

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

27 February 2015

**RECOMMENDED CASH OFFER**

**FOR OPTOS PLC**

by

**NIKON CORPORATION**

**to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

**Summary**

- The boards of directors of Nikon Corporation ("**Nikon**") and Optos Plc ("**Optos**") are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Nikon for the entire issued and to be issued share capital of Optos.
- It is intended that the Transaction will be implemented by means of a Court-sanctioned scheme of arrangement of Optos under Part 26 of the Companies Act 2006 (although Nikon reserves the right, subject to the consent of the Panel, to effect the Transaction by way of a takeover offer).
- Under the terms of the Transaction, Optos Shareholders will be entitled to receive:

<b>for each Optos Share</b>	<b>340 pence in cash</b>
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- The Transaction values the entire issued and to be issued share capital of Optos at approximately £259.3 million and represents a premium of approximately:
  - 30.5 per cent. to the Closing Price of 260.5 pence per Optos Share on 26 February 2015 (being the last Business Day prior to the date of this announcement); and
  - 39.0 per cent. to the volume weighted average Closing Price of 244.6 pence per Optos Share, for the three month period to 26 February 2015 (being the last Business Day prior to the date of this announcement).
- The Optos Directors, who have been so advised by Evercore, consider the terms of the Transaction to be fair and reasonable. In providing its advice to the Optos Directors, Evercore has taken into account the commercial assessments of the Optos Directors.
- Accordingly, the Optos Directors intend to recommend unanimously that Optos Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) as each of the Optos Directors who holds Optos Shares has irrevocably undertaken to do in respect of his or her own beneficial holdings totalling 71,569 Optos Shares (representing approximately 0.1 per cent. of the existing issued ordinary share capital of Optos at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement)).

- Nikon has also received a letter of intent from Aberforth Partners LLP (on behalf of its clients) to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, to accept or procure acceptance of that offer) in respect of a further 9,536,897 Optos Shares (representing, in aggregate, approximately 13.1 per cent. of the existing issued share capital of Optos at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement)).
- Therefore Nikon has received irrevocable undertakings and a letter of intent in respect of a total of 9,608,466 Optos Shares representing, in aggregate, 13.2 per cent. of the existing issued share capital of Optos at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement).
- Founded in 1917, Nikon is a multinational corporation, headquartered in Tokyo specialising in the manufacture and sales of optical instruments. Nikon listed on the Tokyo Stock Exchange in May 1949 and, as at 26 February 2015, had a market capitalisation of approximately ¥617 billion (approximately US\$5.2 billion). In June 2014, Nikon restructured its organisation in order to respond to a rapidly changing business environment and focus on achieving sustainable growth. Nikon's business framework consists of an Imaging Products Business, a Precision Equipment Business, an Instruments Business and Other Businesses (including medical, encoders, ophthalmic lenses, customised products and glass businesses). For the year ended 31 March 2014, the Nikon Group generated consolidated revenues of approximately ¥981 billion (approximately US\$9.5 billion) and operating income of approximately ¥63 billion (approximately US\$612 million).
- Optos is a leading retinal imaging company with a vision to be recognised as *The Retina Company* and the leading provider of retinal diagnostics. Optos was incorporated in 1992 and is domiciled in Scotland. Optos is listed on the Official List of the London Stock Exchange and its shares were admitted to trading on 15 February 2006. For the year ended 30 September 2014, the Optos Group generated revenue (including other operating income) of approximately US\$170.6 million and operating profit (before exceptional and separately disclosed items) of approximately US\$16.3 million.
- The proposed acquisition of Optos is an important step in Nikon's implementation of its "*Next 100 – Transform to Grow*" strategic initiative, which is focused on driving sustainable long term growth. As part of this initiative, Nikon has announced its intention to enter the medical sector to leverage its optical technologies and know-how into the medical industry, which is a sector that offers a number of secular growth trends. The proposed acquisition of Optos therefore represents an important step for Nikon as it provides (i) the establishment of a major footprint in the medical segment with a scale platform for future expansion, (ii) significant collaboration opportunities in product development, research, manufacturing and marketing, and (iii) a platform to expand Nikon's regenerative medical business.
- The Scheme Document, containing further information about the Transaction and notices of the Court Meeting and Optos General Meeting, together with the Forms of Proxy, will be posted to Optos Shareholders and (for information only) to participants in the Optos Share Plans as soon as practicable. An expected timetable of principal events will be included in the Scheme Document.
- Commenting on the Transaction, Kazuo Ushida, President of Nikon, said:  
  
"I am pleased to announce this strategically important transaction for Optos and Nikon. I am confident that an Optos/Nikon combination would create a world class "retina" player and would significantly benefit our respective stakeholders. Together, we will pursue various collaboration opportunities and further expand the medical business in the future."
- Commenting on the Transaction, Dr Peter Fellner, Chairman of Optos, said:  
  
"Under the leadership of Roy Davis and the management team, Optos has successfully established itself as a global leader in retinal imaging supported by the introduction of innovative new products such as the

Daytona. During this period, our share price and financial results have shown material improvement and Optos is now well placed for further growth.

Following the Transaction, Optos will become a key part of Nikon's future strategy to develop a global medical business and will continue to provide its market leading solutions to the patients we serve. We are therefore pleased to recommend this acquisition to our shareholders."

**This summary should be read in conjunction with, and is subject to, the following announcement and the Appendices.** The conditions to, and certain further terms of, the Transaction are set out in Appendix 1 to this announcement. The sources and bases for certain information contained in this announcement are set out in Appendix 2 to this announcement. Details of irrevocable undertakings and the letter of intent received by Nikon are set out in Appendix 3 to this announcement. Certain definitions and terms used in this announcement are set out in Appendix 4 to this announcement.

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**Further information**

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Nikon and no one else in connection with the Transaction and the other matters referred to in this announcement, and will not be responsible to anyone other than Nikon for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Transaction or in connection with the other matters referred to in this announcement.*

*Evercore Partners International LLP ("**Evercore**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as lead financial adviser exclusively for Optos and no one else in connection with the Transaction and the other matters referred to in this announcement, and will not regard any other person as its client in relation to the Transaction and the other matters referred to in this announcement and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Evercore, nor for providing advice in relation to the Transaction or the other matters referred to in this announcement.*

*Numis Securities Limited ("**Numis**") is authorised and regulated by the Financial Conduct Authority. Numis is acting as joint corporate broker and joint financial adviser to Optos and no one else in connection with the Transaction and the other referred to in this announcement and will not regard any other person as its client in relation to the Transaction or any other matters*

referred to in this announcement and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Numis, nor for providing advice in relation to the Transaction or any other matter referred to in this announcement.

Peel Hunt LLP ("**Peel Hunt**") is authorised and regulated by the Financial Conduct Authority. Peel Hunt is acting as joint corporate broker and joint financial adviser to Optos and no one else in connection with the Transaction and the other matters referred to in this announcement and will not regard any other person as its client in relation to the Transaction or any other matters referred to in this announcement and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the Transaction or any other matter referred to in this announcement.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Transaction or otherwise. The Transaction will be effected solely through the Scheme Document, which will contain the full terms and conditions of the Transaction, including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response or action in respect of the Transaction should be made only on the basis of the information contained in the Scheme Document. Optos will prepare the Scheme Document to be distributed to Optos Shareholders. Optos and Nikon urge Optos Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information relating to the Transaction.

It is expected that the Scheme Document (including notices of the Meetings) together with the relevant Forms of Proxy, will be posted to Optos Shareholders as soon as is reasonably practicable and in any event within 28 days of this announcement, unless otherwise agreed with the Panel.

#### **Overseas Shareholders**

The release, publication or distribution of this announcement or availability of the Transaction in jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should therefore inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Optos Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement has been prepared for the purposes of complying with UK law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom.

The Transaction relates to shares of a Scottish public limited company and is proposed to be effected by means of a scheme of arrangement under Scots law and, in particular, Part 26 of the UK Companies Act 2006. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of, and rules and practices applicable under, the laws of other jurisdictions outside the United Kingdom.

Unless otherwise determined by Nikon or required by the Code, and permitted by applicable law and regulation, the Transaction will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality or from within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this announcement or any documents relating to the Transaction (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. If, in future, Nikon exercises its right to implement the Transaction by way of the Takeover Offer, the Takeover Offer (unless otherwise permitted by applicable law and regulation) will and may not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance from or within any Restricted Jurisdiction or by any such use, means, instrumentality or facilities.

#### **Notice to US investors in Optos**

The Transaction relates to the shares of a Scottish public limited company and is being made by means of a scheme of arrangement under Scots law and, in particular, the Companies Act 2006 and conducted in accordance with Section 3(a)(10) of the US Securities Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Transaction is subject to the disclosure requirements of, and rules and practices applicable in, the United Kingdom to schemes of arrangement which differ from the

disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Nikon exercises the right to implement the Transaction by way of the Takeover Offer and determines to extend the Takeover Offer into the United States, the Takeover Offer will be made in compliance with applicable United States laws and regulations. Financial information included in this announcement and which may be included in the Scheme Document (or Takeover Offer Document, as the case may be) has been or will have been prepared in accordance with accounting standards applicable in territories outside the United States that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. It may be difficult for US holders of Optos Shares to enforce their rights and any claim arising out of the US federal laws, since Nikon and Optos are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Optos Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

### **Forward looking statements**

This announcement, including information included or incorporated by reference in this announcement, may contain certain "forward looking statements" regarding the financial position, business strategy or plans for future operations of the Wider Nikon Group and the Wider Optos Group. All statements other than statements of historical fact included in any document may be forward looking statements. Forward looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning.

By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ materially from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement. Each of the Wider Nikon Group, the Wider Optos Group, and each of their respective members, directors, officers or employees, advisers or any person acting on their behalf, expressly disclaims any intention or obligation to revise or update these forward looking statements or other statements contained in this announcement, whether as a result of new information, future events or otherwise, except as required pursuant to applicable law.

Neither the Wider Nikon Group, the Wider Optos Group, nor their respective members, directors, officers or employees, advisers or any person acting on their behalf, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this announcement will actually occur.

No forward looking or other statements have been reviewed by the auditors of the Wider Nikon Group or the Wider Optos Group. All subsequent oral or written forward-looking statements attributable to the Wider Nikon Group or the Wider Optos Group, or any of their respective members, directors, officers, advisers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

### **No profit forecasts or estimates**

Nothing in this announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Nikon share or Optos Share for the current or future financial years, or those of the Combined Group, will necessarily match or exceed the historical published earnings per Nikon share or Optos Share.

### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i)

*the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

#### **Rule 2.10 disclosures**

*In accordance with Rule 2.10 of the Code, Optos confirms that as at close of business on 26 February 2015 (being the last Business Day prior to the date of this announcement), it has in issue 72,880,494 ordinary shares of 2 pence each. The International Securities Identification Number (ISIN) of the ordinary shares is GB00BOWHW246.*

#### **Website publication**

*This announcement and the documents required to be published pursuant to Rule 26.1 of the Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Nikon's and Optos' websites at [www.nikon.com/news](http://www.nikon.com/news) (English language) or [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language) and [www.optos.com](http://www.optos.com) respectively by no later than 12 noon on 2 March 2015. Nikon will also make a separate formal announcement of the Transaction in Tokyo, shortly after the publication of this announcement, which will also be available on [www.nikon.com/news](http://www.nikon.com/news) (English language) and [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language). The content of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.*

*You may request a hard copy of this announcement by contacting the Company Secretary of Optos during business hours on +44 (0)1383 843 300 or by submitting a request in writing to the Company Secretary of Optos at Queensferry House, Carnegie Campus, Enterprise Way, Dunfermline, Scotland KY11 8GR, United Kingdom. Your attention is drawn to the fact that a hard copy of this announcement will not be sent to you unless so requested. You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form.*

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**FOR IMMEDIATE RELEASE**

27 February 2015

**RECOMMENDED CASH OFFER**

**FOR OPTOS PLC**

by

**NIKON CORPORATION**

**to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The boards of directors of Nikon and Optos are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Nikon for the entire issued and to be issued share capital of Optos.

It is intended that the Transaction will be implemented by means of a Court-sanctioned scheme of arrangement of Optos under Part 26 of the Companies Act 2006 (although Nikon reserves the right, subject to the consent of the Panel, to effect the Transaction by way of a takeover offer).

**2. The Transaction**

The Transaction will be made on the terms and subject to the conditions set out below and in Appendix 1 to this announcement, and to be set out in the Scheme Document. Under the terms of the Transaction, Optos Shareholders will be entitled to receive:

<b>for each Optos Share</b>	<b>340 pence in cash</b>
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The Transaction values the entire issued and to be issued share capital of Optos at approximately £259.3 million and represents a premium of approximately:

- 30.5 per cent. to the Closing Price of 260.5 pence per Optos Share on 26 February 2015 (being the last Business Day prior to the date of this announcement); and
- 39.0 per cent. to the volume weighted average Closing Price of 244.6 pence per Optos Share, for the three month period to 26 February 2015 (being the last Business Day prior to the date of this announcement).

**3. Background to and reasons for the Transaction**

Optos is a leading retinal imaging company with market-leading optical technology that has a strong platform to serve the fundus camera market. According to a World Health Organization report (August 2014), 285 million people are estimated to be visually-impaired, with this figure expected to grow as a result of diabetes and an ageing population, although 80 per cent. of all visual impairment can be prevented or cured. Optos provides a strong platform to address this trend and the growth expected by Nikon in the retinal diagnostics imaging market. In particular, Optos' ultra-widefield technology provides digital images of approximately 82 per cent. of the entire retina of the eye in a single patient-friendly capture, which enables optometrists and ophthalmologists to reduce the amount of time required for retinal diagnostics and to enhance patient care. The scale and commercial success of Optos' product portfolio is reflected in its leading position in the fundus camera market, where it had a leading global market share\*.

The proposed acquisition of Optos is an important step in Nikon's implementation of its strategic initiative focused on driving sustainable long term growth that was announced in June 2014, namely "*Next 100 – Transform to Grow*". As part of this initiative, Nikon intends to expand significantly into the high growth medical sector to leverage its optical technologies and know-how into the medical industry. The proposed acquisition of Optos is therefore an important step for Nikon in a number of key respects:

1. **Establish a major footprint in the medical segment, with a scale platform for future expansion:** The acquisition of Optos will provide Nikon with an attractive platform in the medical segment. It will combine Nikon's core competencies in optical technologies with Optos' imaging and diagnostics business. In addition, by leveraging Optos' expertise, Nikon will seek to expand into further medical areas such as internal diagnostics, ophthalmology treatment, and regenerative medicine (retina regeneration). Nikon will seek to build an integrated business platform between its diagnostic and treatment platforms.
2. **Significant collaboration opportunities in product development, research, manufacturing and marketing:** Nikon believes that combining ultra-widefield technologies with optical coherence tomography ("**OCT**") imaging technology (further described in paragraph 9 below (*Information relating to Optos*)) has the strong potential to offer ophthalmologists competitive tools for enhanced disease diagnosis. Nikon expects that it can leverage its existing optics expertise to enhance Optos' OCT technology, and to combine this with other technologies such as image processing and precision technologies, to accelerate the development of high precision, reliable and non- or low-invasive medical devices. Separately, Nikon believes that the combination of Nikon and Optos will lead to a number of additional collaboration opportunities, including Optos leveraging Nikon's global sales platform, joint research projects to develop new technologies and in manufacturing.
3. **Expansion of Nikon's regenerative medical business:** Since 2007, Nikon has developed the manufacture and distribution of cell incubator and monitoring systems for live cells (including iPS cells). Moreover, Nikon invested in Healios K.K. in 2013 and is currently funding the development of a regenerative treatment for retinal disease (e.g. age-related macular degeneration) by using iPS cells. By combining Nikon's existing product and technology with Optos' expertise and technology, Nikon plans to expand its regenerative medical business platform.

\*Approximately one-third market share by value globally according to Market Scope's *2014 Comprehensive Report on the Global Ophthalmic Diagnostic Equipment Market*.

#### 4. **Financing of the Transaction**

The cash consideration payable by Nikon under the terms of the Transaction will be provided by Nikon from its own existing cash resources.

Goldman Sachs International, as financial adviser to Nikon, is satisfied that sufficient resources are available to Nikon to satisfy in full the cash consideration payable to Optos Shareholders under the terms of the Transaction.

#### 5. **Recommendation**

The Optos Directors, who have been so advised by Evercore, consider the financial terms of the Transaction to be fair and reasonable. In providing advice to the Optos Directors, Evercore has taken into account the commercial assessments of the Optos Directors.

Accordingly, the Optos Directors intend to recommend unanimously that Optos Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction at the Meetings to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, to accept or procure acceptance of that offer) as each of the Optos Directors who holds Optos Shares has irrevocably undertaken to do in respect of his or her own beneficial holdings totalling 71,569 Optos Shares (representing approximately 0.1 per cent. of the existing issued ordinary share capital

of Optos at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement)).

Further details of these irrevocable undertakings are set out in paragraph 7 below and Appendix 3 to this announcement.

#### 6. **Background to and reasons for the recommendation**

The Optos Directors have evaluated the offer by Nikon on behalf of the Optos Shareholders as a whole. In deciding to recommend the Offer to the Optos Shareholders, the Optos Directors have taken into account a range of factors, including those outlined below.

The Optos Directors believe that Optos' prospects as an independent company remain strong in light of the continued success of the Daytona platform and the unveiling of California in 2014, the existing pipeline of devices to be rolled out, the increased penetration of the ophthalmology market and Optos' continued focus on increasing its operating leverage. Optos' continued commitment to ultra-widefield hardware and software innovation has been well received by its customers, as evidenced by the sales performance of Daytona since its launch and the increasing demand for ultra-widefield / OCT technology.

The Optos Directors have also taken into careful consideration the risks inherent in successful execution of Optos' business plan versus the certainty that a cash offer provides; such risks include limited order book visibility, the characteristic second half weighting of the business and the execution risk associated with the business's smaller scale relative to the med-tech industry.

The Optos Directors see a business combination with Nikon as one that could be highly attractive to Optos' customers and employees. Nikon's global scale and significant financial resources would allow Optos to enhance its research and development capabilities and increase its penetration of the ophthalmology market. In addition, Nikon would provide Optos with deeper access to markets worldwide. The Optos Directors believe that adding Optos' specialist expertise in ultra-widefield technology to Nikon's breadth, expertise in high quality imaging and brand recognition provides the opportunity to develop better products for its customers, enhance patient care and accelerate the realisation of Optos' vision to be *The Retina Company*.

The Optos Directors understand that a number of factors, including those outlined above, led Nikon to make an approach for Optos. Subsequent discussions resulted in the proposed recommended offer for Optos by Nikon at a price of 340 pence per Optos Share. While the Optos Directors believe that there may be potential for Optos to achieve continued growth into the longer term, achieving this growth, and the potential valuation increase attached thereto, is uncertain. The Optos Directors therefore believe that the Optos Shareholders should be given the opportunity to realise value from their investment in cash, immediately and at a significant premium to the recently traded price of Optos Shares.

#### 7. **Irrevocable commitments and letters of intent**

Nikon has received irrevocable undertakings from each of the Optos Directors who holds Optos Shares to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) in respect of the Optos Shares beneficially owned by that Optos Director. Such Optos Shares amount to, in aggregate, holdings of 71,569 Optos Shares, representing approximately 0.1 per cent. of Optos' existing issued share capital as at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement).

Nikon has also received a non-binding letter of intent from Aberforth Partners LLP (on behalf of its clients) to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) in respect of aggregate holdings of 9,536,897 Optos Shares, representing approximately 13.1 per cent. of Optos' existing issued share capital as at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement).

Therefore, in total, Nikon has received irrevocable undertakings and a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) in respect of aggregate holdings of 9,608,466 Optos Shares, representing approximately 13.2 per cent. of Optos' existing issued share capital as at close of business on 26 February 2015 (being the latest practicable date prior to the date of this announcement).

Further details of these irrevocable undertakings and letter of intent are set out in Appendix 3 to this announcement.

#### 8. **Information relating to Nikon**

Founded in 1917, Nikon is a multinational corporation, headquartered in Tokyo, specialising in the manufacture and sales of optical instruments. Nikon listed on the Tokyo Stock Exchange in May 1949 and, as at 26 February 2015, had a market capitalisation of approximately ¥617 billion (approximately US\$5.2 billion).

In June 2014, Nikon restructured its organisation in order to respond to a rapidly changing business environment and focus on achieving sustainable growth. Nikon's business framework consists of the following divisions:

- **Imaging Products Business:** focused on digital and film cameras, interchangeable lenses, photographic accessories, speedlights, software and sports optics;
- **Precision Equipment Business:** focused on semiconductor lithography systems and FPD lithography systems;
- **Instruments Business:** focused on microscope solutions (research, clinical & educational microscopes in bioscience, cell incubator, super resolution microscopes for live cell imaging, industrial and stereoscopic microscopes) and industrial equipment (measuring instruments, X-ray/CT inspection systems and surveying instruments); and
- **Other Businesses:** including medical, encoders, ophthalmic lenses, customised products and glass businesses.

In addition to strengthening its core technologies, represented by optical technologies and precision technologies, Nikon also seeks to develop next-generation products in all areas of its business.

For the year ended 31 March 2014, the Nikon Group generated consolidated revenues of approximately ¥981 billion (approximately US\$9.5 billion) and operating income of approximately ¥63 billion (approximately US\$612 million).

#### 9. **Information relating to Optos**

Optos has become a leading retinal imaging company and is recognised as a principal provider of retinal diagnostic devices to eyecare professionals for disease diagnosis and management. The Company has developed a core technology to produce ultra-widefield, high resolution digital images (optomap®) of the eye. Optomaps capture approximately 82 per cent. of the retina and provide detailed information which can enhance the ability for the early detection, management and treatment of disorders and diseases evidenced in the retina. These include retinal detachments and tears, glaucoma, diabetic retinopathy and age-related macular degeneration. Retinal imaging can also indicate evidence of non-eye or systemic diseases such as hypertension and certain cancers.

Optos has a range of US FDA-cleared and EU CE-marked retinal imaging devices that support different customer segments and patient needs including wellness screening carried out by optometrists in primary care settings and secondary care practices clinically managing patients with advanced ocular disease. Its

most advanced imaging devices, for disease management and treatment, support ophthalmologists and retinal specialists in the medical care market.

Incorporated in 1992 and domiciled in Scotland, United Kingdom with approximately 390 employees, Optos is listed on the Official List of the London Stock Exchange and its shares were admitted to trading on 15 February 2006. Over the past five years, the Company has significantly broadened its installed customer base from 3,797 to 7,376 through the development of a new range of enhanced compact products, enabling the Company to increase its geographic reach and, importantly, enter new markets, including ophthalmology.

Optos' latest products, Daytona, California and Lotte, represent the next generation of its ultra-widefield retinal imaging technology:

- Daytona, the first of the new generation of products, was launched in March 2012. This new lighter-weight device was scaled to accommodate smaller office spaces whilst maintaining the high quality images of the bigger machine. In addition to a sleeker design and smaller footprint, Daytona also has auto-florescence and an improved user interface with an intuitive, workflow-based software.
- California, which will be formally launched later this year, builds on the success of Daytona and features additional functions of fluorescein angiography ("FA") and indocyanine green angiography ("ICG"). This device is targeted at the ophthalmology segment of the market. FA is used to evaluate the vasculature of the retina. Among the common groups of ophthalmologic disease, FA can detect diabetic retinopathy (neovascularization), vein occlusions, retinal artery occlusions, oedema of the optic disc, and tumours. ICG is used for imaging the choroidal vasculature which is important for the diagnosis, management and treatment of certain conditions such as neovascular age-related macular degeneration (AMD) and disorders with choroidal neovascular membranes.
- Optos also offers optical coherence tomography ("OCT") devices. OCT delivers an image that shows a three dimensional, cross-sectional view of the retina in the central area of the retina around the optic nerve and macula and is used to detect the presence of and understand the severity of disease, determine treatment approaches and monitor post-treatment effect. The unveiling of Lotte, the next generation ultra-widefield retinal imaging device combined with OCT, is anticipated later this year.

Optos utilises the latest technology to manufacture new products and software that support optomap® as a standard of care, therefore helping eyecare professionals around the world save sight and lives. Furthermore, to demonstrate the importance of imaging the entire retina, Optos continues to strengthen its clinical evidence and expand its disease indications.

For the year ended 30 September 2014, the Optos Group generated revenue (including other operating income) of approximately US\$170.6 million and operating profit (before exceptional and separately disclosed items) of approximately US\$16.3 million.

#### 10. **Management, employees and locations**

Nikon is proud of its management and employees and the company that they have built. In turn, Nikon recognises the contributions made by Optos' employees to Optos' success and believes that they are very important to the future development of the Combined Group. Nikon believes that the Transaction will create opportunities for Optos' employees, who will benefit both from sharing of technologies between Optos and Nikon and from belonging to a larger group with sales of approximately ¥981 billion (approximately US\$9.5 billion) in the year ended 31 March 2014.

Nikon particularly recognises the success of Roy Davis, the Chief Executive Officer of Optos, and his senior management team in positioning Optos as *The Retina Company*. The senior management team of

Optos will continue to have an important role in managing Optos' business following completion of the Transaction.

Nikon confirms that, following the completion of the Transaction, Nikon will fully safeguard the existing employment rights of all Optos employees, in accordance with contractual and statutory requirements. In addition, Nikon intends to comply with all of the pensions obligations in relation to Optos' employees and any other members of Optos' pensions scheme.

Nikon has not yet had any discussions with Optos regarding the integration of Optos into Nikon's business and therefore Nikon has not made any decisions about how such integration should be carried out. After completion of the Transaction, Nikon intends to carry out a detailed review of Optos' business in order to determine the best way to integrate Optos into Nikon's Medical Business, one of Nikon's three businesses identified for growth in Nikon's *Next 100 – Transform to Grow* management plan announced in June 2014.

Nikon does not have any current plans for headcount reductions at Optos, or to make any material change to the conditions of employment of Optos employees, after the completion of the Transaction. The Optos non-executive directors intend to resign as Optos Directors with effect from the completion of the Transaction.

Nikon has no intention to change Optos' principal places of business, including its headquarters in Dunfermline, or to redeploy Optos' fixed assets.

11. **Management incentivisation arrangements**

Nikon intends to put in place appropriate incentivisation arrangements for the current management of Optos following completion of the Transaction. Discussions have not taken place to date between Nikon and Optos management in relation to such arrangements, no agreements or arrangements have been entered into, and there will be no further discussions in relation to any such agreements or arrangements for the remainder of the Offer Period.

12. **Optos Share Plans**

The Transaction will extend to any Optos Shares unconditionally allotted or issued pursuant to the Optos Share Plans. Appropriate proposals in respect of the effect of the Transaction on the Optos Share Plans will be made in due course to participants in the Optos Share Plans.

13. **Offer-related arrangements**

*Confidentiality agreement*

Nikon and Optos have entered into a confidentiality agreement dated 22 January 2015 pursuant to which Nikon has undertaken to keep confidential information relating to Optos and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation. The confidentiality agreement also includes other customary obligations on Nikon, including the non-solicitation of certain senior management of the Optos Group and certain standstill obligations, each subject to customary carve-outs. Unless terminated earlier, the confidentiality and non-solicitation obligations will remain in force for 12 months from the date of the agreement. The standstill obligations are no longer in force.

*Bid conduct agreement*

Nikon and Optos have also entered into a bid conduct agreement dated 27 February 2015 pursuant to which Nikon and Optos have agreed: (i) certain matters relating to the treatment of the Optos Share Plans and the scope of the proposal to be made by Nikon to participants in the Optos Share Plans; (ii) certain provisions relating to the satisfaction of the Conditions that relate to antitrust clearances; and (iii) that Optos may purchase director and officer liability run-off insurance policies, subject to certain agreed parameters.

#### 14. **Scheme process**

It is intended that the Transaction shall be effected by means of a Court-sanctioned scheme of arrangement between Optos and the Scheme Shareholders under Part 26 of the 2006 Act.

The purpose of the Scheme is to provide for Nikon to become the holder of the entire issued and to be issued share capital of Optos. This is to be achieved by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of new Optos Shares (which is equal to the number of Optos Shares cancelled), and issuing the same to Nikon. In consideration for this, the Scheme Shareholders shall receive cash consideration on the basis set out in paragraph 2 of this announcement.

The Scheme will involve an application by Optos to the Court to sanction the Scheme and confirm the cancellation of the Scheme Shares. To become effective, the Scheme requires, among other things, the approval of a majority in number representing not less than 75 per cent. in value of the Optos Shares held by those Optos Shareholders present and voting in person or by proxy at the Court Meeting, which is convened by order of the Court, and the passing of the resolutions necessary to implement the Transaction at the Optos General Meeting, requiring the approval of Optos Shareholders representing at least 75 per cent. of the votes cast at the Optos General Meeting. The Optos General Meeting will be held immediately after the Court Meeting. After the Meetings, the Scheme must also be sanctioned by the Court and the associated Capital Reduction must be confirmed by the Court.

The Conditions in paragraph 1 of Part A of Appendix 1 to this announcement provide that the Scheme will lapse if:

- the Meetings are not held by the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Court, be agreed between Nikon and Optos); and
- the Scheme has not become effective by 11.59 p.m. on the Long Stop Date.

If any Condition in paragraph 1 of Part A of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Nikon shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether Nikon has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Optos, specified a new date by which that Condition must be satisfied.

Once the necessary approvals from Optos Shareholders have been obtained at the Meetings and the other Conditions have been satisfied or (where applicable) waived and the Scheme and associated Capital Reduction have been approved by the Court, the Scheme will become effective upon delivery (and, if ordered by the Court, registration) of the Court Orders and requisite statement of capital to the Registrar of Companies. When the Scheme becomes effective, the Scheme Shares will be cancelled. Subject to the satisfaction of the Conditions, the Scheme is expected to become effective in Q2 2015.

Upon the Scheme becoming Effective, it shall be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Optos General Meeting (and, if they attended and voted, whether or not they voted in favour), and the cash consideration will be despatched by Nikon to Scheme Shareholders no later than 14 days after the Effective Date.

Further details of the Scheme, together with notices of the Court Meeting and the Optos General Meeting, and including an indicative timetable for its implementation, will be set out in the Scheme Document, which will specify the action to be taken by Optos Shareholders. The Scheme Document is expected to be sent to Optos Shareholders and (for information only) to participants in the Optos Share Plans within 28 days of the date of this announcement.

On 3 December 2014, the UK Government announced that it would bring forward regulations to prevent the use of "cancellation schemes" as a method of effecting a takeover. The Scheme, as currently proposed, is a cancellation scheme. The draft regulations were laid before Parliament on 12 January 2015, although as at the date of this announcement it remains unclear when they will become effective or whether there will be any changes to the regulations before they become effective. If the regulations take effect in their current form they will not affect the Scheme as currently proposed because the Scheme is giving effect to a "takeover announcement" made prior to the date on which the regulations will come into force and is therefore outside the scope of the changes made by the regulations. In the event that the regulations, when effective, prohibit the Scheme (in its current form) or otherwise make it inoperable, the terms and conditions of the Scheme may need to be amended to a "transfer scheme" or otherwise in order to render it compliant with the regulations. Any such change would not affect the commercial terms of the Transaction for Optos Shareholders.

15. **Delisting and cancellation of trading**

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in Optos Shares on the London Stock Exchange's market for listed securities and the listing of the Optos Shares from the Official List on the first Business Day after the Effective Date.

When the Scheme becomes effective in accordance with its terms, share certificates in respect of Scheme Shares will cease to be valid and entitlements to Scheme Shares held within the CREST system will be cancelled.

16. **Further terms of the Transaction**

Optos Shares acquired pursuant to the Transaction will be acquired fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 27 February 2015.

In so far as a distribution is declared, made, paid or payable by Optos in respect of the Optos Shares after 27 February 2015, the price payable under the Transaction in respect of the Optos Shares will be reduced by the aggregate amount of the distribution that has been declared, made, paid or is payable. To the extent that a distribution that has been declared, made, paid or is payable is or will be transferred or cancelled pursuant to the Transaction on a basis which entitles Nikon alone to receive the distribution and to retain it, the price payable under the Transaction in respect of the Optos Shares will not be subject to change in accordance with this paragraph.

17. **Interests in Optos Shares**

Except as disclosed below, and save for the irrevocable undertakings referred to in paragraph 7 above, as at the close of business on 26 February 2015, being the latest practicable date prior to the date of this announcement, neither Nikon nor any of the Nikon Directors nor, so far as Nikon or the Nikon Directors are aware, any person acting in concert with Nikon for the purposes of the Scheme, has an interest in or right to subscribe for, or has any arrangement in relation to, Optos Shares or securities convertible or exchangeable into Optos Shares, or has borrowed or lent or has any short position in relation to relevant securities of Optos, whether such short position is conditional or absolute and whether in the money or otherwise, (including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of the relevant securities). For these purposes, "arrangement" includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to Optos Shares which may be an inducement to deal or refrain from dealing in such shares:

<i>Party</i>	<i>Number of Optos Shares</i>	<i>% of existing issued ordinary share capital of Optos</i>	<i>Nature of Interest</i>
Goldman Sachs International	2,251*	0.003%	Principal

\* Holding as at 25 February 2015.

Since Nikon has no interest in relevant securities of Optos, no Opening Position Disclosure has been made under Rule 8.1(a) of the Code. In order to maintain secrecy, it has not been practicable in advance of releasing this announcement for Nikon to make enquiries of all of the parties who may be deemed to be acting in concert with Nikon for the purposes of the Transaction. Nikon confirms that a further disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Code will be made as soon as possible, if required.

#### 18. Documents

Copies of the following documents will be available on Nikon's and Optos' websites, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at [www.nikon.com/news](http://www.nikon.com/news) (English language), [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language) and [www.optos.com](http://www.optos.com) respectively by no later than noon on 2 March 2015:

- (a) the irrevocable undertakings and letter of intent referred to in paragraph 7;
- (b) the confidentiality agreement referred to in paragraph 13;
- (c) the bid conduct agreement referred to in paragraph 13; and
- (d) a copy of this announcement.

The content of the websites referred to in this announcement are not incorporated into, and do not form part of, this announcement.

#### 19. General

Nikon has also reserved the right to elect to implement the Transaction by way of a takeover offer. In such event, the Takeover Offer will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation), and if agreed with the Panel, the inclusion of an acceptance condition set at 90 per cent. of the shares to which such offer relates or such lesser percentage, being more than 50 per cent., as Nikon may decide).

If the Transaction is effected by way of the Takeover Offer, it is anticipated that the cancellation of Optos' listing on the Official List and admission to trading on the London Stock Exchange's market for listed securities will take effect no earlier than 20 Business Days following the date on which such Takeover Offer becomes or is declared unconditional in all respects, provided Nikon has obtained 75 per cent. or more of the voting rights of Optos. Delisting would significantly reduce the liquidity and marketability of any Optos Shares not assented to the Takeover Offer at that time.

If the Transaction is effected by way of the Takeover Offer and such offer becomes or is declared unconditional in all respects, and Nikon receives acceptances under the offer in respect of, or otherwise acquires, 90 per cent. or more of the shares to which the offer relates, Nikon intends to exercise its rights pursuant to sections 974 to 991 of the 2006 Act to acquire compulsorily the remaining Optos Shares in respect of which such Takeover Offer has not been accepted.

The availability of any such Takeover Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about, and observe any, applicable requirements.

The Transaction will be on the terms and subject to the conditions set out herein and in Appendix 2 to this announcement, and to be set out in the Scheme Document.

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**Further information**

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Nikon and no one else in connection with the Transaction and the other matters referred to in this announcement, and will not be responsible to anyone other than Nikon for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Transaction or in connection with the other matters referred to in this announcement.*

*Evercore Partners International LLP ("**Evercore**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as lead financial adviser exclusively for Optos and no one else in connection with the Transaction and the other matters referred to in this announcement, and will not regard any other person as its client in relation to the Transaction and the other matters referred to in this announcement and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Evercore, nor for providing advice in relation to the Transaction or the other matters referred to in this announcement.*

*Numis Securities Limited ("**Numis**") is authorised and regulated by the Financial Conduct Authority. Numis is acting as joint corporate broker and joint financial adviser to Optos and no one else in connection with the Transaction and the other matters referred to in this announcement and will not regard any other person as its client in relation to the Transaction or any other matters referred to in this announcement and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Numis, nor for providing advice in relation to the Transaction or any other matter referred to in this announcement.*

*Peel Hunt LLP ("**Peel Hunt**") is authorised and regulated by the Financial Conduct Authority. Peel Hunt is acting as joint corporate broker and joint financial adviser to Optos and no one else in connection with the Transaction and the other matters referred to in this announcement and will not regard any other person as its client in relation to the Transaction or any other matters referred to in this announcement and will not be responsible to anyone other than*

*Optos for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the Transaction or any other matter referred to in this announcement.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Transaction or otherwise. The Transaction will be effected solely through the Scheme Document, which will contain the full terms and conditions of the Transaction, including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response or action in respect of the Transaction should be made only on the basis of the information contained in the Scheme Document. Optos will prepare the Scheme Document to be distributed to Optos Shareholders. Optos and Nikon urge Optos Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information relating to the Transaction.*

*It is expected that the Scheme Document (including notices of the Meetings) together with the relevant Forms of Proxy, will be posted to Optos Shareholders as soon as is reasonably practicable and in any event within 28 days of this announcement, unless otherwise agreed with the Panel.*

### **Overseas Shareholders**

*The release, publication or distribution of this announcement or availability of the Transaction in jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should therefore inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Optos Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*This announcement has been prepared for the purposes of complying with UK law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom.*

*The Transaction relates to shares of a Scottish public limited company and is proposed to be effected by means of a scheme of arrangement under Scots law and, in particular, Part 26 of the UK Companies Act 2006. Accordingly, the Scheme is subject to the disclosure requirements of and rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of, and rules and practices applicable under, the laws of other jurisdictions outside the United Kingdom.*

*Unless otherwise determined by Nikon or required by the Code, and permitted by applicable law and regulation, the Transaction will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality or from within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this announcement or any documents relating to the Transaction (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. If, in future, Nikon exercises its right to implement the Transaction by way of the Takeover Offer, the Takeover Offer (unless otherwise permitted by applicable law and regulation) will and may not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance from or within any Restricted Jurisdiction or by any such use, means, instrumentality or facilities.*

### **Notice to US investors in Optos**

*The Transaction relates to the shares of a Scottish public limited company and is being made by means of a scheme of arrangement under Scots law and, in particular, the Companies Act 2006 and conducted in accordance with Section 3(a)(10) of the US Securities Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Transaction is subject to the disclosure requirements of, and rules and practices applicable in, the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Nikon exercises the right to implement the Transaction by way of the Takeover Offer and determines to extend the Takeover Offer into the United States, the Takeover Offer will be made in compliance with*

applicable United States laws and regulations. Financial information included in this announcement and which may be included in the Scheme Document (or Takeover Offer Document, as the case may be) has been or will have been prepared in accordance with accounting standards applicable in territories outside the United States that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Optos Shares to enforce their rights and any claim arising out of the US federal laws, since Nikon and Optos are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Optos Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

#### **Forward looking statements**

This announcement, including information included or incorporated by reference in this announcement, may contain certain "forward looking statements" regarding the financial position, business strategy or plans for future operations of the Wider Nikon Group and the Wider Optos Group. All statements other than statements of historical fact included in any document may be forward looking statements. Forward looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning.

By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ materially from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement. Each of the Wider Nikon Group, the Wider Optos Group and each of their respective members, directors, officers or employees, advisers or any person acting on their behalf, expressly disclaims any intention or obligation to, revise or update these forward looking statements or other statements contained in this announcement, whether as a result of new information, future events or otherwise, except as required pursuant to applicable law.

Neither the Wider Nikon Group, the Wider Optos Group, nor their respective members, directors, officers or employees, advisers or any person acting on their behalf, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this announcement will actually occur.

No forward looking or other statements have been reviewed by the auditors of the Wider Nikon Group or the Wider Optos Group. All subsequent oral or written forward-looking statements attributable to the Wider Nikon Group or the Wider Optos Group, or any of their respective members, directors, officers, advisers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

#### **No profit forecasts or estimates**

Nothing in this announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Nikon share or Optos Share for the current or future financial years, or those of the Combined Group, will necessarily match or exceed the historical published earnings per Nikon share or Optos Share.

#### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person

*deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

#### **Rule 2.10 disclosures**

*In accordance with Rule 2.10 of the Code, Optos confirms that as at 26 February 2015 (the last Business Day prior to the date of this announcement), it has in issue 72,880,494 ordinary shares of 2 pence each. The International Securities Identification Number (ISIN) of the ordinary shares is GB00B0WHW246.*

#### **Website publication**

*This announcement and the display documents required to be published pursuant to Rule 26 .1 of the Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Nikon's and Optos' websites at [www.nikon.com/news](http://www.nikon.com/news) (English language) and [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language) and [www.optos.com](http://www.optos.com) respectively by no later than 12 noon (London time) on the Business Day following the date of this announcement. Nikon will also make a separate formal announcement of the Transaction in Tokyo, shortly after the publication of this announcement, which will also be available on [www.nikon.com/news](http://www.nikon.com/news) (English language) and [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language). The content of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.*

*You may request a hard copy of this announcement by contacting the Company Secretary of Optos during business hours on +44 (0)1383 843 300 or by submitting a request in writing to the Company Secretary of Optos at Queensferry House, Carnegie Campus, Enterprise Way, Dunfermline, Scotland KY11 8GR, United Kingdom. Your attention is drawn to the fact that a hard copy of this announcement will not be sent to you unless so requested. You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form.*

**APPENDIX 1**  
**CONDITIONS AND FURTHER TERMS OF THE TRANSACTION**

**Part A: Conditions of the Scheme**

**Statutory Conditions**

1. The Scheme will be subject to the following Conditions:
  - (a) (i) the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of Optos Shareholders who are on the register of members of Optos at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and (ii) such Court Meeting (and any adjournment thereof) being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may , with the consent of the Court, be agreed between Nikon and Optos);
  - (b) (i) the resolutions required to approve and implement the Scheme and approve the Capital Reduction being duly passed at the Optos General Meeting (or any adjournment thereof) and (ii) such Optos General Meeting (and any adjournment thereof) being held on or before the 22nd day after the expected date of the Optos General Meeting to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Court, be agreed between Nikon and Optos);
  - (c) the sanction of the Scheme by the Court and the confirmation of the Capital Reduction by the Court (in each case with or without modification (but subject to such modification being acceptable to Nikon and Optos)) and (A) the delivery of the copies of the Court Orders and of the Statement of Capital for registration to the Registrar of Companies and, (B) if the Court so orders for the Scheme to become Effective, registration of the Second Court Order confirming the Capital Reduction and registration of the Statement of Capital with the Registrar of Companies; and
  - (d) the Scheme becoming unconditional and effective, subject to the Code, by no later than 11.59 p.m. on the Long Stop Date.

**General conditions**

2. Nikon and Optos have agreed that, subject to the provisions of Part B below and the requirements of the Panel in accordance with the Code, the Scheme will also be conditional upon, and accordingly the necessary actions to make the Transaction Effective will only be taken on, the satisfaction or, where relevant, waiver of the following Conditions:

**US merger control**

- (a) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the rules and regulations made thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Transaction (including, without limitation, to its implementation and financing) and the acquisition or the proposed acquisition of any shares or other securities in, or control of, Optos by any member of the Wider Nikon Group;

**Austrian Merger Control**

- (b) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the Austrian Cartel Act 2005 (*Kartellgesetz*) and the rules and regulations made thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Transaction (including, without limitation, to its implementation and

financing) and the acquisition or the proposed acquisition of any shares or other securities in, or control of, Optos by any member of the Wider Nikon Group;

#### **Other Third Party clearances**

- (c) (other than in respect of and in connection with the Merger Control Conditions) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having expressly withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order (and, in each case, not having expressly withdrawn the same) which would or might reasonably be expected to:
- (i) make the Transaction, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Optos Group by any member of the Wider Nikon Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose additional material conditions or obligations with respect to, the Transaction or the acquisition of any shares or other securities in, or control or management of, any member of the wider Optos Group by any member of the Wider Nikon Group or require material amendment of the Scheme;
  - (ii) require, prevent or materially delay the divestiture (or alter the terms envisaged for such divestiture) by any member of the Wider Nikon Group or by any member of the Wider Optos Group of all or any part of their respective businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof) to an extent which is material in the context of the Optos Group taken as a whole or the Nikon Group taken as a whole or in the context of the Transaction (as the case may be);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Nikon Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Optos (or any member of the Wider Optos Group) or on the ability of any member of the Wider Optos Group or any member of the Wider Nikon Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Optos Group;
  - (iv) other than pursuant to the implementation of the Transaction, require any member of the Wider Nikon Group or the Wider Optos Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Optos Group or any asset owned by any third party;
  - (v) require, prevent or materially delay a divestiture by any member of the Wider Nikon Group of any shares or other securities (or the equivalent) in any member of the Wider Optos Group;
  - (vi) result in any member of the Wider Optos Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Optos Group taken as a whole or in the context of the Transaction;

- (vii) impose any material limitation on the ability of any member of the Wider Nikon Group or any member of the Wider Optos Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Nikon Group and/or the Wider Optos Group in a manner which is materially adverse to the Wider Nikon Group and/or the Wider Optos Group in either case taken as a whole; or
- (viii) otherwise affect the business, assets, value, profits or operational performance of any member of the Wider Optos Group or any member of the Wider Nikon Group in each case in a manner which is adverse to and material in the context of the Wider Optos Group taken as a whole or in the context of the Transaction;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any applicable jurisdiction in respect of the Transaction or proposed acquisition of any Optos Shares or otherwise intervene having expired, lapsed, or been terminated;

- (d) no undertakings or assurances having been sought from Nikon, any member of the Wider Nikon Group or any member of the Wider Optos Group by the Secretary of State or any other third party, except on terms satisfactory to Nikon (acting reasonably);
- (e) (other than in respect of or in connection with the Merger Control Conditions) all material notifications, filings or applications which are necessary having been made in connection with the Transaction and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory and regulatory obligations in any relevant jurisdiction having been complied with and all Authorisations which are necessary in any jurisdiction for or in respect of the Transaction or the proposed acquisition of any shares or other securities in, or control of, Optos by any member of the Wider Nikon Group having been obtained in terms and in a form satisfactory to Nikon (acting reasonably) from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Optos Group or the Wider Nikon Group has entered into contractual arrangements and all such Authorisations which are necessary to carry on the business of any member of the Wider Optos Group in any jurisdiction having been obtained in each case where the consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any Relevant Jurisdiction or have a material adverse effect on the Wider Optos Group or Wider Nikon Group (in each case taken as a whole) or the ability of Nikon to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
- (f) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Transaction or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider Optos Group by any member of the Wider Nikon Group, or the implementation of either of them, void, voidable, illegal and/or enforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Transaction or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Optos Group by any member of the Wider Nikon Group to an extent which is material in the context of the Transaction.

### **Confirmation of absence of adverse circumstances**

- (g) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Optos Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Transaction or the proposed acquisition by any member of the Wider Nikon Group of any shares or other securities in Optos or because of a change in the control or management of any member of the Wider Optos Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Optos Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Optos Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Optos Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Optos Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider Optos Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Optos Group taken as a whole;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Optos Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Optos Group otherwise than in the ordinary course of business;
  - (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Optos Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
  - (vi) the business, assets, value, financial or trading position, profits or operational performance of any member of the Wider Optos Group being prejudiced or adversely affected;
  - (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Optos Group other than trade creditors in the ordinary course of business; or
  - (viii) any liability of any member of the Wider Optos Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

### **No material transactions, claims or changes in the conduct of the business of the Wider Optos Group**

- (h) except as Disclosed, no member of the Wider Optos Group having since 30 September 2014:
- (i) save as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue of Optos Shares on the exercise of options or vesting of awards granted before 27 February 2015 in the ordinary course, issued or agreed to issue

or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities;

- (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than to Optos or one of its wholly-owned subsidiaries;
- (iii) save as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
- (iv) save as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (v) save as in the ordinary course of business and as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Optos Group or in the context of the Transaction;
- (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the Optos Group or in the context of the Transaction, or which is or is reasonably likely to be materially restrictive on the business of any member of the Wider Optos Group to an extent which is or is likely to be material to the Optos Group taken as a whole or in the context of the Transaction, or which is or is reasonably likely to be materially restrictive on the business of any member of the Wider Nikon Group;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider Optos Group which is material in the context of the Wider Optos Group and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Optos Group;
- (ix) proposed, provided or modified in any material respect the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider Optos Group;
- (x) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) which is material in the context of the Optos Group taken as a whole or in the context of the Transaction;

- (xi) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (xii) waived, compromised or settled any claim which is material in the context of the Optos Group taken as a whole;
- (xiii) made any material alteration to its articles of association or other constitutional documents;
- (xiv) (other than in respect of an entity which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case to an extent which is material in the context of the Optos Group taken as a whole;
- (xv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xvi) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xvii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Optos Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Optos Group taken as a whole; or
- (xviii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Optos Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

**No material adverse change**

- (i) since 30 September 2014, and except as Disclosed:
  - (i) there having been no adverse change and no circumstance having arisen which would be reasonably expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits or operational performance of any member of the Wider Optos Group to an extent which is material to the Optos Group taken as a whole or in the context of the Transaction;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Optos Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Optos Group or to which any member of the Wider Optos Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the

Wider Optos Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Optos Group which, in any such case, might reasonably be expected to have a material adverse effect on the Optos Group taken as a whole or in the context of the Transaction;

- (iii) no contingent or other liability having arisen, increased or become apparent which might be likely adversely to affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Optos Group to an extent which is material to the Optos Group taken as a whole or in the context of the Transaction; and
  - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Optos Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is likely to have a material adverse effect on the Optos Group taken as a whole or in the context of the Transaction;
- (j) since 30 September 2014, and except as Disclosed, Nikon not having discovered:
- (i) that any financial, business or other information concerning the Wider Optos Group publicly announced or disclosed in writing to any member of the Wider Nikon Group at any time by or on behalf of any member of the Wider Optos Group or to any of their advisers is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading;
  - (ii) that any member of the Wider Optos Group is subject to any liability, contingent or otherwise, which is not Disclosed, and which is material in the context of the Optos Group or in the context of the Transaction; or
  - (iii) in relation to any release, emission, accumulation, discharge, disposal or other fact or circumstance which has impaired or is reasonably likely to impair the environment (including property) or harmed or is reasonably likely to harm the health of humans, animals or other living organisms or eco systems, no past or present member of the Wider Optos Group, in a manner or to an extent which is material in the context of the Nikon Group (i) having committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party; and/or (ii) having incurred any liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any liability (whether actual or contingent), or being required, to make good, remediate, repair, re instate or clean up the environment (including any property);

### **Intellectual Property**

- (k) except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Optos Group which would have a material adverse effect on the Wider Optos Group taken as a whole or is otherwise material in the context of the Transaction, including:
- (i) any member of the Wider Optos Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Optos Group and material to its business being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Optos Group to, or the validity or effectiveness of, any of its intellectual property; or

- (iii) any material agreement regarding the use of any intellectual property licensed to or by any member of the Wider Optos Group being terminated or varied;

**Anti-corruption and sanctions**

- (l) except as Disclosed, Nikon not having discovered that:
  - (i) any past or present member of the Wider Optos Group or any person, whilst in the act of performing or having performed services for or on behalf of any member of the Wider Optos Group, is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider Optos Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended); or
  - (iii) any past or present member of the Wider Optos Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual in breach of any applicable economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; and

**No criminal property**

- (m) except as Disclosed, Nikon not having discovered that any asset of any member of the Wider Optos Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B: Further terms of the Transaction**

1. Subject to the requirements of the Panel in accordance with the Code Nikon reserves the right to waive, in whole or in part, all or any of the above Conditions, except any Conditions specified in paragraph 1 of Part A of this Appendix 1.
2. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.
3. The Conditions in paragraph 2 above must be fulfilled, determined by Nikon to be fulfilled or, if capable of waiver, waived by Nikon on 5.00 p.m. on the date immediately preceding the date of the First Court Hearing, failing which the Transaction will lapse.
4. The Transaction will lapse if the Scheme does not become effective by 11.59 p.m. on the Long Stop Date.
5. Nikon will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any Condition by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Transaction may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that such Condition may not be capable of fulfilment.
6. If any Condition referred to in paragraphs 1(a) to (d) above is not capable of being satisfied by the date specified therein, Nikon shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether Nikon has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Optos, specified a new date by which that Condition must be satisfied.

7. If Nikon is required by the Panel to make an offer for Optos Shares under the provisions of Rule 9 of the Code, Nikon may make such alterations to any of the above Conditions as are necessary to comply with the Code or applicable law.
8. Nikon reserves the right, subject to the prior consent of the Panel, to elect to implement the Transaction by way of a takeover offer (as defined in Chapter 3 of Part 28 of the 2006 Act) for the entire issued and to be issued share capital of Optos as an alternative to the Scheme. In such event, the Transaction will be implemented on the same terms as those which would apply to the Scheme (subject to appropriate amendments including (without limitation), and if agreed with the Panel, (a) the inclusion of an acceptance condition set at 90 per cent. of the shares to which the Transaction relates (or such lesser percentage, being more than 50 per cent. as Nikon may decide) and (b) those required by, or deemed appropriate by, Nikon under applicable law, so far as applicable).
9. Nikon also reserves the right to elect to implement the Transaction by way of a transfer scheme of arrangement pursuant to Part 26 of the Companies Act 2006, governed by Scots law, should a change in applicable law or regulation prohibit the implementation of the Transaction by way of a cancellation scheme of arrangement. In such event, the Transaction will be implemented on the same terms as those which would apply to the Scheme (subject to appropriate amendments, including those required by, or deemed appropriate by, Nikon under applicable law).
10. Any Optos Shares acquired by Nikon pursuant to the Transaction will be acquired fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after 27 February 2015.
11. In so far as a distribution is declared, made, paid or payable by Optos in respect of the Optos Shares after 27 February 2015, the price payable under the Transaction in respect of the Optos Shares will be reduced by the aggregate amount of the distribution that has been declared, made, paid or is payable. To the extent that a distribution that has been declared, made, paid or is payable is or will be transferred or cancelled pursuant to the Transaction on a basis which entitles Nikon alone to receive the distribution and to retain it, the price payable under the Transaction in respect of the Optos Shares will not be subject to change in accordance with this paragraph.
12. The Transaction will be governed by Scots law and be subject to the jurisdiction of the Court and to the Conditions set out above. The Transaction is also subject to the applicable rules and regulations of the FCA, the London Stock Exchange and the Code.
13. The availability of the Transaction to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

**APPENDIX 2**  
**SOURCES AND BASES OF INFORMATION**

Unless otherwise stated in this announcement:

1. the value attributed to the fully diluted share capital of Optos is based on:
  - 72,880,494 Optos Shares in issue; and
  - 3,398,359 Optos Shares to be issued on the vesting of options or awards under the Optos Share Plans (assuming completion of the Transaction at the end of Q2 2015),in each case, as at 26 February 2015, being the last practicable dealing date prior to the publication of this announcement
2. all prices for Optos Shares have been derived from the Daily Official List and, unless otherwise stated, represent Closing Prices on the relevant date(s);
3. the volume weighted average Closing Price per Optos Share for the three month period to 26 February 2015 is derived from data provided by Bloomberg;
4. all share prices expressed in pence have been rounded to the nearest penny and all percentages have been rounded to one decimal place;
5. save for financial information falling within paragraph 6 below, where amounts are translated from Japanese Yen to US Dollars in this announcement, an exchange rate of ¥118.94:US\$1 has been used, as sourced from Bloomberg on 26 February 2015;
6. unless otherwise stated, the financial information relating to Nikon is extracted from the audited consolidated financial statements of Nikon for the relevant years (original Japanese versions), prepared in accordance with Japanese GAAP and subject to the ¥:US\$ exchange rate set out in those statements; and
7. unless otherwise stated, the financial information relating to Optos is extracted from the audited consolidated financial statements of Optos for the relevant years, prepared in accordance with IFRS.

**APPENDIX 3  
DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT**

1. **Optos Directors**

The following Optos Directors have given irrevocable undertakings to vote in favour of the resolutions relating to the Transaction at the Meetings (or in the event that the Transaction is implemented by the Takeover Offer, to accept or procure the acceptance of that offer) in respect of the following Optos Shares:

<b>Name</b>	<b>Total Number of Optos Shares</b>	<b>Percentage of existing issued share capital</b>
Roy Davis	54,069	0.0742%
Dr Peter Kehoe	5,000	0.0069%
Robert Kennedy	0	0%
Rosalyn Wilton	12,500	0.0172%

The irrevocable undertakings also extend to any Optos Shares which are acquired by the relevant Optos Director subsequently (including any Optos Shares acquired by virtue of the exercise of certain options or awards).

The irrevocable undertakings given by Optos Directors will cease to be binding in the event that: (i) the Scheme lapses or is withdrawn in accordance with its terms and Nikon (and/or a wholly-owned subsidiary of Nikon) does not elect to implement the Transaction by way of the Takeover Offer or otherwise; or (ii) the Scheme has not become effective by 11.59 p.m. on 31 August 2015 (or such later time or date as agreed between Nikon and Optos, with the approval of the Court and/or the Panel if required); or (iii) Nikon confirms or publicly announces that it does not intend to proceed with the Transaction; or (iv) any competing offer for the entire issued and to be issued ordinary share capital of Optos is made which is declared wholly unconditional (if implemented by takeover offer) or otherwise becomes effective (if implemented by scheme of arrangement).

2. **Other Optos Shareholders**

*Letter of Intent*

The following Optos Shareholder has given a non-binding letter of intent to vote in favour of the resolutions relating to the Transaction at the Meetings (or in the event that the Transaction is implemented by the Takeover Offer, to accept that offer) in respect of the following Optos Shares:

<b>Name</b>	<b>Total Number of Optos Shares</b>	<b>Percentage of existing issued share capital</b>
Aberforth Partners LLP (on behalf of its clients)	9,536,897	13.1%

#### **APPENDIX 4 DEFINITIONS**

**The following definitions apply throughout this document unless the context otherwise requires:**

<b>"2006 Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Annual Report and Accounts of Optos"</b>	the annual report and audited consolidated accounts of the Optos Group for the year ended 30 September 2014
<b>"associated undertaking"</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
<b>"Authorisations"</b>	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
<b>"Business Day"</b>	has the meaning given to it in the Code
<b>"Capital Reduction"</b>	the reduction of Optos' share capital associated with the cancellation and extinguishing of the Scheme Shares provided for by the Scheme under section 648 of the 2006 Act
<b>"certificated" or "certificated form"</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
<b>"Closing Price"</b>	the closing middle market price of an Optos Share as derived from the Daily Official List on any particular date
<b>"Code"</b>	the City Code on Takeovers and Mergers issued by the Panel
<b>"Combined Group"</b>	the Nikon Group and the Optos Group following the Effective Date
<b>"completion of the Transaction"</b>	the Transaction becoming Effective
<b>"Conditions"</b>	the Conditions to the Transaction set out in Part A of Appendix 1 of this announcement
<b>"Court"</b>	the Court of Session, Edinburgh
<b>"Court Meeting"</b>	the meeting of Optos Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof
<b>"Court Orders"</b>	the First Court Order and the Second Court Order
<b>"CREST"</b>	the relevant system (as defined in the Regulations) in respect

	of which Euroclear is the operator (as defined in CREST)
<b>"Daily Official List"</b>	means the daily official list of the London Stock Exchange
<b>"Disclosed"</b>	information: (a) which has been fairly disclosed in the virtual data room operated by Sterling Data Rooms to which Nikon has access prior to 25 February 2015; (b) disclosed in any public announcement by Optos to a Regulatory Information Service prior to 6.00 p.m. on 25 February 2015; (c) disclosed in the Annual Report and Accounts of Optos; or (d) disclosed in this announcement
<b>"Effective"</b>	in the context of the Transaction: (i) if the Transaction is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Transaction is implemented by way of the Takeover Offer, the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Code
<b>"Effective Date"</b>	the date on which the Transaction becomes Effective
<b>"Excluded Shares"</b>	any Optos Shares beneficially owned by Nikon or any subsidiary undertaking of Nikon immediately prior to the Scheme Record Time
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited
<b>"Evercore"</b>	Evercore Partners International LLP, financial adviser to Optos
<b>"FCA"</b>	Financial Conduct Authority or its successor from time to time
<b>"FCA Handbook"</b>	the FCA's Handbook of rules and guidance as amended from time to time
<b>"First Court Hearing"</b>	the hearing by the Court to sanction the Scheme
<b>"First Court Order"</b>	the order of the Court sanctioning the Scheme under Part 26 of the 2006 Act
<b>"Form of Proxy"</b>	the form of proxy in connection with each of the Court Meeting and the Optos General Meeting, which shall accompany the Scheme Document
<b>"IFRS"</b>	international accounting standards and international financial reporting standards and interpretations thereof, approved or published by the International Accounting Standards Board and adopted by the European Union
<b>"London Stock Exchange"</b>	The London Stock Exchange plc or its successor
<b>"Long Stop Date"</b>	31 August 2015, or such later date (if any) as may be agreed between Nikon and Optos which the Panel and, if required, the Court may permit

"Meetings"	the Court Meeting and the Optos General Meeting
"Merger Control Conditions"	the Conditions set out in paragraphs 2(a) and 2(b) of Appendix 1
"Nikon"	Nikon Corporation
"Nikon Group"	Nikon and its subsidiary undertakings from time to time and where the context permits, each of them
"Offer Period"	the offer period (as defined by the Code) which commenced on 27 February 2015
"Optos"	Optos plc
"Optos Directors"	the directors of Optos
"Optos General Meeting"	the general meeting of Optos Shareholders to be convened to consider and if thought fit pass, inter alia, the Special Resolution in relation to the Scheme including any adjournments thereof
"Optos Group"	Optos and its subsidiary undertakings from time to time and where the context permits, each of them
"Optos Share Plans"	the Optos Performance Share Plan 2007, the Optos Share Option Plan 2007, the Optos plc Deferred Bonus Plan, the Optos Sharesave Scheme, the Optos plc 2012 Employee Stock Purchase Plan and the Optos plc Pre-IPO option plan
"Optos Shareholder"	a holder of Optos Shares
"Optos Shares"	ordinary shares of 2 pence each in the capital of Optos
"Official List"	the Official List of the FCA
"Panel"	the UK Panel on Takeovers and Mergers
"Pounds", "£", "sterling", "pence" or "p"	the lawful currency of the United Kingdom from time to time
"Registrar of Companies"	the Registrar of Companies in Scotland
"Regulatory Information Service"	a regulatory information service as defined in the FCA Handbook
"relevant securities"	Optos Shares, other Optos share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Transaction is sent or made available to Optos Shareholders (or other persons with information rights) in that jurisdiction
"Scheme"	the proposed scheme of arrangement under Part 26 of the 2006 Act between Optos and the Scheme Shareholders, with

	or subject to any modification, addition or condition approved or imposed by the Court and agreed by Optos and Nikon
<b>"Scheme Court Order"</b>	the order of the Court sanctioning the Scheme under section 899 of the 2006 Act
<b>"Scheme Document"</b>	the document to be sent to Optos Shareholders and persons with information rights including the particulars required by section 897 of the 2006 Act and containing, amongst other things, the Scheme and notices of the Meetings and proxy forms in respect of the Meetings
<b>"Scheme Record Time"</b>	6.00 p.m. on the Business Day immediately prior to the date of the Second Court Hearing
<b>"Scheme Shareholders"</b>	holders of Scheme Shares
<b>"Scheme Shares"</b>	all Optos Shares: (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, in each case other than the Excluded Shares
<b>"Second Court Hearing"</b>	the hearing by the Court to confirm the Capital Reduction under section 648 of the 2006 Act
<b>"Second Court Order"</b>	the order of the Court confirming the Capital Reduction
<b>"Significant Interest"</b>	a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent of such undertaking
<b>"Special Resolution"</b>	the special resolution proposed to be passed at the Optos General Meeting in connection with, <i>inter alia</i> , implementation of the Scheme, approval of the Capital Reduction and certain amendments to be made to the articles of association of Optos
<b>"Statement of Capital"</b>	the statement of capital (approved by the Court) showing with respect to Optos' share capital, as altered by the Second Court Order confirming the Capital Reduction, the information required by section 649 of the 2006 Act
<b>"subsidiary" , "subsidiary undertaking" and "undertaking"</b>	shall be construed in accordance with the 2006 Act
<b>"Takeover Offer"</b>	should the Transaction be implemented by way of a takeover offer (as defined in Chapter 3 of Part 28 of the 2006 Act), the takeover offer to be made by or on behalf of Nikon to acquire the entire issued and to be issued ordinary share capital of Optos including, where the context so requires, any subsequent revision, variation, extension or renewal thereof

<b>"Takeover Offer Document"</b>	the document containing the terms and conditions of the Takeover Offer
<b>"Transaction"</b>	the proposed acquisition by Nikon of the entire issued and to be issued share capital of Optos not already owned by or on behalf of the Nikon Group by means of the Scheme (and other matters to be considered at the Meetings), or should Nikon so elect, by means of the Takeover Offer
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>"US Dollars" or "US\$"</b>	the lawful currency of the United States
<b>"US Securities Act"</b>	the US Securities Act of 1933, as amended and the rules and regulations promulgated thereunder
<b>"Voting Record Time"</b>	the date and time specified in the Scheme Document by reference to which entitlement to vote on the Scheme at the Court Meeting will be determined
<b>"Wider Optos Group"</b>	Optos and its associated undertakings and any other body corporate, partnership, joint venture or person in which the Optos and such undertakings (aggregating their interests) have a Significant Interest
<b>"Wider Nikon Group"</b>	Nikon and its associated undertakings and any other body corporate, partnership, joint venture or person in which Nikon and such undertakings (aggregating their interests) have a Significant Interest
<b>"Yen" or "¥"</b>	the lawful currency of Japan from time to time

All times referred to are London time unless otherwise stated.