Corporate Planning Division, Frontier Strategy Planning and Support Division, Human Resources Division and Employee Counselling Office of the said Company</p> <p>Jun. 2014: Senior Managing Director in charge of Corporate Planning Division and Frontier Strategy Planning and Support Division of the said Company</p> <p>Jun. 2015: Director, Managing Executive Officer and Group CFO of Mitsubishi UFJ Financial Group, Inc. and Managing Director and CFO of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>May 2016: Director, Senior Managing Executive Officer and Group CFO of the said Company and Senior Managing Director and CFO of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Jun. 2018: Senior Managing Executive Officer and Group CFO of the said Company and Senior Managing Director and CFO of MUFG Bank, Ltd.</p> <p>Apr. 2020: Executive Vice President, CFO, Officer in charge of Finance & Accounting Division, the Company (to present)</p> <p>[Special interests in the Company] None</p> <p>[Reasons for candidacy] Muneaki Tokunari joined Mitsubishi Trust and Banking Corporation (current Mitsubishi UFJ Trust and Banking Corporation) in 1982. He served as the manager of planning divisions and CFO at Mitsubishi Trust and Banking Corporation and Mitsubishi UFJ Financial Group, Inc., and as the CFO of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.). He possesses extensive business experience and broad-ranging knowledge cultivated in a trust bank and a commercial bank. As he is sufficiently qualified for directorship, we nominate him as a candidate for Director.</p>

Candidate number 5	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>External/Independent</p> <p>Akio Negishi</p> <p>Date of birth: October 31, 1958 (Age: 61)</p> <p>Shares held in the Company: 0 shares</p> <p>Years of service as External Director: 4 years</p>	<p>Apr. 1981: Joined Meiji Life Insurance Company (current Meiji Yasuda Life Insurance Company)</p> <p>Jul. 2009: Executive Officer of the said Company</p> <p>Apr. 2012: Managing Executive Officer of the Said Company</p> <p>Jul. 2013: Director, President, Representative Executive Officer of the said Company (to present)</p> <p>Jun. 2016: External Director, the Company (to present)</p> <p>[Important concurrent positions outside the Company] Director, President, Representative Executive Officer of Meiji Yasuda Life Insurance Company</p> <p>[Special interests in the Company] The Company borrows loans from Meiji Yasuda Life Insurance Company, of which Akio Negishi is President, Representative Executive Officer. The amounts of transactions with the company in the past three years account for less than 1% of consolidated net sales of each of the company and the Company for each year, which meets the independence criteria set by the Company (see page 18).</p> <p>[Reasons for candidacy] Akio Negishi serves as President, Representative Executive Officer of Meiji Yasuda Life Insurance Company, and possesses many years of management experience and exceptional knowledge, and we believe that he will be able to contribute to the Company's management overall from a big-picture perspective. He also meets the independence criteria set by the Company, and we believe that he will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>
<p>Notes:</p> <ol style="list-style-type: none"> <li data-bbox="252 824 1385 904">1. Akio Negishi is a candidate for the position of External Director as provided for under the Companies Act. The Company has reported him to Tokyo Stock Exchange, Inc. as an independent director. He will have served as External Director for the Company for four years at the conclusion of this General Shareholders' Meeting. <li data-bbox="252 909 1385 987">2. If this proposal is approved, the Company intends to continue an agreement with Akio Negishi that limits his liability for damages 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 damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act. 	

Candidate number 6	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>External/Independent Shigeru Murayama</p> <p>Date of birth: February 27, 1950 (Age: 70)</p> <p>Shares held in the Company: 500 shares</p> <p>Years of service as External Director: 0 years</p>	<p>Apr. 1974: Joined Kawasaki Heavy Industries, Ltd. Apr. 2005: Executive Officer of the said Company Apr. 2008: Managing Executive Officer of the said Company Jun. 2010: Representative Director and Senior Vice President of the said Company Jun. 2013: Representative Director and President of the said Company Jun. 2016: Representative Director and Chairman of the said Company Jun. 2017: Chairman of the Board of the said Company (scheduled to retire in June 2020) Jun. 2020: Scheduled to assume office as Senior Advisor of the said Company</p> <p>[Important concurrent positions outside the Company] Senior Advisor of Kawasaki Heavy Industries, Ltd. (scheduled to assume office in June 2020) [Special interests in the Company] The Company has an outsourcing transaction relationship with Kawasaki Heavy Industries, Ltd., for which Shigeru Murayama serves as Chairman of the Board. The amounts of transactions with the company for the past three years account for less than 1% of consolidated net sales of each of the company and the Company for each year, which meets the independence criteria set by the Company (see page 18). [Reasons for candidacy] Shigeru Murayama served as Representative Director of Kawasaki Heavy Industries, Inc. and other important positions, and possesses long years of management experience and outstanding insight, and we believe that he will be able to contribute to the Company's overall management from a big-picture perspective. He also meets the independence criteria set by the Company, and we believe that he will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>
<p>Notes:</p> <ol style="list-style-type: none"> Shigeru Murayama is a candidate for the position of External Director as provided for under the Companies Act. The Company intends to report him to Tokyo Stock Exchange, Inc. as an independent director. If this proposal is approved, the Company intends to conclude an agreement with Shigeru Murayama that limits his liability for damages 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 damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act. 	

Item 3: Election of Four Directors Who Are Audit and Supervisory Committee Members

The terms of office for Atsushi Tsurumi, Haruya Uehara, Hiroshi Hataguchi and Kunio Ishihara, Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Shareholders' Meeting. Accordingly, it is proposed that four Directors who are Audit and Supervisory Committee Members be elected.

The consent of the Audit and Supervisory Committee has been obtained for this item.

The candidates are as follows:

Candidate number	Name	Status of committees attended	Attendance at meetings of the Board of Directors*	Attendance at meetings of the Audit and Supervisory Committee
1	[Reappointment] Atsushi Tsurumi		100% (14 of 14)	100% (10 of 10)
2	[External/Independent/Reappointment] Kunio Ishihara	Nominating Committee	100% (14 of 14)	100% (10 of 10)
3	[External/Independent/New candidate] Shiro Hiruta	Nominating Committee	100% (10 of 10)	-
4	[External/Independent/New candidate] Asako Yamagami		-	-

* Shiro Hiruta was newly appointed as a Director who is not an Audit and Supervisory Committee Member at the 155th Annual General Shareholders' Meeting on June 27, 2019. The number of meetings held, the number of meetings attended, and the participation rate are indicated based on the number of meetings held after his appointment.

Candidate number 1	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p data-bbox="293 461 432 488">Atsushi Tsurumi</p> <p data-bbox="252 510 451 584">Date of birth: September 29, 1959 (Age: 60)</p> <p data-bbox="252 607 469 656">Shares held in the Company: 4,800 shares</p> <p data-bbox="252 678 461 728">Years of service as Director: 2 years</p>	<p data-bbox="499 432 1350 566">Apr. 1982: Joined the Company Apr. 2012: General Manager of Finance Department, Finance & Accounting Division, the Company Jun. 2014: Department Manager of Internal Audit Department, the Company Jun. 2018: Director who is an Audit and Supervisory Committee Member, the Company (to present) [Special interests in the Company] None</p> <p data-bbox="499 589 1378 759">[Reasons for candidacy] Atsushi Tsurumi, after having been engaged in finance and accounting-related operations since joining the Company, has served as Vice Chairman of an overseas subsidiary of the Industrial Metrology Business and the overseer of the internal audit sections. As he possesses a high degree of expertise in finance and accounting, we believe that he is qualified to fulfill the responsibilities of an Audit and Supervisory Committee Member from a general supervisory perspective on management, and therefore nominate him as a candidate for the position of Director who is an Audit and Supervisory Committee Member.</p>
<p data-bbox="252 768 1382 864">Note: If this proposal is approved, the Company intends to conclude an agreement with Atsushi Tsurumi that limits his liability for damages 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 damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.</p>	

Candidate number 2	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>External/Independent Kunio Ishihara</p> <p>Date of birth: October 17, 1943 (Age: 76)</p> <p>Shares held in the Company: 1,800 shares</p> <p>Years of service as External Director: 4 years</p>	<p>Apr. 1966: Joined The Tokio Marine and Fire Insurance Co., Ltd. Jun. 2001: President of The Tokio Marine & Fire Insurance Co., Ltd. Apr. 2002: President of Millea Holdings, Inc. Oct. 2004: President of Tokio Marine & Nichido Fire Insurance Co., Ltd. Jun. 2007: Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. Jun. 2007: Chairman of the Board of Millea Holdings, Inc. Jul. 2008: Chairman of the Board of Tokio Marine Holdings, Inc. Jun. 2013: Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (to present) Jun. 2016: External Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>[Important concurrent positions outside the Company] Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Corporate Auditor of TOKYU CORPORATION Outside Director of Japan Post Holdings Co., Ltd. Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.</p> <p>[Special interests in the Company] The Company has an insurance transaction relationship with Tokio Marine & Nichido Fire Insurance Co., Ltd., for which Kunio Ishihara serves as counsellor. The amounts of transactions with the company for the past three years account for less than 1% of consolidated net sales of each of the company and the Company for each year, which meets the independence criteria set by the Company (see page 18).</p> <p>[Reasons for candidacy] Kunio Ishihara has a career as Representative Director of Tokio Marine & Nichido Fire Insurance Co., Ltd., etc. and possesses long years of management experience and outstanding insight, and we believe that he will be able to contribute to securing the soundness and appropriateness of the management, as well as to increasing transparency. He also meets the independence criteria set by the Company (see page 18), and we believe that he will be able to serve in a management oversight function from an independent, fair and objective position as External Director.</p>
<p>Notes:</p> <ol style="list-style-type: none"> 1. Kunio Ishihara is a candidate for the position of External Director as provided for under the Companies Act. The Company has reported him to Tokyo Stock Exchange, Inc. as an independent director. He will have served as External Director who is an Audit and Supervisory Board Member of the Company for four years at the conclusion of this General Shareholders' Meeting. 2. If this proposal is approved, the Company intends to continue an agreement with Kunio Ishihara that limits his liability for damages 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 damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act. 3. On December 27, 2019, Japan Post Holdings Co., Ltd., at which Kunio Ishihara serves as an Outside Director, received a business improvement order from the Minister of Internal Affairs and Communications and the Financial Services Agency on the grounds of failures of the company's group governance functions and its insufficiently implemented group governance over the improper sales practices for insurance products by its subsidiaries Japan Post Insurance Co., Ltd. and Japan Post Co., Ltd. Kunio Ishihara was unaware of this matter before the discovery, but has always provided recommendations from the perspective of compliance with laws and regulations. Following the discovery of the matter, he ordered a thorough investigation and the implementation of reoccurrence prevention measures. 	

Candidate number 3	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>External/Independent</p> <p>Shiro Hiruta</p> <p>Date of birth: December 20, 1941 (Age: 78)</p> <p>Shares held in the Company: 500 shares</p> <p>Years of service as External Director: 1 year</p>	<p>Apr. 1964: Joined Asahi Chemical Industry Co., Ltd. (current Asahi Kasei Corporation)</p> <p>Jun. 1997: Director of the said Company</p> <p>Jun. 1999: Managing Director of the said Company</p> <p>Jun. 2001: Senior Managing Director of the said Company</p> <p>Jun. 2002: Executive Vice President of the said Company</p> <p>Apr. 2003: President and Representative Director of the said Company</p> <p>Apr. 2010: Director and Senior Advisor of the said Company</p> <p>Jun. 2010: Senior Advisor of the said Company</p> <p>Jun. 2013: Standing Counsellor of the said Company</p> <p>Jun. 2016: Counsellor of the said Company (scheduled to retire in June 2020)</p> <p>Jun. 2019: External Director, the Company (to present)</p> <p>[Special interests in the Company] None</p> <p>[Reasons for candidacy] Shiro Hiruta served as Representative Director of Asahi Kasei Corporation and other important positions, and possesses long years of management experience and outstanding insight, and we believe that he will be able to contribute to the Company's overall management from a big-picture perspective and that he can also contribute to securing the soundness and appropriateness of the Company's management as well as to the enhancement of its transparency. He also meets the independence criteria set by the Company (see page 18), and we believe that he will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>
<p>Notes:</p> <ol style="list-style-type: none"> Shiro Hiruta is a candidate for the position of External Director as provided for under the Companies Act. The Company has reported him to Tokyo Stock Exchange, Inc. as an independent director. He will have served as External Director for the Company for one year at the conclusion of this General Shareholders' Meeting. If this proposal is approved, the Company intends to continue an agreement with Shiro Hiruta that limits his liability for damages 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 damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act. 	

Candidate number 4	Career summary, position and duties at the Company, and important concurrent positions outside the Company
<p>External/Independent</p> <p>Asako Yamagami</p> <p>Date of birth: January 1, 1970 (Age: 50)</p> <p>Shares held in the Company: 0 shares</p> <p>Years of service as External Director: 0 years</p>	<p>Apr. 1999: Registered as attorney-at-law Joined Taiyo Law Office (current Paul Hastings LLP)</p> <p>Oct. 2005: Seconded to The Walt Disney Company (Japan) Ltd.</p> <p>May 2006: Joined IBM Japan, Ltd.</p> <p>Jul. 2012: Joined Natori Law Office as Partner (to present)</p> <p>Jan. 2016: Director, Office of International Affairs, Japan Federation of Bar Associations</p> <p>[Important concurrent positions outside the Company] External Director of Kagome Co., Ltd. (Audit and Supervisory Committee Member)</p> <p>[Special interests in the Company] None</p> <p>[Reasons for candidacy] Although Asako Yamagami has never been directly involved in corporate management in the past other than through acting as an External Director or an External Audit and Supervisory Board Member, she has work experience as an in-house lawyer and possesses expertise and experience as a lawyer regarding compliance and other matters. We believe that she will be able to contribute to securing the soundness and appropriateness of the Company's management as well as to the enhancement of its transparency. She also meets the independence criteria set by the Company (see page 18), and we believe that she will be able to serve in a management supervisory function from an independent, fair and objective position as External Director.</p>
<p>Notes:</p> <ol style="list-style-type: none"> Asako Yamagami is a candidate for the position of External Director as provided for under the Companies Act. The Company intends to report her to Tokyo Stock Exchange, Inc. as an independent director. If this proposal is approved, the Company intends to conclude an agreement with Asako Yamagami that limits her liability for damages 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 damages in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act. 	

(Reference)

Criteria for determining independence of external directors

In addition to the requirement for external directors under the Companies Act, the Company judges that an external director candidate is independent if he/she does not fall into any of the following requirements.

- a) The candidate serves or had served the Group in the past.
- b) The candidate is a "major client or supplier*" of the Company or an executive thereof.
- c) The candidate is a major shareholder of the Company or an executive of the said major shareholder.
- d) The candidate had served in the past at a company whose directors are concurrently serving as the Company's external director and vice versa.
- e) The candidate is a person who belongs to a company or organization that receives a donation from the Company or a person who had served in the past at said company or organization.
- f) The candidate's relative within the second degree of kinship serves as an important executive of a "major client or supplier" of the Group or the Company.

* "Major client or supplier" refers to a client or supplier that fall into either of the following.

- (1) A client or supplier with whom the Company has transaction that falls into the following, in any of the past three years
 - a party which receives payment from the Company equivalent to 2% of the party's consolidated net sales or 100.0 million yen, whichever the greater
 - a party which makes payments to the Company equivalent to 2% of the Company's consolidated net sales or 100.0 million yen, whichever the greater
- (2) A consultant, an accounting professional, or a legal professional who receives compensation from the Company in excess of 10.0 million yen per year (average over the past three fiscal years)

(Attached documents)

Business Report

(From April 1, 2019 to March 31, 2020)

1. Matters relating to the current state of the Group

(1) Results of operations

(i) Review of operations

Despite the global economy in the fiscal year ended March 31, 2020 being steady overall, the future of the global economy has suddenly become uncertain due to the spread of COVID-19 that broke out from 2020.

Looking at conditions by business segment, in the Imaging Products Business, the digital camera interchangeable lens type market and the compact digital camera market continued to shrink. In the Precision Equipment Business, capital investments for mid-to-small size panels have settled, and while some capital investments for large size panels have been postponed in the FPD-related field, capital investments for the semiconductor-related field were on a recovery trend. In the Healthcare Business, performance was solid in both the bioscience field and the ophthalmic diagnosis field.

In such circumstances, market conditions deteriorated rapidly in the fourth quarter due to the spread of COVID-19.

Under the medium-term management plan announced in May 2019, the Group has carried out various measures with the aim of establishing a foundation for sustainable growth in enterprise value.

First, as part of generating new core pillars of profit, the Group focused on launching the Material Processing Business by measures such as introducing optical processing machine series to the market, and forming a comprehensive business alliance with DMG MORI CO., LTD. In addition, in order to improve the profitability of existing businesses, the Group took measures such as conducting fundamental reforms to the business structure of the Imaging Products Business, as well as reducing costs through optimization of the supply chain of core businesses and streamlining of management and back-office departments. Furthermore, as part of the governance reform, the Group took initiatives such as the establishment of a Nominating Committee and the diversification of its external directors.

Under these circumstances, for the fiscal year ended March 31, 2020, decreases were seen in revenue by 117,648 million yen (16.6%) year on year to 591,012 million yen, operating profit by 75,902 million yen (91.8%) year on year to 6,751 million yen, profit before income taxes by 76,051 million yen (86.5%) year on year to 11,864 million yen, and profit attributable to owners of the parent by 58,820 million yen (88.4%) year on year to 7,693 million yen.

Performance by business segment is as follows.

a. Imaging Products Business

Main businesses: Digital camera-interchangeable lens type, compact digital cameras, interchangeable lenses

For the digital camera-interchangeable lens type, the Group made efforts to expand sales of mid-to high-end products for the professional and hobbyist segments by launching Z 50, a compact, lightweight and high-performance mirrorless camera, and D780, a high performance and multifunctional digital SLR camera, as well as by expanding the product line-up of interchangeable lenses for mirrorless cameras.

For the compact digital cameras, the Group focused on sales of high value-added products, with the launch of COOLPIX P950, which is equipped with an 83x optical zoom lens.

However, unit sales decreased due to the shrinking market, in addition to the decline in demand and the postponement of new product launches caused by the spread of COVID-19.

As a result, revenue for the Imaging Products Business decreased by 23.7% year on year to 225,894 million yen, and restructuring costs and impairment losses on non-current assets were recorded, resulting in the operating loss of 17,153 million yen (operating profit of 22,069 million yen was recorded in the previous fiscal year).

b. Precision Equipment Business

Main businesses: FPD lithography systems, semiconductor lithography systems

In the FPD lithography system field, unit sales fell overall despite steady sales of equipment that supports the Gen 10.5 plate size. Furthermore, sales of some equipment were postponed to the next fiscal year due to the spread of COVID-19, resulting in a significant decline in revenue and profits.

In the semiconductor lithography system field, the increase in unit sales of ArF immersion scanners and ArF scanners led to a rise in revenue and profits.

As a result, revenue for the Precision Equipment Business decreased by 12.7% year on year to 239,728 million yen, and operating profit decreased by 42.8% year on year to 46,774 million yen.

c. Healthcare Business

Main businesses: Biological microscopes, cell culture observation systems, ultra-wide field retinal imaging devices

The bioscience field and the ophthalmic diagnosis field had been performing steadily toward an increase in sales of biological microscopes and ultra-wide field retinal imaging devices, respectively. However, growth slowed sharply in both fields due to the spread of COVID-19, resulting in reduced revenue.

As a result, revenue for the Healthcare Business decreased by 5.2% year on year to 62,024 million yen. Despite making efforts to minimize losses such as through cost reduction, operating loss grew to 2,455 million yen (as compared to an operating loss of 1,937 million yen in the previous fiscal year).

d. Industrial Metrology and Others

Main businesses: Industrial microscopes, measuring instruments, customized products, photomask substrates for FPD

In the Industrial Metrology Business, revenue decreased due to sluggish market conditions mainly in China and the rest of Asia, as well as a cutback in investment caused by the spread of COVID-19. Although profitability increased as a result of efforts such as reducing costs, factors such as impairment of goodwill led to a decrease in profits.

In the Customized Products Business, revenue for solid-state lasers and optical components increased.

In the Glass Business, revenue decreased due to deteriorating market conditions caused by the spread of COVID-19, in spite of efforts to expand sales of photomask substrates for FPD.

As a result, revenue for the Industrial Metrology and Others decreased by 12.6% year on year to 63,366 million yen, and operating profit decreased by 54.1% year on year to 3,185 million yen.

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

Business Segment Revenue for 156th term (Year Ended March 31, 2020)

Business segment	Revenue (million yen)	Percentage of total revenue (%)	Change from previous year (%)
Imaging Products Business	225,894	38.2	(23.7)
Precision Equipment Business	239,728	40.6	(12.7)
Healthcare Business	62,024	10.5	(5.2)
Industrial Metrology and Others	63,366	10.7	(12.6)

(ii) Capital investments

Fiscal year capital investments totaled 28,775 million yen. The amounts of investment by business were 8,104 million yen in the Imaging Products Business, 5,532 million yen in the Precision Equipment Business, 2,396 million yen in the Healthcare Business, and 6,881 million yen in the Industrial Metrology and Others. Major capital investments in the fiscal year included an investment for the production related to mirrorless cameras in the Imaging Products Business and an investment to increase production of FPD Lithography Systems in the Precision Equipment Business.

(iii) Fund procurement

The balance of interest-bearing liabilities at the end of the fiscal year is 139,136 million yen, an increase of 10,144 million yen 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.

(2) Issues to be addressed

During the year ending March 31, 2021, the Group will continue to strive to generate new core pillars of profit and improve the profitability of existing businesses under the medium-term management plan.

In order to generate new core pillars of profit, the Group will focus on the development and sales of highly unique optics-based products, while concurrently proceeding with contract processing business and customer application development, and strive to launch a Material Processing Business.

With regard to improving the profitability of existing businesses, the Group will decisively move forward with the restructuring of the Imaging Products Business, implement measures for core businesses such as globally restructuring the marketing and production structure, and strive to improve profitability by proceeding with cost reform.

Furthermore, while establishing "monodzukuri structure" by digital manufacturing, the Group will increase added value and streamline businesses from a company-wide perspective, and strive to enhance its cross functional strategies in order to maximize Group-wide synergies.

The Group will also strive to enhance its corporate governance through measures such as reinforcing the function of the Nominating Committee and improving the effectiveness of the Board of Directors.

Through these activities, the Group will continue to strive to be the "leading company in precision & optics" that realizes "sustainable growth of enterprise value in medium- to long-term."

(3) Financial highlights for three previous fiscal years

Financial highlights related to the Group are as follows.

Item	153rd term (Year ended March 31, 2017)	154th term (Year ended March 31, 2018)	155th term (Year ended March 31, 2019)	156th term (Year ended March 31, 2020)
Revenue (million yen)	749,273	717,078	708,660	591,012
Operating profit (million yen)	774	56,236	82,653	6,751
Profit attributable to owners of the parent (million yen)	3,967	34,772	66,513	7,693
Basic earnings per share (yen)	10.01	87.76	167.86	19.93
Total assets (million yen)	1,018,351	1,098,343	1,134,985	1,005,881
Total equity (million yen)	538,150	573,541	616,726	541,760

Notes:

1. The figures for the above table are stated based on IFRS.
2. Beginning from the 155th term, the Group adopted IFRS 15 "Revenue from Contracts with Customers." Accordingly, a part of sales promotion expenses which had been previously recorded in selling, general and administrative expenses, is accounted for as reduction of revenue.
3. Beginning from the 156th term, the Group adopted IFRS 16 "Leases." Accordingly, right-of-use assets and lease liabilities are recognized for contracts identified as leases.

(4) Major offices and plants (as of March 31, 2020)

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

Those of subsidiaries of the Company are shown in the following “(5) Major subsidiaries.”

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

(5) Major subsidiaries

Company name	Location	Capital stock	Percentage of equity participation (%)	Main business
Tochigi Nikon Corporation	Tochigi, Japan	363 million yen	100.0	Manufacture of interchangeable lenses and optical lenses
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	1,260 million bahts	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	1,000 thousand euro	*100.0	Sales in Europe of Imaging Products Business products
Nikon Singapore Pte. Ltd.	Singapore	32 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
Tochigi Nikon Precision Co., Ltd.	Tochigi, Japan	204 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
Nikon Instech Co., Ltd.	Tokyo, Japan	418 million yen	100.0	Sales in Japan of Industrial Metrology Business products
Optos Plc	UK	1,524 thousand UK pounds	100.0	Manufacture and sales of Healthcare Business products
Nikon Metrology NV	Belgium	97 million euro	*100.0	Manufacture and sales in Europe and the US of Industrial Metrology Business products

Note:

* shows ownership ratios including indirect ownership.

(6) Employees (as of March 31, 2020)

(i) Employees of the Group

Number of employees	Change from the end of the previous consolidated fiscal year
20,190	down 727

Note: The number of employees does not include part-time employees, contract workers, etc.

(ii) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average service years
4,442	up 44	44.6	18.0

Note: The number of employees does not include employees of the Company seconded to other companies, part-time employees, contract workers, etc.

(7) Major lenders (as of March 31, 2020)

Lender	Amount borrowed (million yen)
MUFG Bank, Ltd.	17,110
Meiji Yasuda Life Insurance Company	13,000

(8) Major reorganization activities

(i) Business transfers and absorption-type or incorporation-type company split

None

(ii) Businesses acquired from other companies

None

(iii) Succession of rights and obligations associated with operations of other companies, etc. due to absorption-type merger or absorption-type company split

None

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

None

(9) Other items concerning the status of the Group

Based on the resolution passed at the meeting of its Board of Directors, the Company repurchased and cancelled treasury stock as indicated below.

- (i) Repurchase of treasury stock based on the resolution at the meeting of the Board of Directors held on May 9, 2019
 - Repurchase period: From May 10, 2019 to June 20, 2019
 - Total number of shares repurchased: 6,667,200 shares
 - Total repurchase amount: 9,999,971,600 yen

- (ii) Repurchase and cancellation of treasury stock based on the resolution at the meeting of the Board of Directors held on November 7, 2019
 - Repurchase period: From November 8, 2019 to March 17, 2020
 - Total number of shares repurchased: 22,542,400 shares
 - Total repurchase amount: 29,999,932,200 yen
 - Cancellation date: March 31, 2020
 - Total number of shares cancelled: 22,542,400 shares

2. Current state of the Company

(1) Matters relating to shares of the Company (as of March 31, 2020)

- (i) Total number of shares authorized to be issued: 1,000,000,000 shares
- (ii) Total number of shares issued: 378,336,521 shares
- (Note) As a result of the cancellation of treasury stock performed on March 31, 2020, the total number of shares issued decreased by 22,542,400 year-on-year.
- (iii) Total number of shareholders: 40,624
- (iv) Major shareholders:

Name of shareholder	Number of shares held (thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,881	12.5
Japan Trustee Services Bank, Ltd. (Trust Account)	20,106	5.5
Meiji Yasuda Life Insurance Company	19,537	5.3
Japan Trustee Services Bank, Ltd. (Trust Account 7)	7,692	2.1
MUFG Bank, Ltd.	7,378	2.0
The Joyo Bank, Ltd.	6,801	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 5)	6,598	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 4)	5,074	1.4
The Shizuoka Bank, Ltd.	4,996	1.4
Mitsubishi Heavy Industries, Ltd.	4,828	1.3

Note:

10,639,962 shares of treasury stock are excluded from the above major shareholders. The percentage of shares held is calculated after deducting treasury stock.

(2) Subscription rights to shares

(i) Subscription rights to shares held by the Company's Directors that were granted as remuneration for duties performed (as of March 31, 2020)

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 (excluding Audit and Supervisory Committee Members)	Directors (Audit and Supervisory Committee Members)
5th issue (August 27, 2007)	21	2,100 shares of the Company's common stock	325,900	100	From August 28, 2007 to August 27, 2037	21 (2)	-
6th issue (November 25, 2008)	132	13,200 shares of the Company's common stock	73,400	100	From November 26, 2008 to November 25, 2038	101 (2)	31 (1)
7th issue (August 10, 2009)	71	7,100 shares of the Company's common stock	140,800	100	From August 11, 2009 to August 10, 2039	54 (2)	17 (1)
8th issue (July 14, 2010)	67	6,700 shares of the Company's common stock	152,700	100	From July 15, 2010 to July 14, 2040	51 (2)	16 (1)
9th issue (March 19, 2012)	111	11,100 shares of the Company's common stock	203,700	100	From March 20, 2012 to March 19, 2042	71 (2)	40 (1)
10th issue (August 23, 2012)	184	18,400 shares of the Company's common stock	172,600	100	From August 24, 2012 to August 23, 2042	134 (3)	50 (1)
11th issue (August 1, 2013)	242	24,200 shares of the Company's common stock	163,200	100	From August 2, 2013 to August 1, 2043	189 (3)	53 (1)
12th issue (August 1, 2014)	419	41,900 shares of the Company's common stock	118,300	100	From August 2, 2014 to August 1, 2044	346 (3)	73 (1)
13th issue (July 28, 2015)	548	54,800 shares of the Company's common stock	104,000	100	From July 29, 2015 to July 28, 2045	450 (4)	98 (1)
14th issue (July 29, 2016)	658	65,800 shares of the Company's common stock	121,300	100	From July 30, 2016 to July 29, 2046	561 (5)	97 (1)
15th issue (July 27, 2017)	384	38,400 shares of the Company's common stock	168,100	100	From July 28, 2017 to July 27, 2047	384 (5)	-
16th issue (April 23, 2018)	517	51,700 shares of the Company's common stock	164,400	100	From April 24, 2018 to April 23, 2048	517 (5)	-
17th issue (April 22, 2019)	1,146	114,600 shares of the Company's common stock	95,300	100	From April 23, 2019 to April 22, 2049	1,146 (5)	-

Notes:

1. No subscription rights to shares have been granted to External Directors.
2. Subscription rights to shares held by Directors who are Audit and Supervisory Committee Members were granted when these individuals were Directors other than those who are Audit and Supervisory Committee Members or Officers.

(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 Officers 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
17th issue (April 22, 2019)	1,063	106,300 shares of the Company's common stock	95,300	100	From April 23, 2019 to April 22, 2049	13

(iii) Other subscription rights to shares actually issued
None

(3) Matters relating to Directors

(i) Directors (as of March 31, 2020)

Position	Name	Business in charge and important concurrent positions outside the Company	
* Chairman of the Board	Kazuo Ushida		
* Director (President and CEO)	Toshikazu Umatate	Officer in charge of Research & Development Division, Next Generation Project Division and Precision Components & Modules Business Unit	**
* Director (Senior Executive Vice President and CFO)	Masashi Oka	Officer in charge of Internal Audit Department, Finance & Accounting Division and Intellectual Property Division Outside Director of Sony Financial Holdings Inc.	
Director (Senior Vice President)	Takumi Odajima	General Manager of Human Resources & Administration Division, Officer in charge of Risk Management	
Director (Senior Vice President)	Satoshi Hagiwara	General Manager of Corporate Strategy Division, Officer in charge of Glass Business Unit	
Director	Akio Negishi	Director, President, Representative Executive Officer of Meiji Yasuda Life Insurance Company	
Director	Shiro Hiruta	Counsellor of Asahi Kasei Corporation	**
Director (Full-time Audit and Supervisory Committee Member)	Takaharu Honda	-	
Director (Full-time Audit and Supervisory Committee Member)	Atsushi Tsurumi	-	
Director (Audit and Supervisory Committee Member)	Haruya Uehara	Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation Outside Director of KOITO MANUFACTURING CO., LTD.	
Director (Audit and Supervisory Committee Member)	Hiroshi Hataguchi	Attorney at law External Director of SOSHIN ELECTRIC CO., LTD.	
Director (Audit and Supervisory Committee Member)	Kunio Ishihara	Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Corporate Auditor of TOKYU CORPORATION Outside Director of Japan Post Holdings Co., Ltd. Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.	

Notes:

- * indicates Representative Directors. The Company's Representative Directors as of April 1, 2020 are Toshikazu Umatate and Takumi Odajima.
- ** indicates Directors newly elected at the 155th Annual General Shareholders' Meeting held on June 27, 2019.
- Akio Negishi, Shiro Hiruta, Haruya Uehara, Hiroshi Hataguchi, and Kunio Ishihara are External Directors. The Company has submitted Independent Directors/Auditors Notifications to the Tokyo Stock Exchange, Inc. designating these five individuals as independent directors as stipulated in the Tokyo Stock Exchange, Inc. Securities Listing Regulations.
- Takaharu Honda and Atsushi Tsurumi were selected as Directors who are Full-time Audit and Supervisory Committee Members. For the purpose of securing the effectiveness of the activities of the Audit and Supervisory Committee, both of these Directors attend important meetings such as the Executive Committee and various committees in an effort to accurately understand and audit the status of business execution. They also perform the audit and supervisory functions necessary to ensure that the Directors' performance of duties is in compliance with laws and regulations, as well as the Company's Articles of Incorporation, and that corporate operations are properly carried out, through monitoring and verification of the development and operational status of the internal control system, including internal controls over financial reporting.
- Atsushi Tsurumi, Director who is an Audit and Supervisory Committee Member, has a long-term experience in the accounting division at the Company. Accordingly, he has considerable knowledge involving finance and accounting.
- The Company has transaction relationships with the following companies, which are concurrently served by External Directors. Additionally, the amount of payment to each of the companies accounts for less than 2% of consolidated net sales of each of the companies.
- Loans from Meiji Yasuda Life Insurance Company

- Entrustment of pension plan assets to Mitsubishi UFJ Trust and Banking Corporation
 - Insurance transaction with The Tokio Marine & Nichido Fire Insurance Co., Ltd.
7. Yasuyuki Okamoto retired as Director at the conclusion of the 155th Annual General Shareholders' Meeting held on June 27, 2019 due to expiration of his term.
 8. Masashi Oka retired as Director on May 31, 2020 due to resignation.

(Reference)

The Company uses the Executive Officer System. The table on page 30 shows Directors who also serve as Officers. Officers who are not Directors were as follows as of March 31, 2020.

Position	Name	Duties
Senior Vice President	Tomohide Hamada	General Manager of FPD Lithography Business Unit, Officer in charge of Industrial Metrology Business Unit, Customized Products Business Unit and Encoder Business Unit
Senior Vice President	Nobuyoshi Gokyu	Officer in charge of special missions for Imaging Business Unit and Officer in charge of Design Center
Senior Vice President	Masato Hamatani	General Manager of Semiconductor Lithography Business Unit, Officer in charge of Healthcare Business Unit
Corporate Vice President	Kenji Yoshikawa	Deputy General Manager of Corporate Strategy Division
Corporate Vice President	Jun Nagatsuka	General Manager of Production Technology Division
Corporate Vice President	Tadashi Nakayama	General Manager of Industrial Metrology Business Unit
Corporate Vice President	Hiroyuki Suzuki	General Manager of Information Security Division and General Manager of IT Solutions Division
Corporate Vice President	Hiroyuki Ikegami	General Manager of Imaging Business Unit
Corporate Vice President	Tetsuya Morimoto	President of Nikon Europe B.V.
Corporate Vice President	Juro Kimpara	Deputy General Manager of FPD Lithography Business Unit
Corporate Vice President	Nobuyuki Ishizuka	Deputy General Manager of Semiconductor Lithography Business Unit and Deputy General Manager of Production Technology Division
Corporate Vice President	Tatsuya Yamaguchi	General Manager of Healthcare Business Unit
Corporate Vice President	Naoyuki Murakami	Sector Manager of Development Sector, Imaging Business Unit
Corporate Vice President	Yasuhiro Ohmura	General Manager of Optical Engineering Division

(ii) Outline of contents of liability limitation agreement

The Company has signed agreements with all Non-Executive Directors 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.

(iii) Compensation for Directors

Category			Directors other than those who are Audit and Supervisory Committee Members (of which External Directors)	Directors who are Audit and Supervisory Committee Members (of which External Directors)	Total
Fixed compensation	Fixed monthly compensation	Number of persons	8 (2)	5 (3)	13 (5)
		Amount of compensation (million yen)	294 (26)	104 (45)	398 (71)
Performance-based compensation	Bonuses	Number of persons	5 (-)	-	5 (-)
		Amount of compensation (million yen)	21 (-)	-	21 (-)
	Performance-based stock remuneration	Number of persons	5 (-)	-	5 (-)
		Amount of compensation (million yen)	99 (-)	-	99 (-)
Stock compensation	Subscription rights to shares granted as stock-related compensation	Number of persons	5 (-)	-	5 (-)
		Amount of compensation (million yen)	101 (-)	-	101 (-)
Total		Number of persons	8 (2)	5 (3)	13 (5)
		Amount of compensation (million yen)	514 (26)	104 (45)	619 (71)

Notes:

1. The number of persons and the amount of compensation pertaining to fixed compensation/ fixed monthly compensation and total shown above include one Director who is not an Audit and Supervisory Committee Member (who is not an External Director) who retired at the conclusion of the 155th Annual General Shareholders' Meeting held on June 27, 2019 and the amount of compensation pertaining to the said Director.
2. The amount of bonuses shown above indicates the total amount of bonuses for Directors other than those who are Audit and Supervisory Committee Members (excluding Non-Executive Directors) resolved at the Board of Directors' meeting held on May 28, 2020 after deliberation by the Compensation Committee.
3. The amount of performance-based stock remuneration shown above indicates the amount of performance-based stock remuneration for Directors other than those who are Audit and Supervisory Committee Members (excluding Non-Executive Directors) recorded as provisions of reserve during the fiscal year.
4. The amount of subscription rights to shares granted as stock-related compensation shown above indicates the amount of compensation, etc. concerning subscription rights to shares granted to Directors other than those who are Audit and Supervisory Committee Members (excluding Non-Executive Directors) recorded as expenses during the fiscal year.
5. The Audit and Supervisory Committee has reported that there are no matters to be addressed with regard to compensation, etc. to Directors other than those who are Audit and Supervisory Committee Members.

(iv) Basic policies and procedures for compensation of Directors

The compensation system is based on the following policies and procedures.

a. Basic policies on Compensation

Executive compensation will be determined to satisfy the following basic criteria.

- Executive compensation should motivate executives to sustainably improve corporate and shareholder value, as well as enhance their willingness and morale
- Executive compensation should help keep, cultivate, and reward excellent personnel
- The decision-making process for the compensation system should be objective and transparent

b. Compensation system and performance-based structure

A) The compensation system for Executive Directors and Officers comprises the following components. The distribution ratio for compensation is determined by changing the proportion of performance-based compensation and stock compensation to fixed compensation according to position and duties.

<Fixed Compensation>

- “Fixed monthly compensation”

This monetary compensation is not based on performance.

< Performance-based Compensation>

- “Bonuses”

This monetary compensation is based on the degree of accomplishment and qualitative assessment of the capital efficiency and profitability of the Group as a whole and divisions in charge on a single-year basis, and is determined within the range of 0% to 200% of the standard payment.

- “Performance-based stock remuneration”

Stock compensation is determined within the range of 0% to 150% in accordance with achievement of the Company’s overall capital efficiency and other financial performance indicators, in the final fiscal year of the Medium-Term Management Plan to be resolved every three fiscal years, with the aims of sharing value with shareholders and enhancing willingness and morale for improving medium-to-long-term performance.

<Stock Compensation>

- “Subscription rights to shares granted as stock-related compensation”

Subscription rights to shares are granted with the aims of sharing value with shareholders and enhancing willingness and morale for improving long-term performance, within the range not exceeding 5% of the share dilution ratio.

B) The compensation system for Non-Executive Directors consists only of fixed compensation (“fixed monthly compensation”).

c. Method for determining compensation level and amount

The Compensation Committee discusses and advises on related systems in order to determine the level and system appropriate to the duties on account of compensation levels of major Japanese companies that globally develop their businesses so as to determine the compensation amount consistent with the performance of the Group and its business scale.

The Compensation Committee discusses the establishment of executive compensation policies, consideration of the compensation system, and specific calculation method. Based on the results of those deliberations, the compensation for Directors other than those who are Audit and Supervisory Committee Members is determined by resolution of the Board of Directors, and compensation for Directors who are Audit and Supervisory Committee Members is determined by consultation among Directors who are Audit and Supervisory Committee Members.

From the perspective of conducting appropriate supervision, the majority of members of the Compensation Committee shall be external directors and external experts, and the Committee chairperson shall also be an external director.

(v) Matters relating to External Directors

a. Relationships between organizations where important concurrent positions are held and the Company Information is shown in “(i) Directors” on page 30.

b. Major activities during the fiscal year

Name	Category	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Committee
Akio Negishi	Director	14 of 14	-
Shiro Hiruta	Director	10 of 10	-
Haruya Uehara	Director (Audit and Supervisory Committee Member)	13 of 14	9 of 10
Hiroshi Hataguchi	Director (Audit and Supervisory Committee Member)	14 of 14	10 of 10
Kunio Ishihara	Director (Audit and Supervisory Committee Member)	14 of 14	10 of 10

- Shiro Hiruta was newly appointed at the 155th Annual General Shareholders’ Meeting held on June 27, 2019. The number of meetings held and the number of meetings attended are indicated based on the number of meetings held since his appointment.
- Each of the External Directors used their extensive knowledge of management or expertise as an attorney, etc. to proactively make remarks from the perspective independent of business execution, concerning matters under consideration and the contents of reports by the Board of Directors.

(4) Matters relating to Accounting Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.

	Amount
Total amount of remuneration, etc. of Accounting Auditor during the fiscal year under review	133 million yen
Total amount of money and other properties which the Company and its subsidiaries should pay in remuneration of Accounting Auditor for their services to the Company and its subsidiaries during the fiscal year under review	183 million yen

Notes:

1. The Audit and Supervisory Committee determined, after carrying out necessary verifications of whether the content of the Accounting Auditors' audit plans, execution of duties of audits up until the previous fiscal year, and the calculation basis for the remuneration estimate for the fiscal year are appropriate, that the remuneration for Accounting Auditors is reasonable, and has given its consent pursuant to Article 399, Paragraph 1 of the Companies Act.
2. Major overseas subsidiaries of the Company are audited (only auditing subject to the provisions of overseas laws and regulations similar to Japanese Companies Act or Japanese 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).
3. In the audit contract with the Accounting Auditor, auditing compensation amounts for auditing based on the Companies Act and auditing based on the Financial Instruments and Exchange Act are not separated. Because they essentially cannot be separated, the amount stated in the upper line of the above table is found from adding them together.
4. The Company has commissioned Deloitte Touche Tohmatsu LLC to provide a consulting service for internal control 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 for such service. The amount stated in the lower line of the above table includes the amount of the payment.

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

The Audit and Supervisory Committee can terminate the Accounting Auditor with the unanimous consent of the Audit and Supervisory Committee Members in cases where it has been determined that actions by the Accounting Auditor apply to any item of Article 340, Paragraph 1 of the Companies Act.

In addition, even if the actions of the Accounting 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 Accounting 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 Accounting Auditor or not renew the contract at the General Shareholders' Meeting, in accordance with the decision of the Audit and Supervisory Committee.

(5) Framework to ensure fair business activity

[Details of the Resolution]

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 credibility of financial reports, the compliance with relevant laws and regulations, and the preservation of company's assets at our company and its subsidiaries (hereinafter 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 implementing regulations of the said Act.

- (i) A framework to ensure that performance of duties of directors, etc. and employees of the Group is in compliance with relevant laws and regulations as well as the articles of incorporation
 - a. In order to permeate and establish awareness of corporate ethics, we have established the "Nikon Code of Conduct", which shows the Group's basic stance on corporate social responsibility and the standards of behavior to ensure sensible conduct by directors, officers and employees of the Group, based on a high level of morality, pursuant to relevant laws and regulations as well as internal regulations.
 - 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 in order to ensure legitimate, fair, and sound corporate behavior.
 - c. Regarding elimination of anti-social forces and groups, we have defined our basic approach in the "Nikon Code of Conduct". Additionally, we are establishing 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. Frameworks to enable the foregoing are being prepared and improved.
 - e. Internal Audit Department has been established as an independent organization. This Department examines whether operations within the Group are conducted in compliance with relevant laws and regulations as well as internal regulations, and when necessary, makes recommendations as to how such operations can be improved.
 - f. Structures are established and administered in order to fully implement compliance by the Group and prevent or correct behaviors that violate social regulations or corporate ethics. The "Code of Conduct Hotline" is being created as the report/consultation system in this respect.

- (ii) A framework to ensure an efficient performance of duties, etc. by directors of the Group
 - a. At our company and domestic subsidiaries, the executive officer system provides a clear definition of the authority and responsibility in performance of an officer's duty, resulting in quick decision-making as well as an efficient performance of the officer's duty.
 - b. Rules of authority clearly define the scope of authority and responsibility for each post as well as each organization within the Group and are administered, to ensure organized and efficient performance of duties.
 - c. Meeting structures such as the "Executive Committee", as well as other committees and meeting bodies are established and are administered at our company to enable efficient decision-making and performance of duties for the Group by directors of our company.

Among such organizations, the Executive Committee 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", management targets of the Group 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 divisional organization. A meeting is regularly held to examine business issues and responses to them. The achievement level of annual targets is evaluated and validated based on the "Achievement Evaluation System".
- (iii) A framework aimed at preservation and control of information relating to the performance of duties by directors of our company
- a. Information regarding resolutions, decisions, and reports pertaining to performance duties by directors of our company are preserved in documentary format and until such time as provided in the "Regulations of the Board of Directors", the "Regulations of the Executive Committee", and the "Nikon Group Information Management Rules". The information control system is designed to allow access, when needed, from directors, as well as accounting auditors.
 - b. As for security of information, Information Security Department controls centralized management for information management within the Group and manages coordination and reinforcement of an information management framework within the Group. Further, the common rules in the Group are being established and these 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 directors, officers and employees within the Group.
- (iv) A framework including rules concerning risk of the Group 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 are developing a framework to appropriately control risks surrounding the Group by ascertaining risks based on expert knowledge in committees, including the "CSR Committee," the "Business Conduct Committee," the "Environmental Committee," the "Export Control Committee," and the "Quality Committee," and establishing rules to address each risk and ensuring compliance with these rules.
 - b. A framework is in place whereby Internal Audit Department audits the status of risk control by the above committees, evaluates its effectiveness, and reports to the Board of Directors through the representative director when necessary, so that the Board of Directors can implement corrective measures.
- (v) A framework regarding reporting to our company of matters related to performance of duties by directors of subsidiaries
- A framework is being placed for important matters at subsidiaries to be reported and decided upon by our company in compliance with the "Decision and Reporting Rules for Subsidiaries".
- (vi) Implementation of matters concerning employees assisting the Audit and Supervisory Committee of our company, matters concerning these employees' independence from other directors (excluding

directors who are Audit and Supervisory Committee members), and a framework to ensure effectiveness of instructions given to these employees by the Audit and Supervisory Committee

- a. Several employees are appointed as dedicated assistants to the Audit and Supervisory Committee who act in obedience to orders of the Audit and Supervisory Committee of our company in order to ensure an efficient procedure of the Audit and Supervisory Committee as well as to ensure the increased effectiveness of the audit.
- b. Orders given by the Audit and Supervisory Committee to the assistants, transfer of the assistants, and evaluation of the assistants' performance are ensured to be independent of officers who assume executive responsibilities.

(vii) A reporting framework for directors of the Group to the Audit and Supervisory Committee of our company, for other reporting to the Audit and Supervisory Committee of our company, and to ensure that reporting parties do not receive negative treatment as a result of such reports

- a. An Audit and Supervisory Committee member of our company has the authority to attend major meetings. This ensures that the Audit and Supervisory Committee members have opportunities to constantly understand the status of operations and the decision-making process of the Group.
- b. A framework is being developed to ensure appropriate and effective reporting to the Audit and Supervisory Committee of our company 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 Audit and Supervisory Committee 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 Audit and Supervisory Committee of our company. The Audit and Supervisory Committee of our company maintains close coordination with Internal Audit Department by measures including requesting, if necessary, further investigations by Internal Audit Department.
- d. We ensure that parties who make reports to the Audit and Supervisory Committee of our company do not receive negative treatment, including provisions in place within the "Confidentiality Rules of the Code of Conduct Hotline" to forbid retaliation against parties that make reports to the "Code of Conduct Hotline", the report/consultation system.

(viii) Matters regarding policies related to processing expenses or liabilities arising from performance of duties by Audit and Supervisory Committee members of our company

Expenses related to the duties of Audit and Supervisory Committee members of our company are budgeted annually to a certain amount by request of Audit and Supervisory Committee, and for necessary expenses, our company makes payments that are in excess of the budget, pursuant to laws and regulations. Additionally, our company also makes payments, as required, for expenses required to appoint outside specialists.

(ix) A framework to ensure effective audit by the Audit and Supervisory Committee of our company

- a. While ensuring independence of the Audit and Supervisory Committee of our company from management functions, this framework enables Audit and Supervisory Committee members of our company to hold regular meetings with the representative director 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 Audit and Supervisory Committee of our company hold regular meetings with accounting auditors, to actively exchange opinions and information.

[Outline of Operational Status]

(i) Status of compliance

- The Group continued to conduct the education on “Nikon Code of Conduct” revised in January 2018 to all officers and employees, and strove to spread the code.
- The Group conducted an awareness survey in the domestic Group and gave feedback on the survey results to each workplace as well as providing guidance for improvement as needed.
- The Group provided education related to competition laws both in Japan and overseas in efforts to strengthen compliance.
- The Group reported the status of compliance promotion activities such as various compliance education programs and the awareness survey, etc. to the Business Conduct Committee and gave feedback to each division to improve and enhance the compliance awareness.
- The Group strove to spread the Code of Conduct Hotline, while appropriately handling matters reported to the Hotline.

(ii) Status of risk management

- The Risk Management Committee was held twice a year within the Group.
- The Group performs risk assessment, and creates a “risk map” based on the result. “Risk map” displays the impact scale and event probability of risks. For items assessed as high risk, the Group considers counter measures with each division and makes effort to reduce the risk. The risk map is continuously updated, and changes over time are visualized. In addition, the results of these activities were reported to the Board of Directors.

(iii) Status of group management

- Regarding management of the Group as a whole, it has established a framework in which subsidiaries report significant matters to the Group, which will be authorized by the Group, in accordance with the “Regulations of the Executive Committee” and the “Decision and Reporting Rules for Subsidiaries,” etc. The Group has been conducting operations along with the framework.
- Each Group company develops and operates with decision-making standards in accordance with “Authorization and Reporting Rules for Subsidiaries” and the laws and regulations of each country.
- Regarding preservation and control of information, the Group carries them out in accordance with the “Nikon Group Information Management Rules” and other internal regulations, and performed audits on information management within the Group.

(iv) Execution of duties by Audit and Supervisory Committee Members

- Audit and Supervisory Committee Members attended important meetings such as “Executive Committee”, understood the status of management, and supervised the process and content of decision making.

- Audit and Supervisory Committee Members audited each division, subsidiary, etc., and checked the development and operational status of the internal control system.
- Audit and Supervisory Committee Members regularly exchanged opinions with the Representative Directors, shared auditing issues, and requested corrections as needed.
- Audit and Supervisory Committee Members had the periodical opportunity to exchange opinions with the Internal Audit Department in charge of internal audits and Accounting Auditors to strengthen cooperation. Audit and Supervisory Committee Members also strove to conduct effective audits by sharing information with each division as needed.

The amount stated and number of shares in this business report are presented by rounding numbers down to the specified units.



Consolidated Financial Statements
Consolidated Statement of Financial Position

(As of March 31, 2020)

(Million yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash and cash equivalents	324,034	Trade and other payables	68,856
Trade and other receivables	87,779	Bonds and borrowings	20,950
Inventories	246,530	Income tax payables	1,845
Other current financial assets	2,901	Advances received	175,894
Other current assets	15,960	Provisions	5,161
Total current assets	677,203	Other current financial liabilities	27,210
		Other current liabilities	30,238
Non-current assets		Total current liabilities	330,154
Property, plant and equipment	106,369	Non-current liabilities	
Right-of-use assets	15,265	Bonds and borrowings	102,778
Goodwill and intangible assets	46,895	Net defined benefit liabilities	11,047
Net defined benefit assets	4,624	Provisions	4,989
Investments accounted for using the equity method	10,002	Deferred tax liabilities	3,589
Other non-current financial assets	84,068	Other non-current financial liabilities	9,232
Deferred tax assets	58,890	Other non-current liabilities	2,332
Other non-current assets	2,564	Total non-current liabilities	133,966
Total non-current assets	328,677	Total liabilities	464,121
		EQUITY	
		Capital stock	65,476
		Capital surplus	46,369
		Treasury stock	(17,639)
		Other components of equity	(39,502)
		Retained earnings	485,948
		Equity attributable to owners of the parent	540,652
		Non-controlling interests	1,108
		Total equity	541,760
Total assets	1,005,881	Total liabilities and equity	1,005,881

Consolidated Statement of Profit or Loss

(From April 1, 2019 to March 31, 2020)

(Million yen)

Item	Amount
Revenue	591,012
Cost of sales	(368,978)
Gross profit	222,034
Selling, general and administrative expenses	(205,698)
Other income	6,447
Other expenses	(16,032)
Operating profit	6,751
Finance income	5,204
Finance costs	(1,908)
Share of the profit of investments accounted for using the equity method	1,816
Profit before income taxes	11,864
Income tax expenses	(4,022)
Profit for the year	7,842
Attributable to:	
Owners of the parent	7,693
Non-controlling interests	149
Profit for the year	7,842

Consolidated Statement of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Million yen)

	Equity attributable to owners of the parent					
	Capital Stock	Capital surplus	Treasury stock	Other components of equity		
				Gain (loss) on financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit pension plans	Share of other comprehensive income (loss) of investments accounted for using the equity method
As of April 1, 2019	65,476	81,424	(13,044)	8,544	-	(835)
Profit for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	(5,666)	(1,998)	(127)
Total comprehensive income for the year	-	-	-	(5,666)	(1,998)	(127)
Dividends	-	-	-	-	-	-
Acquisition and disposal of treasury stock	-	(42)	(40,002)	-	-	-
Cancellation of treasury stock	-	(35,279)	35,279	-	-	-
Share-based payments	-	266	128	-	-	-
Changes in the ownership interest in subsidiaries	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	(1,770)	1,998	(3)
Total transactions with owners	-	(35,055)	(4,594)	(1,770)	1,998	(3)
As of March 31, 2020	65,476	46,369	(17,639)	1,108	-	(964)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total			
	Exchange differences on translation of foreign operations	Effective portion of the change in fair value on cash flow hedges	Total					
As of April 1, 2019	(27,723)	21	(19,992)	502,056	615,920	806	616,726	
Profit for the year	-	-	-	7,693	7,693	149	7,842	
Other comprehensive income	(11,976)	32	(19,736)	-	(19,736)	(75)	(19,811)	
Total comprehensive income for the year	(11,976)	32	(19,736)	7,693	(12,043)	74	(11,969)	
Dividends	-	-	-	(23,576)	(23,576)	(42)	(23,618)	
Acquisition and disposal of treasury stock	-	-	-	-	(40,043)	-	(40,043)	
Cancellation of treasury stock	-	-	-	-	-	-	-	
Share-based payments	-	-	-	-	394	-	394	
Changes in the ownership interest in subsidiaries	-	-	-	-	-	270	270	
Transfer from other components of equity to retained earnings	-	-	225	(225)	-	-	-	
Total transactions with owners	-	-	225	(23,801)	(63,225)	228	(62,997)	
As of March 31, 2020	(39,699)	53	(39,502)	485,948	540,652	1,108	541,760	

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet
(As of March 31, 2020)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	414,365	Current liabilities	290,992
Cash and deposits	175,584	Electronically recorded obligations - operating	9,410
Notes receivable - trade	8,556	Accounts payable - trade	43,280
Accounts receivable - trade	36,834	Short-term loans payable	9,950
Finished goods	55,526	Current portion of long-term loans payable	1,000
Semi-finished goods	1,905	Current portion of bonds payable	10,000
Raw materials	67	Lease obligations	320
Work in process	96,772	Accounts payable - facilities	3,009
Supplies	9,816	Accrued expenses	16,309
Short-term loans receivable from subsidiaries and associates	18,653	Income taxes payable	129
Income taxes receivable	2,391	Advances received	157,679
Accounts receivable - other	11,078	Deposits received	36,863
Other	1,369	Provision for product warranties	1,665
Allowance for doubtful accounts	(4,185)	Other	1,378
Non-current assets	265,066	Non-current liabilities	111,590
Property, plant and equipment	51,847	Bonds payable	20,000
Buildings	18,023	Long-term loans payable	82,925
Structures	623	Lease obligations	593
Machinery and equipment	12,984	Asset retirement obligations	2,306
Vehicles	57	Provision for loss on business of subsidiaries and associates	5,012
Tools, furniture and fixtures	6,670	Other	754
Land	9,635	Total liabilities	402,583
Leased assets	812		
Construction in progress	3,043	(Net assets)	
Intangible assets	6,284	Shareholders' equity	263,019
Software	4,570	Capital stock	65,476
Other	1,714	Capital surplus	80,712
Investments and other assets	206,934	Legal capital surplus	80,712
Investment securities	74,311	Retained earnings	134,471
Shares of subsidiaries and associates	87,791	Legal retained earnings	5,565
Investments in capital	3	Other retained earnings	128,905
Investments in capital of subsidiaries and associates	15,901	Reserve for research and development	2,056
Long-term loans receivable from subsidiaries and associates	1,800	Reserve for reduction entry of replaced property	6,416
Long-term loans receivable from employees	0	Reserve for reduction entry	3,634
Prepaid pension cost	1,401	General reserve	111,211
Deferred tax assets	20,416	Retained earnings brought forward	5,587
Other	5,321	Treasury stock	(17,639)
Allowance for doubtful accounts	(9)	Valuation and translation adjustments	11,895
		Valuation difference on available-for-sale securities	11,835
		Deferred gains or losses on hedges	60
		Subscription rights to shares	1,934
Total assets	679,431	Total net assets	276,848
		Total liabilities and net assets	679,431

Non-Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Million yen)

Item	Amount	
Net sales		406,194
Cost of sales		305,558
Gross profit		100,636
Selling, general and administrative expenses		110,333
Operating loss		9,697
Non-operating income		
Interest and dividend income	36,355	
Other	4,496	40,851
Non-operating expenses		
Interest expenses	1,404	
Other	2,418	3,822
Ordinary income		27,332
Extraordinary income		
Gain on sales of non-current assets	4,008	
Gain on sales of investment securities	3,205	
Gain on sales of shares of subsidiaries and associates	215	7,428
Extraordinary losses		
Loss on sales of non-current assets	5	
Impairment loss on non-current assets	5,873	
Loss on sales of investment securities	18	
Loss on valuation of investment securities	602	
Restructuring expenses	205	
Loss on business of subsidiaries and associates	15,941	22,642
Profit before income taxes		12,118
Income taxes - current	1,180	
Income taxes - deferred	20,600	21,780
Loss		9,662

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Retained earnings					Treasury stock	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings						
				Reserve for research and development	Reserve for reduction entry of replaced property	Reserve for reduction entry	General reserve	Retained earnings brought forward		
Balance as of April 1, 2019	65,476	80,712	5,565	2,056	4,495	3,835	111,211	75,886	(13,044)	336,192
Changes of items during period										
Provision of reserve for reduction entry of replaced property					2,157			(2,157)		-
Reversal of reserve for reduction entry of replaced property					(236)			236		-
Provision of reserve for reduction entry						1		(1)		-
Reversal of reserve for reduction entry						(202)		202		-
Dividends from surplus								(11,905)		(11,905)
Dividends from surplus (Interim dividends)								(11,705)		(11,705)
Loss								(9,662)		(9,662)
Purchase of treasury stock									(40,002)	(40,002)
Disposal of treasury stock								(27)	129	102
Cancellation of treasury stock								(35,279)	35,279	-
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	1,921	(200)	-	(70,299)	(4,594)	(73,173)
Balance as of March 31, 2020	65,476	80,712	5,565	2,056	6,416	3,634	111,211	5,587	(17,639)	263,019

	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 as of April 1, 2019	18,277	29	18,306	1,825	356,323
Changes of items during period					
Provision of reserve for reduction entry of replaced property					-
Reversal of reserve for reduction entry of replaced property					-
Provision of reserve for reduction entry					-
Reversal of reserve for reduction entry					-
Dividends from surplus					(11,905)
Dividends from surplus (Interim dividends)					(11,705)
Loss					(9,662)
Purchase of treasury stock					(40,002)
Disposal of treasury stock					102
Cancellation of treasury stock					-
Net changes of items other than shareholders' equity	(6,442)	32	(6,411)	109	(6,302)
Total changes of items during period	(6,442)	32	(6,411)	109	(79,474)
Balance as of March 31, 2020	11,835	60	11,895	1,934	276,848

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

INDEPENDENT AUDITOR'S REPORT

May 25, 2020

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC
Tokyo Office

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

Tokio Suzuki (seal)

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

Masato Shoji (seal)

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

Yuji Ujigawa (seal)

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of NIKON CORPORATION and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2020, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2019 to March 31, 2020, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under Designated International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020, and its consolidated financial performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under Designated International Financial Reporting Standards, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under Designated International Financial Reporting Standards.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under Designated International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

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

INDEPENDENT AUDITOR'S REPORT

May 25, 2020

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC
Tokyo Office

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

Tokio Suzuki (seal)

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

Masato Shoji (seal)

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

Yuji Ujigawa (seal)

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of NIKON CORPORATION (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2020, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 156th fiscal year from April 1, 2019 to March 31, 2020, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated 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 nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report

The Audit and Supervisory Committee has audited the performance of the Directors' duties for the 156th term (April 1, 2019 to March 31, 2020). This Report was prepared from the unanimous opinions of all the Audit and Supervisory Committee Members, and the methods and results are as follows.

1. Method and Contents of Audit

- (1) The Audit and Supervisory Committee has received reports on a regular basis from the Directors and employees, etc. with respect to the content of the resolutions at the Board of Directors' meeting relating to the matters set out in Article 399-13, Paragraph 1, items (1) (b) and (c) of the Companies Act and the systems (internal control systems) established based on such resolutions, the status of their development and operation, requested explanations as necessary, and has expressed its opinions. Regarding internal controls over financial reporting under the Financial Instruments and Exchange Act, reports have been received from the Directors and Deloitte Touche Tohmatsu LLC with respect to the state of assessments and audits of those internal controls, and explanations were requested as necessary.
- (2) The Audit and Supervisory Committee has conducted audit activities with a focus on whether the Group's internal control system is appropriately maintained and operated. In conformity with the Audit and Supervisory Committee auditing standards established by the Audit and Supervisory Committee, and in accordance with audit policies, audit plans and assignment of duties, etc., in cooperation with the Internal Audit Department and other related departments, each Audit and Supervisory Committee Member has attended important meetings, received reports on the status of performance of duties from the Directors and other employees, etc. and requested explanations as necessary, examined important documents, etc. and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit and Supervisory Committee Member conducted an on-site inspection of subsidiaries selected based on audit plans, endeavored to facilitate a mutual understanding and exchange of information with the Directors and Corporate Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
- (3) Each Audit and Supervisory Committee Member 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 Audit and Supervisory Committee Member 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 Rules of Corporate Accounting) 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 Audit and Supervisory Committee Member examined the Business Report and its annexed detailed statements thereto, the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements, which were prepared omitting certain disclosure items required by the International Financial Reporting Standards as allowed by the provision set forth in the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting) as well as the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and their annexed detailed statements thereto 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 description of the Business Report and the Directors' performance of their duties concerning the internal control systems, including the internal controls over financial reporting.

(2) 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.

(3) 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.

May 27, 2020

Audit and Supervisory Committee of NIKON CORPORATION

Full-time Audit and Supervisory Committee Member:	Takaharu Honda	(seal)
Full-time Audit and Supervisory Committee Member:	Atsushi Tsurumi	(seal)
Audit and Supervisory Committee Member:	Haruya Uehara	(seal)
Audit and Supervisory Committee Member:	Hiroshi Hataguchi	(seal)
Audit and Supervisory Committee Member:	Kunio Ishihara	(seal)

(Note) Audit and Supervisory Committee Members Haruya Uehara, Hiroshi Hataguchi and Kunio Ishihara are External Directors pursuant to Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.