



NIKON CORPORATION
Corporate Communications & Investor Relations
Dept.
Corporate Strategy Division
Feb. 4, 2016

Financial Results for the 3rd Quarter of the Year Ending March 31, 2016

Conference in Tokyo (Feb. 4, 2016)
NIKON CORPORATION

Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.



Agenda

- I. **Financial Results for the 3rd Quarter
of the Year Ending March 31, 2016**
- II. Estimation for the Year Ending
March 31, 2016
- III. Reference Data



Sales decreased 18.2 billion yen and operating income increased 800 million yen compared from the 3rd quarter last year. For three quarters total, sales maintained the same level and operating income improved 2.3 billion yen, year on year.

Precision Equipment Business

- Thanks to higher sales volume of FPD lithography systems, both sales and operating income increased quarter on quarter.
- For three quarters total, as sales increased, the substantial improvement was booked for the operating income year on year.

Imaging Products Business

- Both sales and operating income decreased, year on year, for the 3rd quarter and three quarters total.
- Digital SLR cameras and interchangeable lenses fell short of the planned sales volume. However, because of price hikes and SG&A expenses reduction, the operating income ratio in the 3rd quarter posted 11.5%, which exceeded the previous quarter result.

Instruments Business

- Sales increased, year on year, for the 3rd quarter and three quarters total.
- Positive operating income was ensured for the 3rd quarter as well.

Financial Highlights for the 3rd Quarter of the Year Ending March 31,2016



Billions of yen	2015/3 (A)		2016/3 (B)		(B) — (A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	242.9	617.8	224.7	617.3	-18.2	-0.5
Operating Income % vs. Net Sales	13.7 5.6%	26.7 4.3%	14.5 6.5%	29.0 4.7%	+0.8	+2.3
Ordinary Income % vs. Net Sales	13.1 5.4%	27.8 4.5%	15.0 6.7%	35.2 5.7%	+1.9	+7.4
Net Income attributable to owners of parent % vs. Net Sales	6.7 2.8%	16.7 2.7%	10.2 4.5%	21.4 3.5%	+3.5	+4.7
FCF	14.4		-5.6		-20.0	
Exchange Rate US\$	114 _{yen}	107 _{yen}	121 _{yen}	122 _{yen}	Impact on Net Sales : -1.3 +22.0	
EURO	143 _{yen}	140 _{yen}	133 _{yen}	134 _{yen}	Impact on Op. Income : -1.5 -1.5	

* Amounts in this statement are rounded down to the hundred million.

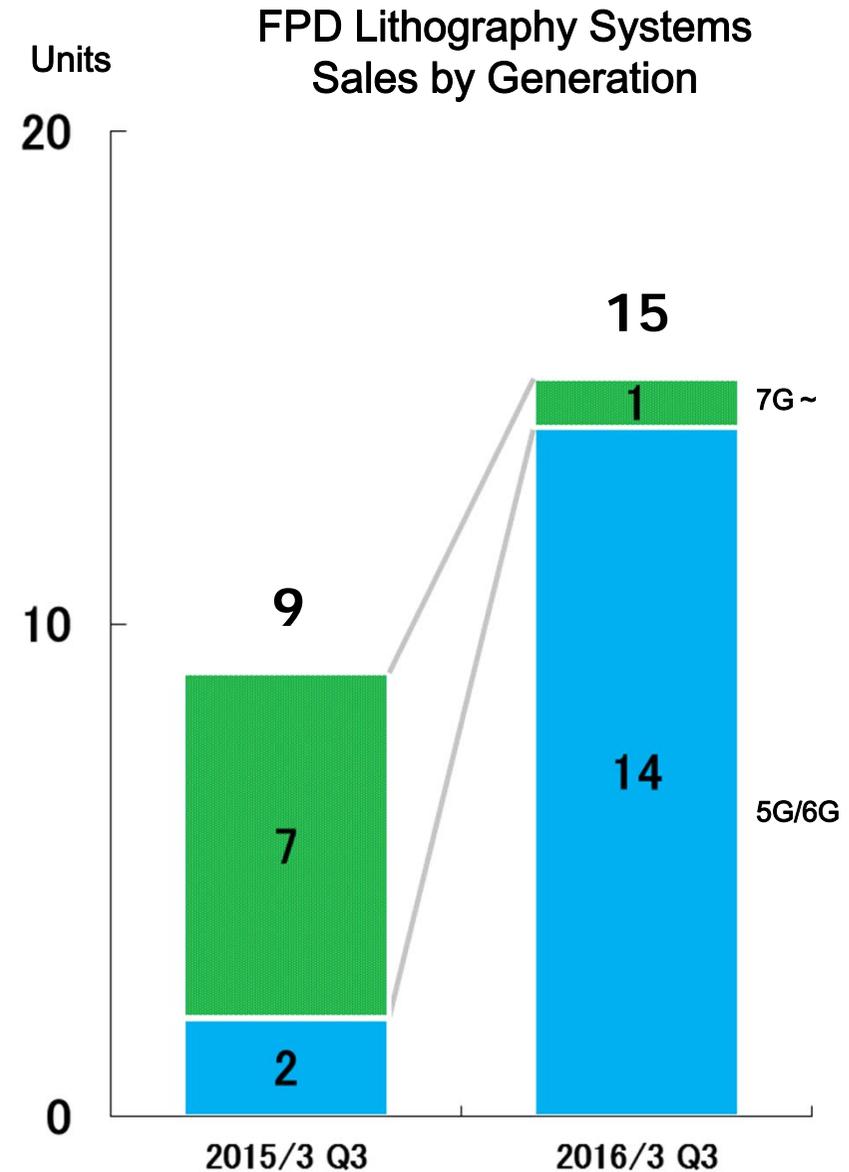
Precision Equipment Business: 3rd Quarter



Billions of yen	2015/3 (A)		2016/3 (B)		(B) - (A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	34.3	89.2	35.4	114.3	+ 1.1	+25.1
Operating Income	0.5	-2.7	3.3	7.3	+ 2.8	+10.0
% vs. Net Sales	1.5%	- %	9.3%	6.4%		
Semiconductor Lithography Systems New / Refurbished (units)	2/4	7/5	1/5	5/17	-1/+1	-2/+12
FPD Lithography Systems (units)	9	22	15	34	+6	+12

Thanks to higher sales volume of FPD lithography systems, both sales and operating income increased quarter on quarter.

Precision Equipment Business: 3rd Quarter



Imaging Products Business : 3rd Quarter



Billions of yen Cameras & Lenses (1,000 of units sold)	2015/3 (A)		2016/3 (B)		(B) – (A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	183.6	461.0	159.4	423.0	-24.2	-38.0
Operating Income % vs. Net Sales	20.0 10.9%	47.5 10.3%	18.4 11.5%	42.6 10.1%	-1.6	-4.9
Digital camera – Interchangeable Lens Type	1,510	3,690	1,280	3,280	-230	-410
Interchangeable Lens	2,210	5,300	1,950	4,770	-260	-530
Compact DSC	2,760	6,330	2,260	5,380	-500	-950

In the 3rd quarter, both sales and operating income decreased year on year. However, operating income ratio achieved 11.5%. Sales fulfilled the target, and operating income surpassed the forecast due to price hikes and SG&A expenses reduction.

Instruments Business : 3rd Quarter



Billions of yen	2015/3 (A)		2016/3 (B)		(B) - (A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	17.4	45.9	19.3	52.5	+1.9	+6.6
Operating Income % vs. Net Sales	-0.5 -%	-2.6 -%	0.4 2.1%	-0.1 -%	+0.9	+2.5

In the 3rd quarter, Industrial Metrology business increased sales as the investment was activated mainly in electronic components and semiconductor industries. Sales increased, quarter on quarter, turning into black.

Medical Business : 3rd Quarter



Billions of yen	2015/3 (A)		2016/3 (B)		(B) - (A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	—	—	5.1	10.4	—	—
Operating Income % vs. Net Sales	— —%	— —%	-1.4 —%	-3.9 —%	— —%	— —%

Optos Plc closed the 3rd quarter operation firmly.

Balance Sheet : 3rd Quarter

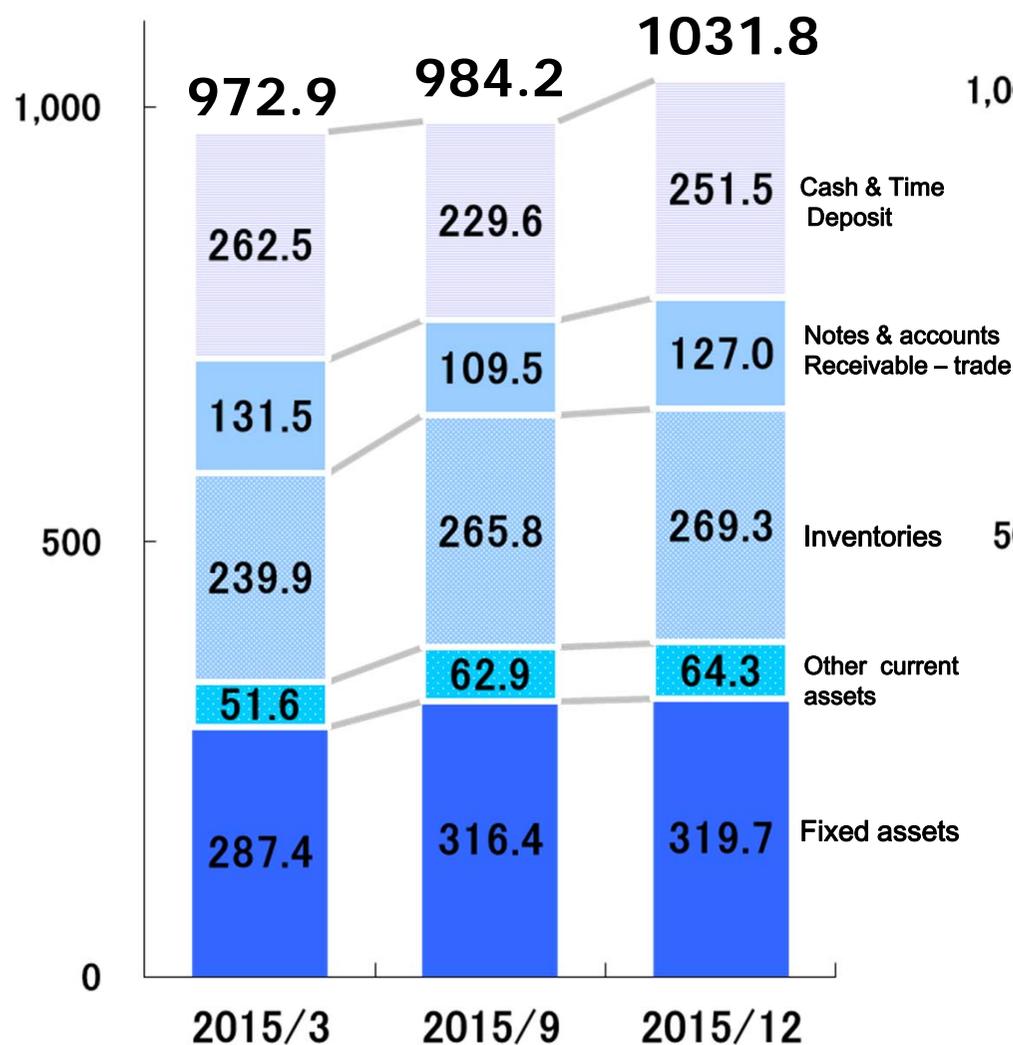


Assets

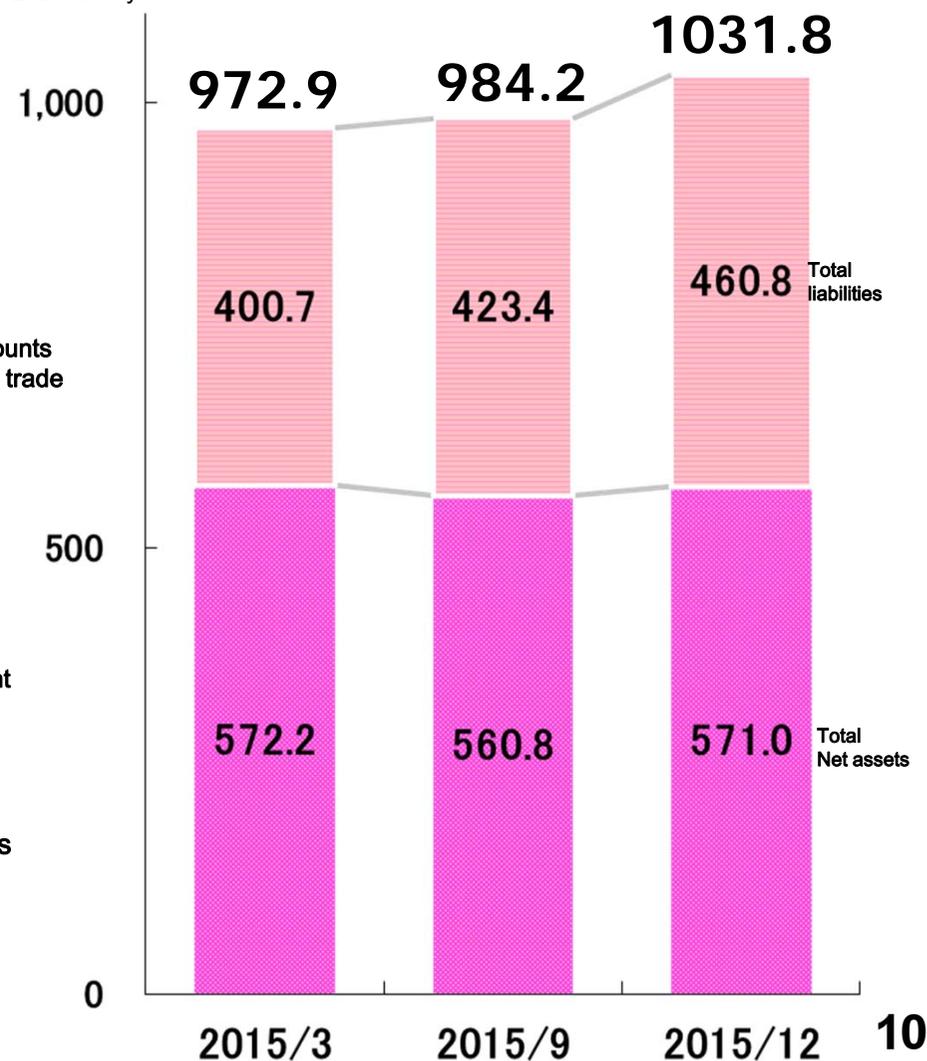
Liabilities & Net assets

Capital ratio	58.6%	56.8%	55.2%
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Billions of yen



Billions of yen



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The forecasts for Precision Equipment Business and Imaging Products Business are revised. The whole company sales forecast is lowered by 20 billion yen while each income forecasts remain unchanged.

Precision Equipment Business

- After the sales volume forecast for ArF immersion scanners is revised, forecasts for sales and operating income are downgraded by 10 billion yen and 3 billion yen, respectively.

Imaging Products Business

- Sales forecast is downwardly revised by 10 billion yen as a result of the revised market forecast and because of the postponement of new D500 launch. However, operating income forecast is pushed up by 3 billion yen due to the 3rd quarter result as well as the expenses reduction effort in the 4th quarter.

Instruments Business & Medical Business

- The full year forecasts are unchanged.

Planned annual cash dividend per share: 16 yen

The 4th quarter exchange rates are assumed 115 yen to US dollar and 130 yen to Euro, no changes as before.

Estimation for the Year Ending March 31, 2016



Billions of yen	2015/3 Actual (A)	1H 2H	2016/3 Previous est. (B) (Nov. 6)	1H 2H	2016/3 New est.(C)	1H 2H	Change (C)-(A)	Change (C)-(B)
Net Sales	857.7	<u>374.9</u> 482.8	855.0	<u>392.6</u> 462.4	835.0	<u>392.6</u> 442.4	-22.7	-20.0
Operating Income % vs. Net Sales	43.4 5.1%	<u>13.0</u> 30.4	34.0 4.0%	<u>14.5</u> 19.5	34.0 4.1%	<u>14.5</u> 19.5	-9.4	±0
Ordinary Income % vs. Net Sales	46.3 5.4%	<u>14.7</u> 31.6	41.0 4.8%	<u>20.2</u> 20.8	41.0 4.9%	<u>20.2</u> 20.8	-5.3	±0
Net Income attributable to owners of parent % vs. Net Sales	18.3 2.1%	<u>10.0</u> 8.3	22.0 2.6%	<u>11.2</u> 10.8	22.0 2.6%	<u>11.2</u> 10.8	+3.7	±0
FCF	46.3		6.0		14.0		-32.3	+8.0
Exchange Rate	110 yen	<u>103</u> yen 117yen	118 yen	<u>122</u> yen 115yen	120 yen	<u>122</u> yen 118yen	Impact on Net Sales : +17.5 -	
US\$	139 yen	<u>139</u> yen 138yen	133 yen	<u>135</u> yen 130yen	133 yen	<u>135</u> yen 131yen	Impact on Op. Income : -2.3 -	
EURO								

The whole company sales forecast is downgraded while each income forecasts remain unchanged.

Estimation for Precision Equipment Business



Billions of yen	2015/3 Actual	1H 2H	2016/3 Previous est. (Nov. 6)	1H 2H	2016/3 New est.	1H 2H
Net Sales	170.7	$\frac{54.9}{115.8}$	195.0	$\frac{78.9}{116.1}$	185.0	$\frac{78.9}{106.1}$
Operating Income % vs. Net Sales	8.3 4.9%	$\frac{-3.2}{11.5}$	15.0 7.7%	$\frac{4.0}{11.0}$	12.0 6.5%	$\frac{4.0}{8.0}$
Semiconductor Lithography Systems New / Refurbished (units)	19/13	$\frac{5}{14} / \frac{1}{12}$	17/18	$\frac{4}{13} / \frac{12}{6}$	14/20	$\frac{4}{10} / \frac{12}{8}$
FPD Lithography Systems (units)	34	$\frac{13}{21}$	50	$\frac{19}{31}$	51	$\frac{19}{32}$

Sales volume forecast for new semiconductor lithography systems is lowered to 14 units, down by 3 units.

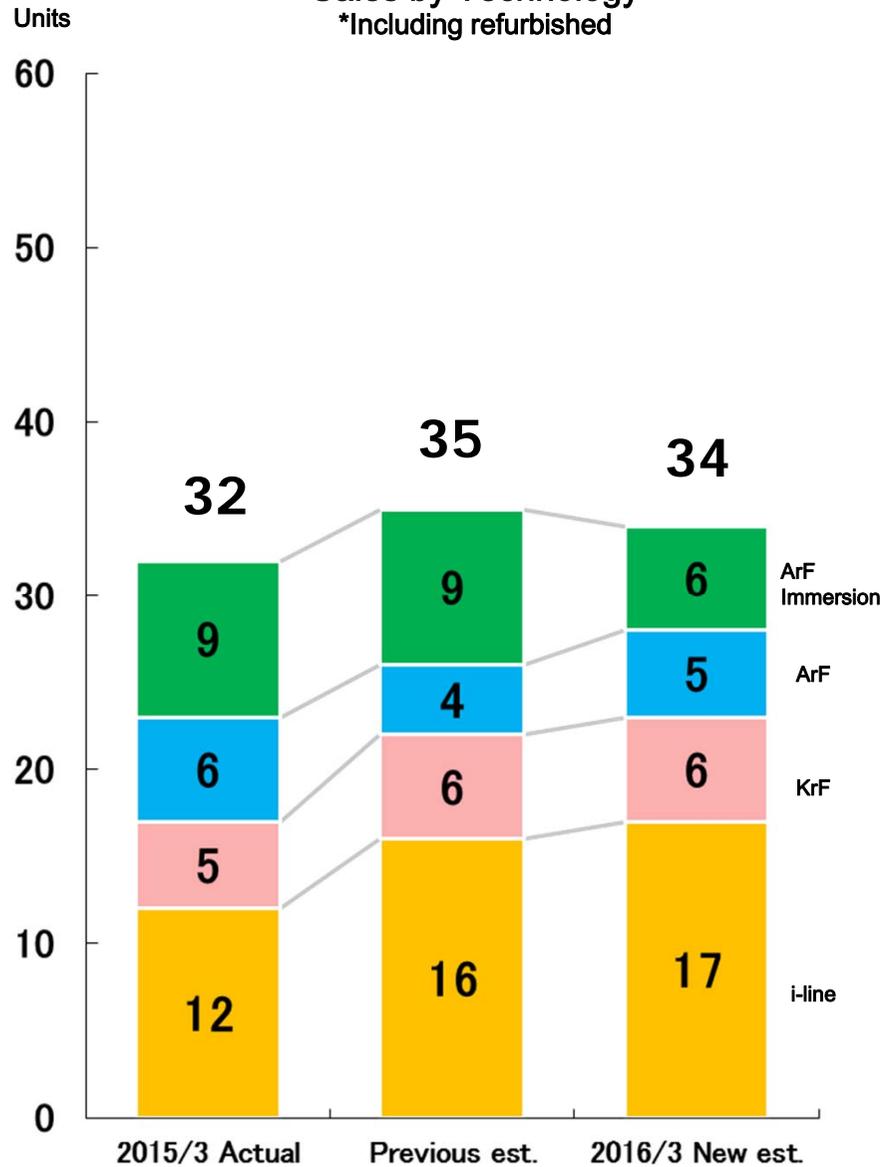
Sales volume forecast for FPD lithography systems are raised to 51 units, up by 1 unit.

Both sales and operating income are downgraded by 10 billion yen and 3 billion yen, respectively.

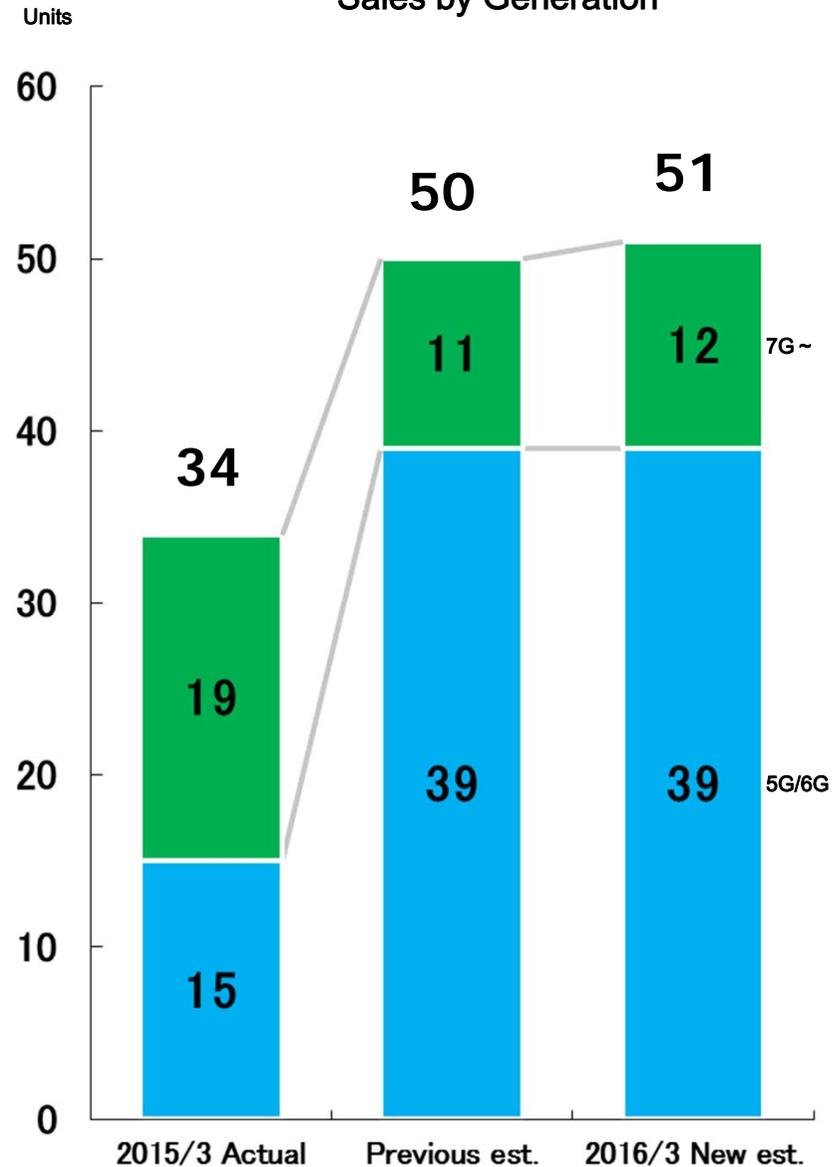
Estimation for Precision Equipment Business



Semiconductor Lithography Systems
Sales by Technology
*Including refurbished



FPD Lithography Systems
Sales by Generation



Estimation for Imaging Products Business



Billions of yen Cameras & Lenses (1,000 of units sold)	2015/3 Actual	1H 2H	2016/3 Previous est. (Nov. 6)	1H 2H	2016/3 New est.	1H 2H
Net Sales	586.0	<u>277.4</u> 308.6	535.0	<u>263.6</u> 271.4	525.0	<u>263.6</u> 261.4
Operating Income % vs. Net Sales	56.6 9.7%	<u>27.5</u> 29.1	47.0 8.8%	<u>24.2</u> 22.8	50.0 9.5%	<u>24.2</u> 25.8
Digital camera – Interchangeable Lens Type	4,610	<u>2,180</u> 2,430	4,200	<u>2,000</u> 2,200	4,100	<u>2,000</u> 2,100
Interchangeable Lens	6,680	<u>3,090</u> 3,590	6,000	<u>2,820</u> 3,180	5,850	<u>2,820</u> 3,030
Compact DSC	7,690	<u>3,570</u> 4,120	6,200	<u>3,120</u> 3,080	6,200	<u>3,120</u> 3,080
D-CIL Market Scale	13,570		12,400		12,400	
IL Market Scale	22,620		20,600		20,600	
C-DSC Market Scale	28,030		19,200		19,200	

The volume forecast is revised for D-CIL and interchangeable lenses.
Though sales forecast is downwardly revised by 10 billion, operating income forecast is upgraded by 3 billion yen.

Estimation for Instruments Business



Billions of yen	2015/3 Actual	<u>1H</u> 2H	2016/3 Previous est. (Nov. 6)	<u>1H</u> 2H	2016/3 New est.	<u>1H</u> 2H
Net Sales	72.3	$\frac{28.5}{43.8}$	80.0	$\frac{33.2}{46.8}$	80.0	$\frac{33.2}{46.8}$
Operating Income % vs. Net Sales	1.1 1.5%	$\frac{-2.1}{3.2}$	2.5 3.1%	$\frac{-0.5}{3.0}$	2.5 3.1%	$\frac{-0.5}{3.0}$

The current forecasts remain unchanged both for sales and operating income.

Estimation for Medical Business



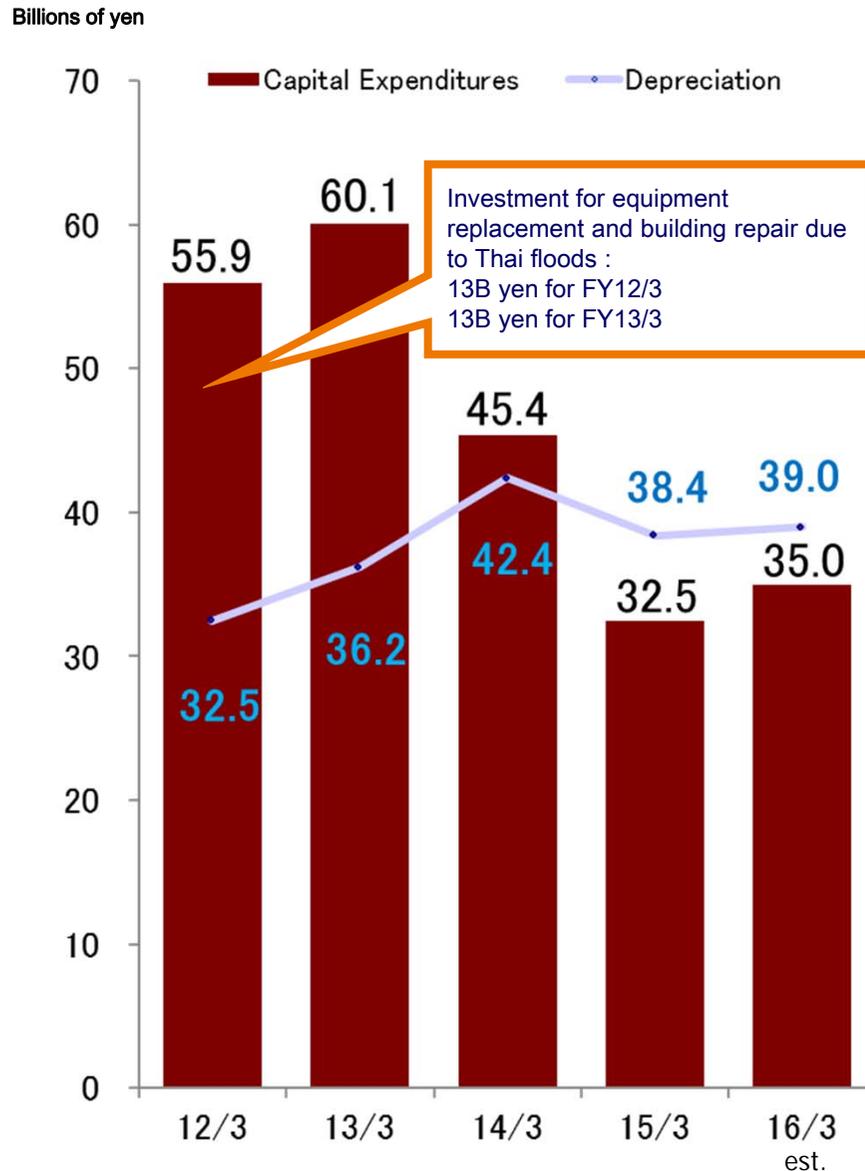
Billions of yen	2015/3 Actual	<u>1H</u> 2H	2016/3 Previous est. (Nov. 6)	<u>1H</u> 2H	2016/3 New est.	<u>1H</u> 2H
Net Sales	—	—	15.0	$\frac{5.3}{9.7}$	15.0	$\frac{5.3}{9.7}$
Operating Income % vs. Net Sales	— —%	—	-6.0 —%	$\frac{-2.5}{-3.5}$	-6.0 —%	$\frac{-2.5}{-3.5}$

The current forecasts remain unchanged both for sales and operating income.

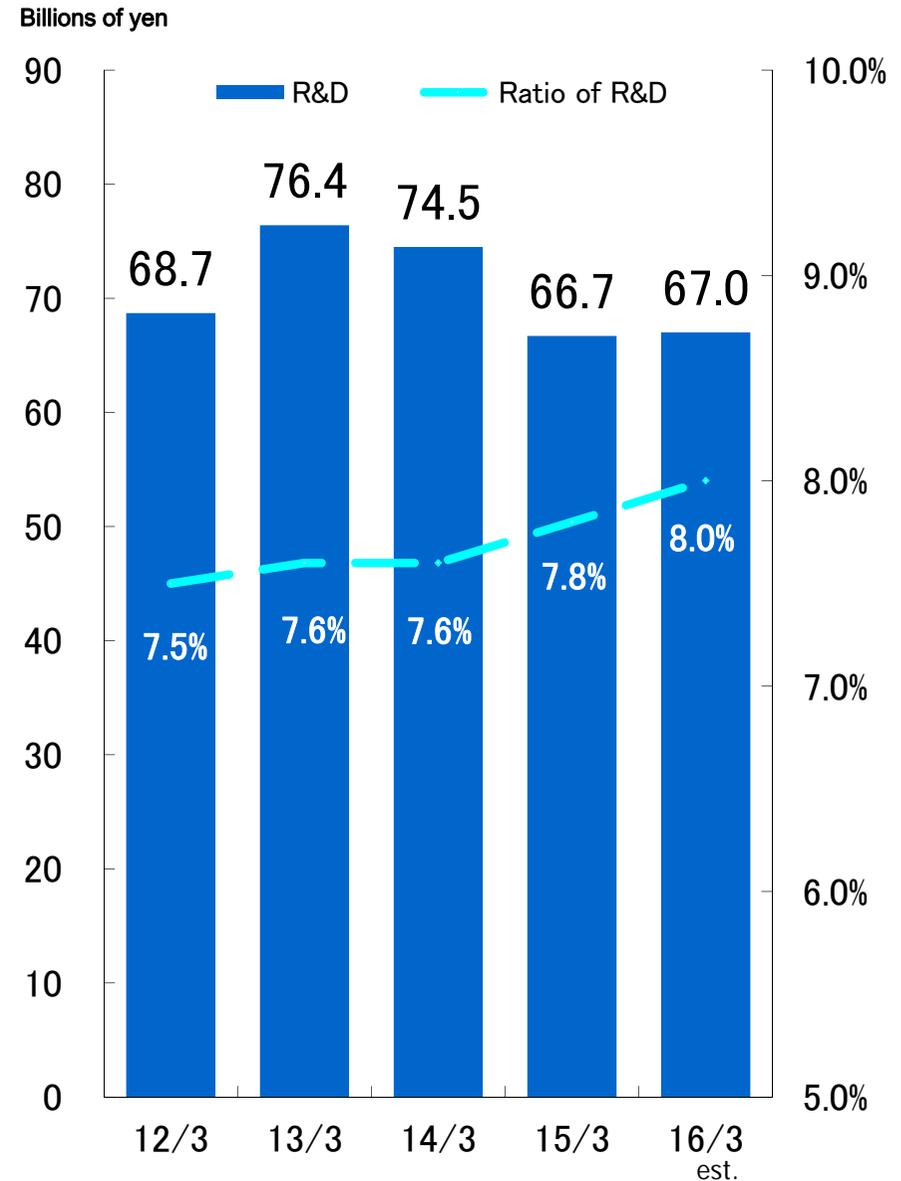
Estimation for Capital Expenditures, Depreciation and R&D



Capital Expenditures & Depreciation



R&D



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

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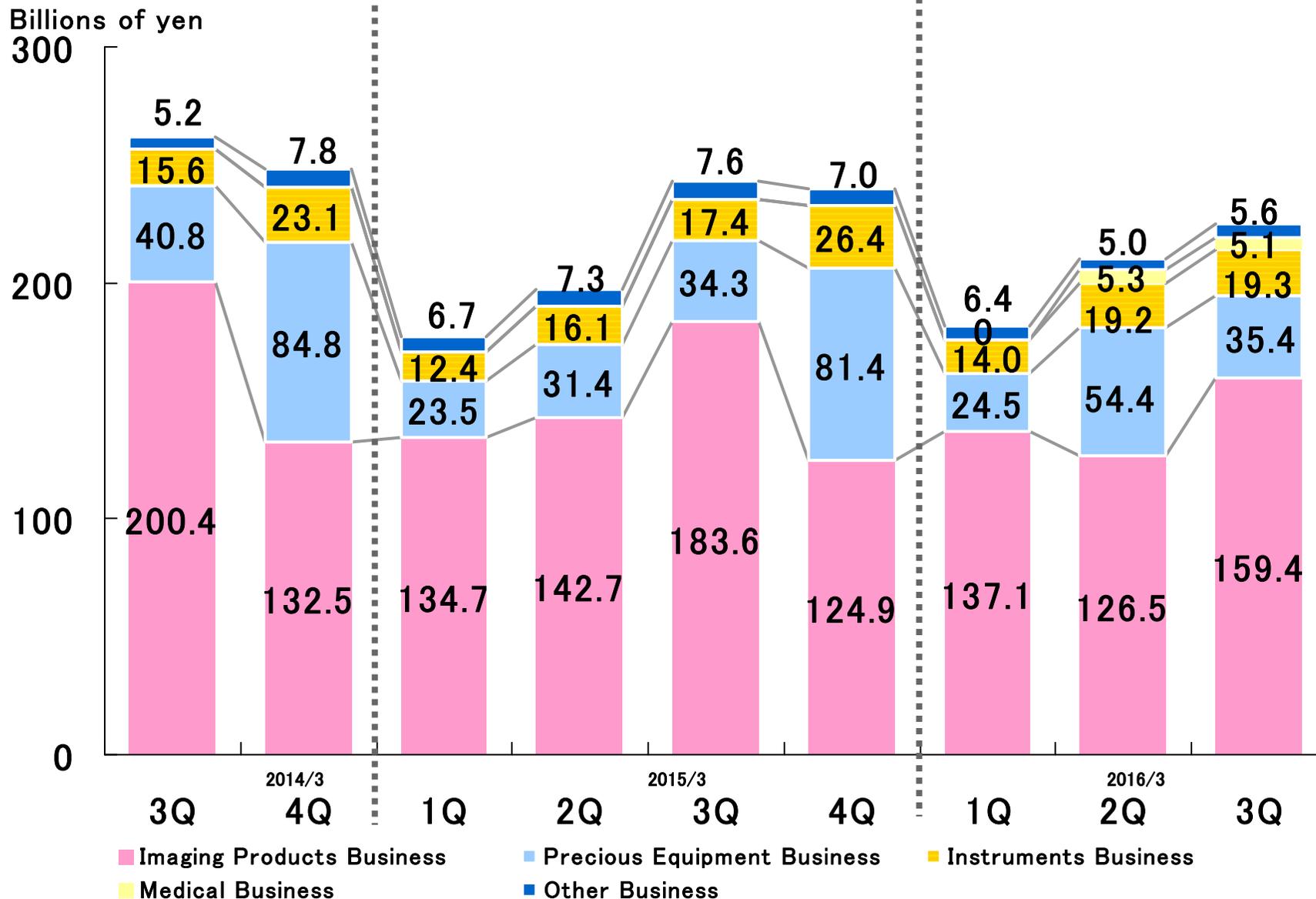
Exchange Rate



2016/3 Estimation

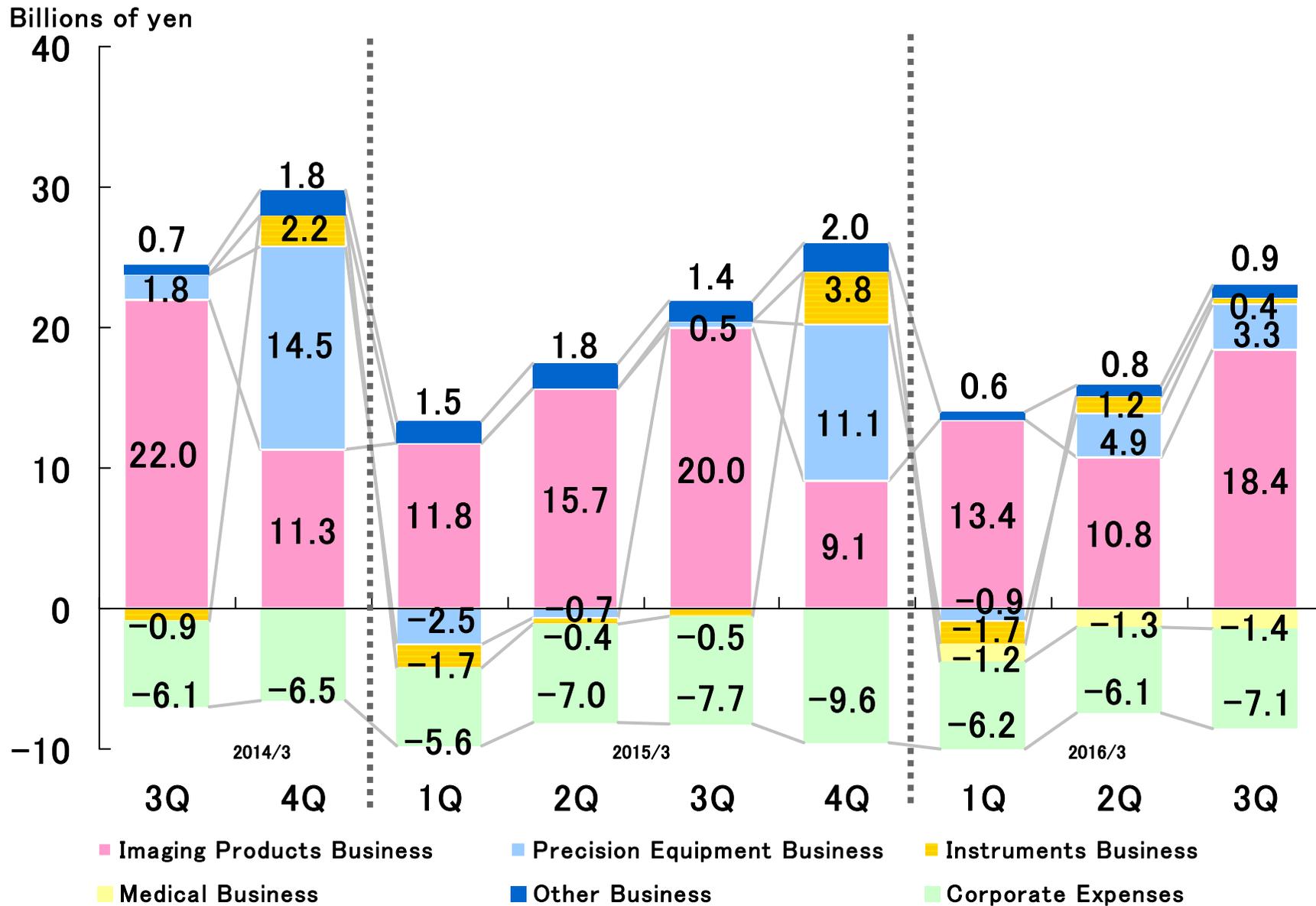
	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	2016/3 Forecast for 4Q	Net Sales 4Q	Operating Income 4Q
US \$	115 yen	Approx. 0.8 billion yen	Approx. 0.1 billion yen
EURO	130 yen	Approx. 0.3 billion yen	Approx. 0.1 billion yen

Quarterly Net Sales by Segment



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

Quarterly Operating Income by Segment



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