



Financial Results for the 3rd Quarter of the Year Ending March 31, 2014

Conference in Tokyo (Feb. 6, 2014)

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, 2014**
- II. Estimation for the Year Ending
March 31, 2014
- III. Reference Data

◆ Overall Q3 sales have slightly lowered year on year, but a substantial profit increase in Imaging Company contributed to lift the operating income more than eightfold. 3 quarters total sales decreased 4% while operating income stayed at almost same level.

Precision Equipment Company:

Q3 ended with sales hike of 3% and operating income increase of 3.9 billion yen. 3 quarters total stayed at the same level, but the income was pushed up by 10%. Both in Q3 and YTD, ArF immersion scanners posted lower volume while LCD steppers/scanners increased the volume from the previous year.

Imaging Company:

Although the whole digital camera markets have been shrinking, the profitability has improved every quarter to reach 11% in Q3 (7.7% in Q1, 9.9% in Q2). The improvements have been achieved by better product mix of entry class D-SLR cameras and launching new middle/high class D-SLR cameras and others.

Instruments Company:

In Q3, bioscience field saw the public spending increase in some countries and industrial instruments field was helped by investment recovery in semiconductors and electronic components. It pushed sales by 29% and shrank deficit. YTD sales went up 16% and deficit suppressed.

◆ Extraordinary income of 15 billion yen was posted after selling the land where was expropriated to the Ministry of Land, Infrastructure, Transport, and Tourism.

Financial Highlights for the 3rd Quarter of the Year Ending March 31, 2014



Billions of yen	2013/3(A)		2014/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	266.0	763.2	262.0	732.4	-4.0	-30.8
Operating Income % vs Net Sales	2.1 0.8%	39.2 5.1%	17.4 6.6%	39.3 5.4%	+15.3	+0.1
Ordinary Income % vs Net Sales	1.4 0.5%	40.9 5.4%	17.6 6.7%	37.6 5.1%	+16.2	-3.3
Net Income % vs Net Sales	0.3 0.1%	32.3 4.2%	23.9 9.1%	37.5 5.1%	+23.6	+5.2
FCF	-35.4		27.2		+62.6	
Exchange Rate: US\$	81yen	80yen	100yen	99yen	Impact on Net Sales: + 39.8 + 110.4	
EURO	105yen	102yen	137yen	132yen	Impact on Op. Income: + 7.9 + 27.8	

In Q3, cost reduction efforts mainly in Imaging Company realized a significant income improvement in spite of a slight decrease of overall sales from the previous Q3.

* Values in this slide are rounded off to the nearest 100 million.

Precision Equipment Company: 3rd Quarter

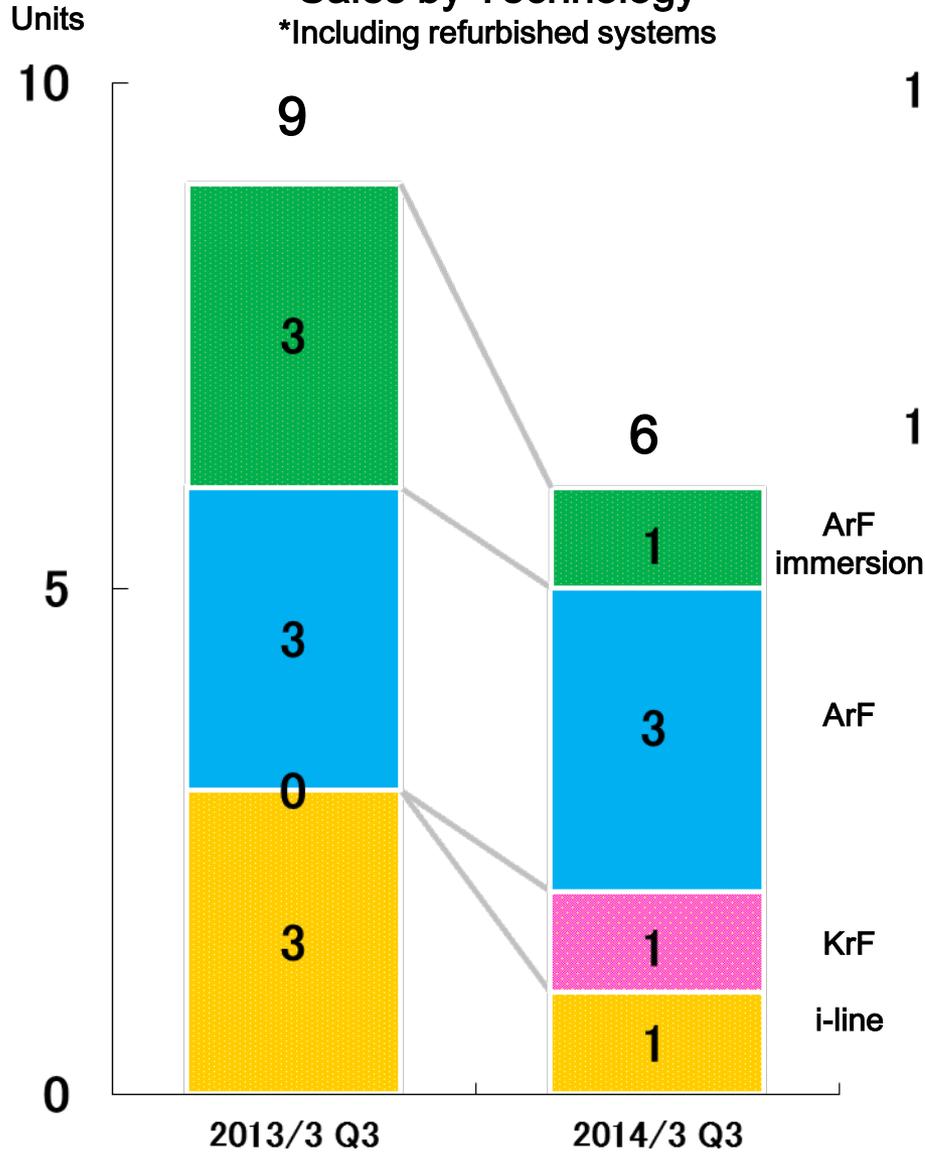
Billions of yen	2013/3(A)		2014/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	39.7	120.1	40.8	120.6	+1.1	+0.5
Operating Income % vs Net Sales	-2.1 - %	5.0 4.2 %	1.8 4.4%	5.5 4.6 %	+3.9	+0.5
IC Steppers & Scanners New / Refurbished	6/3 _{units}	15/8 _{units}	4/2 _{units}	14/4 _{units}	-2/-1 _{units}	-1/-4 _{units}
LCD Steppers & Scanners	7 _{units}	32 _{units}	11 _{units}	46 _{units}	+4 _{units}	+14 _{units}

Both in Q3 and YTD, fewer ArF immersion scanners were sold year on year, but LCD steppers/scanners continued to maintain a high market share and posted sales hike. Sales grew 3% and operating income increased 3.9 billion yen YoY. YTD operating income increased 10% while sales stayed at the same level.

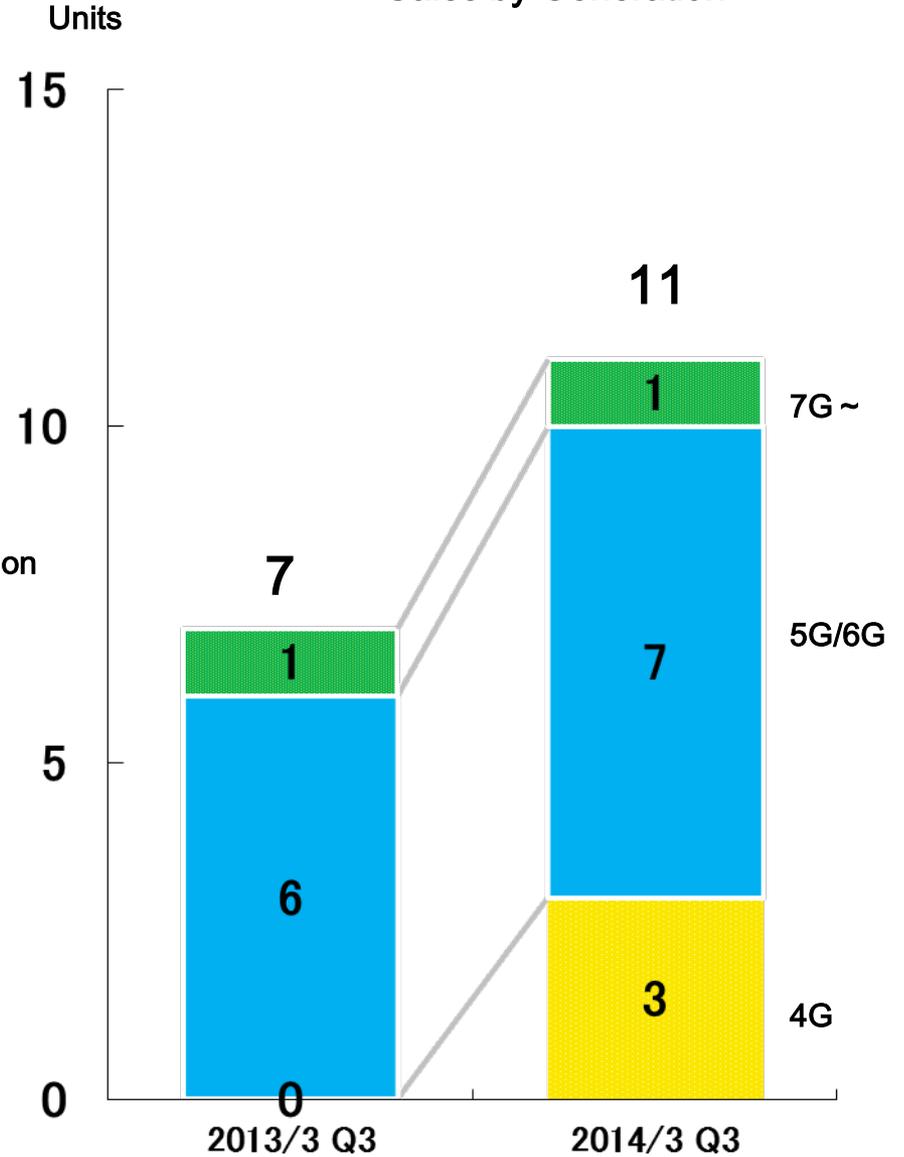
Precision Equipment Company: 3rd Quarter

IC Steppers & Scanners Sales by Technology

*Including refurbished systems



LCD Steppers & Scanners Sales by Generation





Imaging Company: 3rd Quarter

Billions of yen Cameras & Lenses (1,000 of units sold)	2013/3(A)		2014/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	207.3	588.4	200.4	552.9	-6.9	-35.5
Operating Income % vs Net Sales	10.6 5.1%	52.4 8.9%	22.0 11.0%	52.9 9.6%	+11.4	+ 0.5
Digital camera – Interchangeable Lens Type	2,100	5,550	1,760	4,730	-340	-820
Interchangeable Lenses	2,950	7,710	2,510	6,700	-440	-1,010
Compact DSC	6,190	14,450	3,810	9,610	-2,380	-4,840

Compared with previous Q3, the market (shipped volume) shrank 10% for digital camera-interchangeable lens type and 32% for compact DSC. In this fierce environment, Q3 operating income doubled from previous year, as a result of the effort of product mix improvement in entry class D-SLR cameras and new product launch of middle/high class D-SLR cameras.

Instruments Company : 3rd Quarter

Billions of yen	2013/3(A)		2014/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	12.1	35.8	15.6	41.6	+3.5	+5.8
Operating Income	-1.7	-4.7	-0.9	-4.3	+0.8	+0.4
<small>% vs Net Sales</small>	<small>-%</small>	<small>-%</small>	<small>-%</small>	<small>-%</small>		

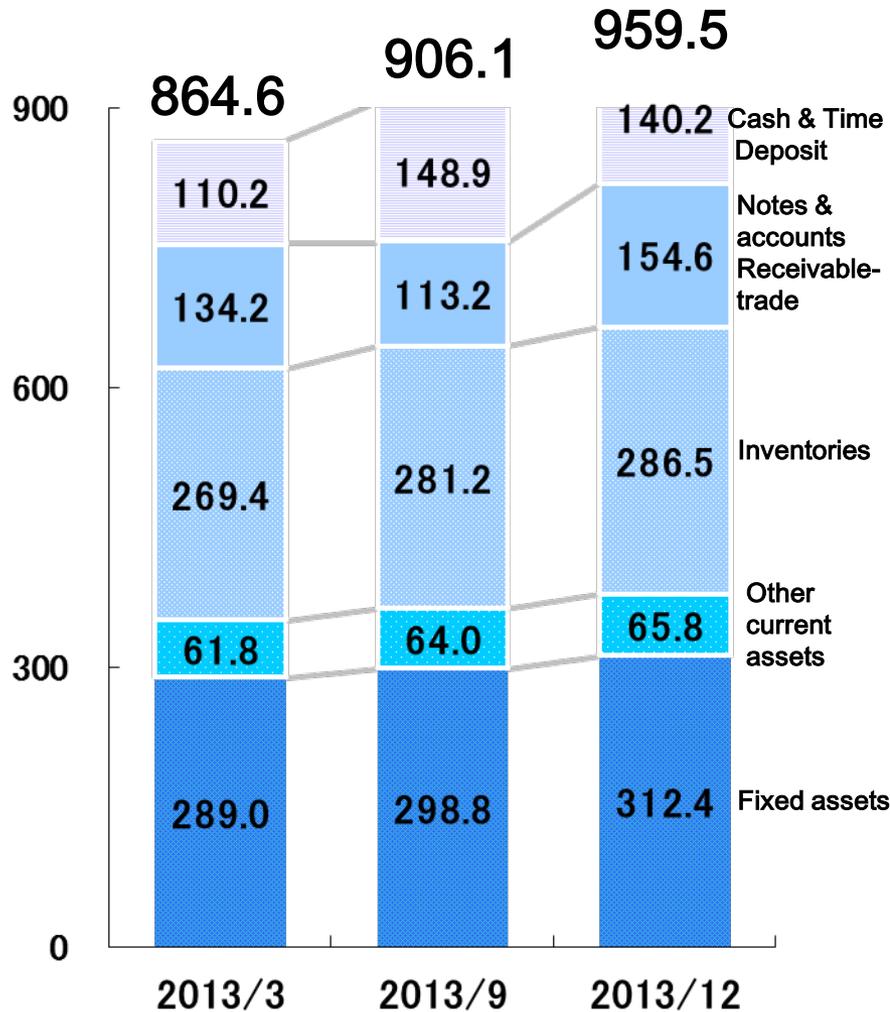
Bioscience sales increased YoY both in Q3 and YTD, buoyed by public spending increase. In industrial instruments, although first half sales had suffered from staggered investment, Q3 sales were lifted due to an recovery of investment in semiconductors and electronic components .

Balance Sheet : 3rd Quarter

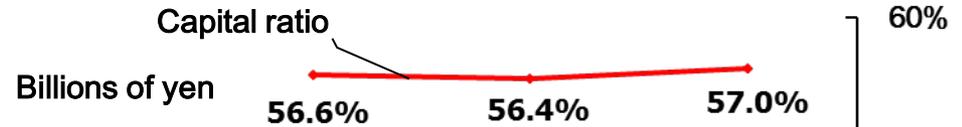


Assets

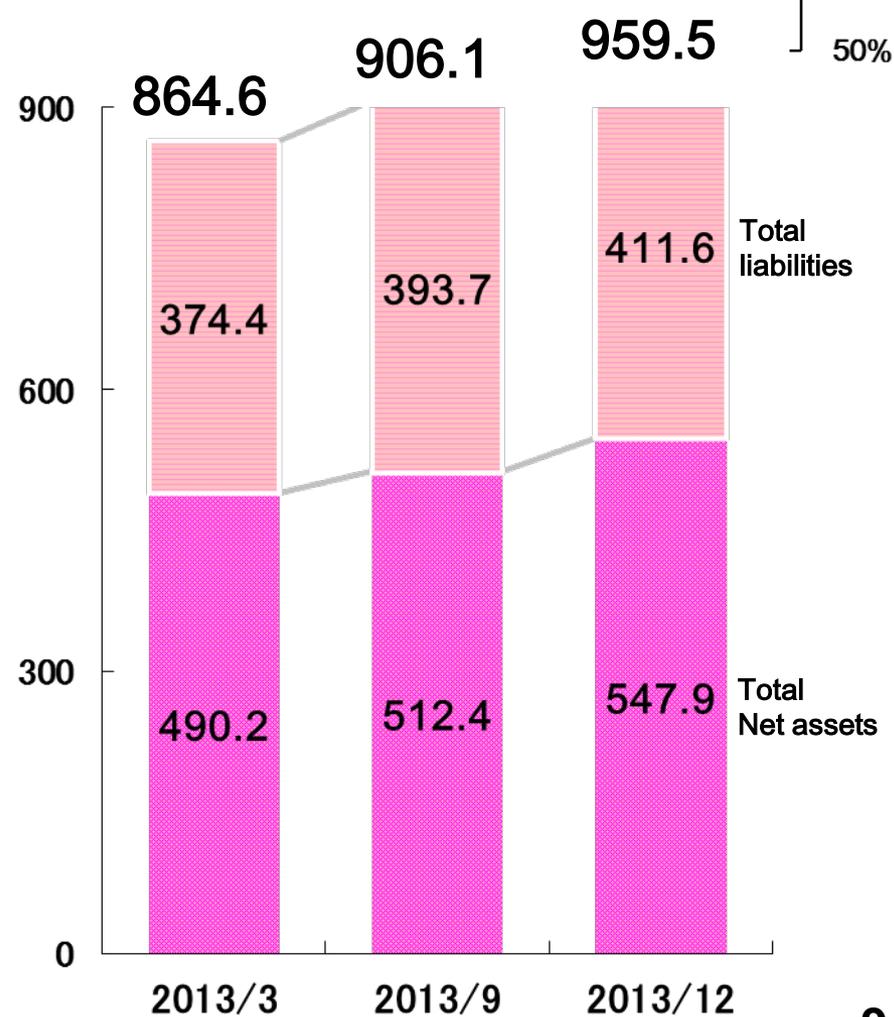
Billions of yen



Liabilities & Net assets



Billions of yen



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Summary of Estimation for the Year Ending March 31, 2014

Nov. 7th forecasts on sales and incomes will not change for entire Company and each business unit.

Precision Equipment Company

Sales in the second half is proceeding as forecast. Latest forecasts on the yearly sales and operating income stay the same.

Imaging Company

As the camera markets in China and Europe did not reach the estimation, the sales volume forecast has to be downgraded for digital camera-interchangeable lens type and interchangeable lens. But net sales forecast is unchanged, considering the favorable foreign exchange rate. Operating income forecast is also unchanged with an intention to promote further cost reduction measures.

Instruments Company

Sales in the second half is proceeding as forecasted. The latest full-year sales forecast is maintained.

Cost reduction led by Management Measures Committee is making an expected progress, and will accomplish the target of 20 billion yen.

Assumption of exchange rate for Q4 is changed from ¥95 to ¥100 against a dollar and ¥125 to ¥135 against a Euro.

Performance Estimation for the Year Ending March 31, 2014



Billions of yen	2013/3 (A)	1H 2H	Previous Forecast as of Nov. 7	1H 2H	New Estimation (C)	1H 2H	Change (C-A)	Change (C-B)
Net Sales	1,010.4	<u>497.2</u> 513.2	1,015.0	<u>470.4</u> 544.6	1,015.0	<u>470.4</u> 544.6	+4.6	± 0
Operating Income % vs Net Sales	51.0 5.0%	<u>37.1</u> 13.9	65.0 6.4%	<u>21.9</u> 43.1	65.0 6.4%	<u>21.9</u> 43.1	+14.0	± 0
Ordinary Income % vs Net Sales	48.3 4.8%	<u>39.5</u> 8.8	63.0 6.2%	<u>20.0</u> 43.0	63.0 6.2%	<u>20.0</u> 43.0	+14.7	± 0
Net Income % vs Net Sales	42.4 4.2%	<u>32.0</u> 10.4	50.0 4.9%	<u>13.6</u> 36.4	50.0 4.9%	<u>13.6</u> 36.4	+7.6	± 0
FCF	-13.2		40.0		40.0		+ 53.2	± 0
Exchange Rate:		<u>79yen</u> 87yen		<u>99yen</u> 95yen		<u>99yen</u> 100yen		
US\$	83_{yen}	<u>101yen</u> 114yen	97_{yen}	<u>130yen</u> 125yen	100_{yen}	<u>130yen</u> 136yen		
EURO	107_{yen}		127_{yen}		133_{yen}			

Latest forecasts on full-year sales and each income are left unchanged.

Estimation for Precision Equipment Company



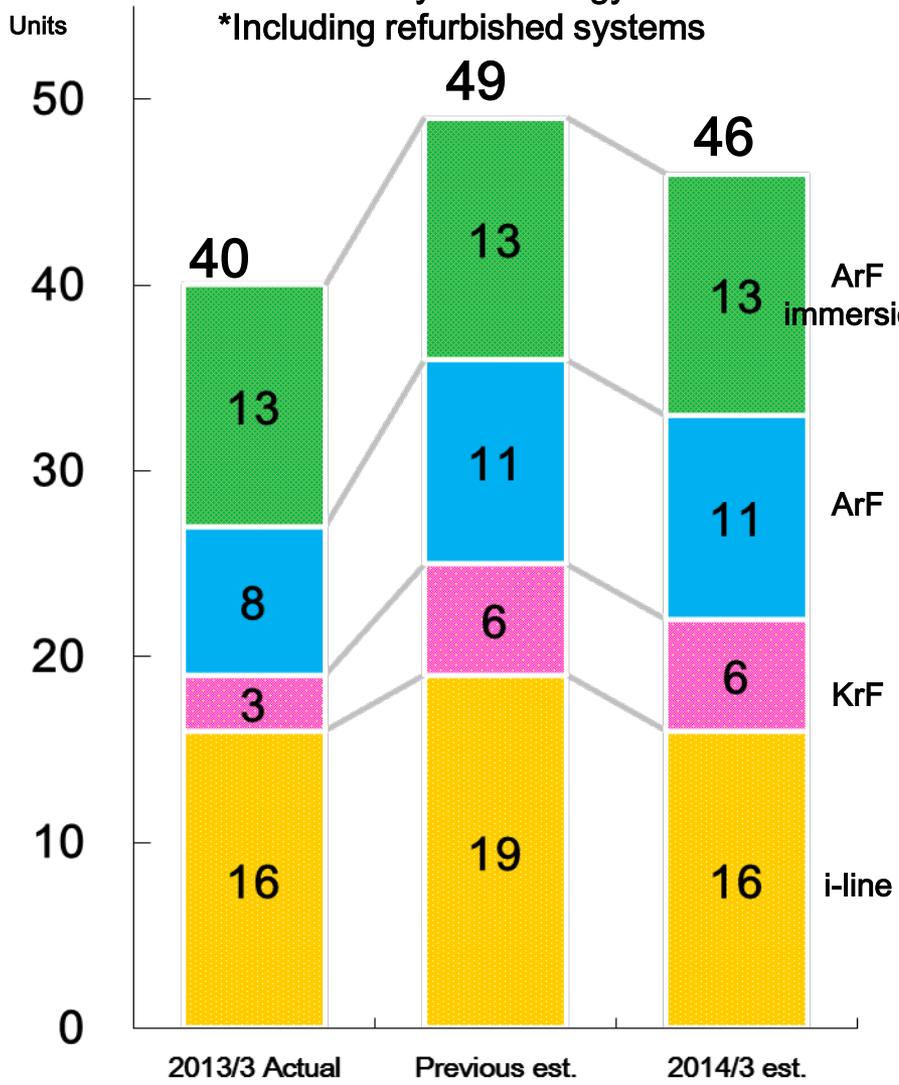
Billions of yen	2013/3	<u>1H</u> <u>2H</u>	Previous Forecast as of Nov. 7	<u>1H</u> <u>2H</u>	New Estimation	<u>1H</u> <u>2H</u>
Net Sales	179.0	<u>80.4</u> <u>98.6</u>	215.0	<u>79.8</u> <u>135.2</u>	215.0	<u>79.8</u> <u>135.2</u>
Operating Income % vs Net Sales	13.0 7.3%	<u>7.2</u> <u>5.8</u>	19.0 8.8%	<u>3.7</u> <u>15.3</u>	19.0 8.8%	<u>3.7</u> <u>15.3</u>
IC Steppers & Scanners New / Refurbished	25/15 units	<u>9/5</u> <u>16/10</u>	36/13 units	<u>10/2</u> <u>26/11</u>	36/10 units	<u>10/2</u> <u>26/8</u>
LCD Steppers & Scanners	43 units	<u>25</u> <u>18</u>	55 units	<u>35</u> <u>20</u>	55 units	<u>35</u> <u>20</u>
Market Scale IC Steppers & Scanners CY12/13	222 units		Approx. 200 units		209 units	
Market Scale LCD Steppers & Scanners CY12/13	66 units		Approx. 80 units		73 units	

Latest forecasts on sales and operating income are not changed.
The most advanced ArF immersion scanner strives to pursue new customers.

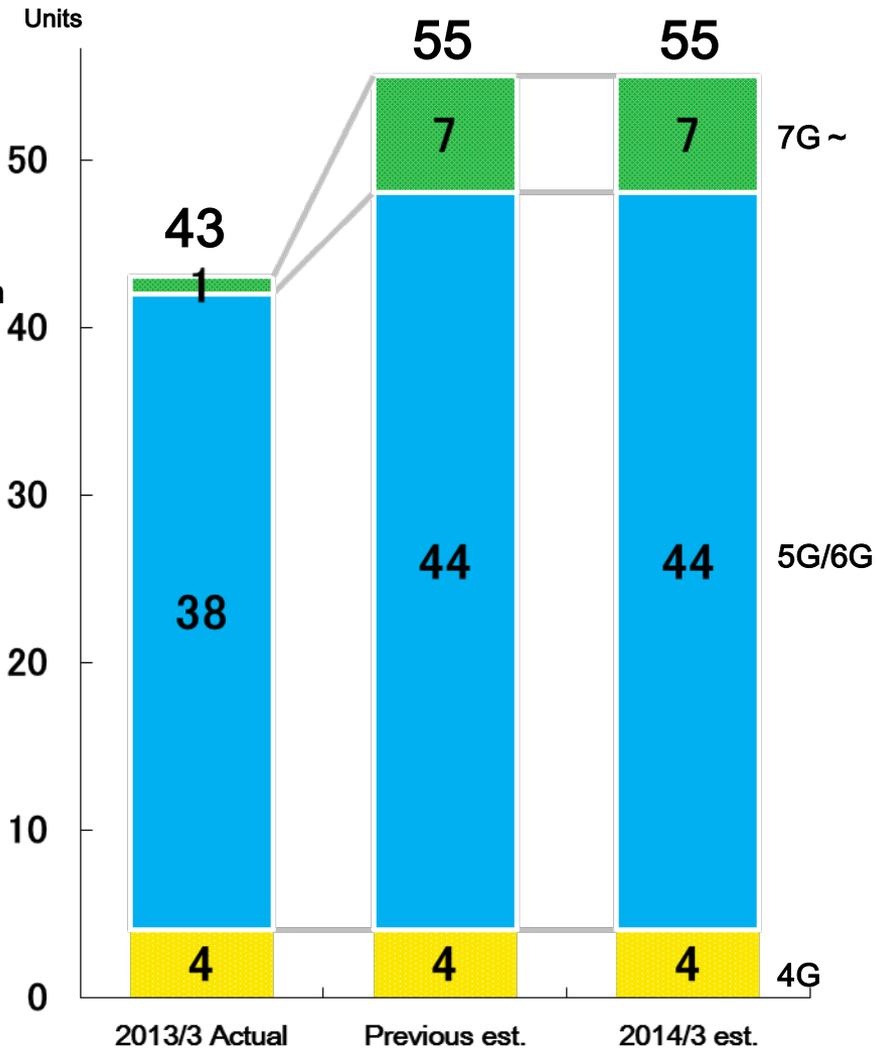
Estimation for Precision Equipment Company



**IC Steppers & Scanners
Sales by Technology**
*Including refurbished systems



**LCD Steppers & Scanners
Sales by Generation**



Estimation for Imaging Company



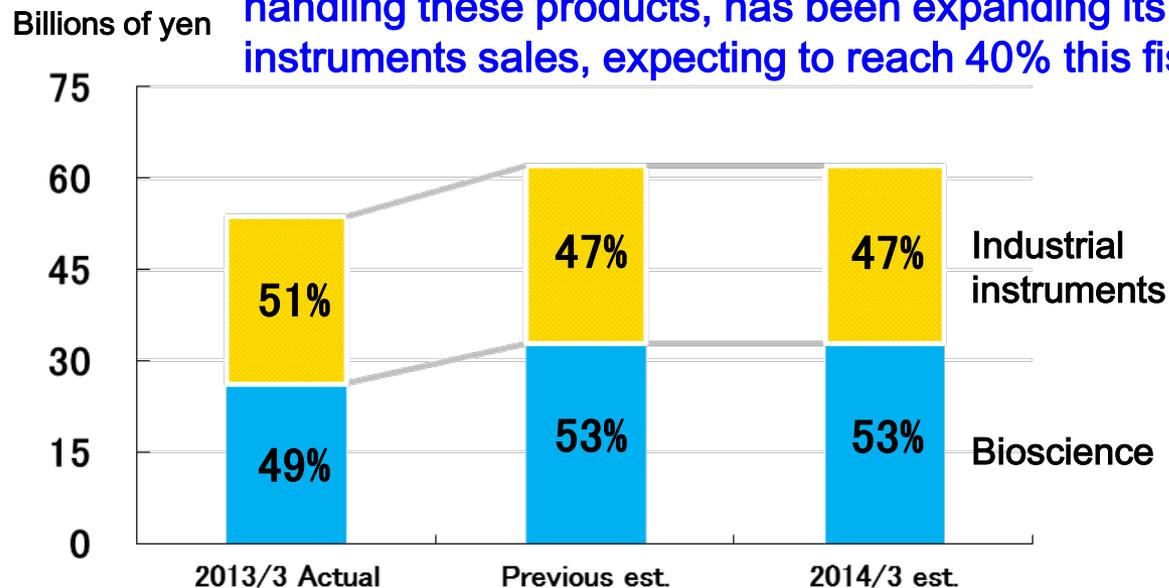
Billions of yen Cameras & Lenses (1,000 of units sold)	2013/3	1H 2H	Previous Forecast as of Nov. 7	1H 2H	New Estimation	1H 2H
Net Sales	751.2	<u>381.0</u> 370.2	710.0	<u>352.5</u> 357.5	710.0	<u>352.5</u> 357.5
Operating Income	60.7 8.1%	<u>41.8</u> 18.9	68.0 9.6%	<u>30.9</u> 37.1	68.0 9.6%	<u>30.9</u> 37.1
Digital camera – Interchangeable Lens Type	6,980	<u>3,450</u> 3,530	6,200	<u>2,980</u> 3,220	6,000	<u>2,980</u> 3,020
Interchangeable Lens	9,710	<u>4,770</u> 4,940	8,600	<u>4,200</u> 4,400	8,400	<u>4,200</u> 4,200
Compact DSC	17,140	<u>8,260</u> 8,880	11,500	<u>5,800</u> 5,700	11,500	<u>5,800</u> 5,700
D-CIL Market Scale	19,230		18,700		17,200	
IL Market Scale	29,640		29,000		27,000	
C-DSC Market Scale	68,080		47,000		43,500	

Profitability at operating income level that dropped to 5.1% in 2nd half of previous fiscal year will be pushed up to 10% or higher in the current 2nd half.

Estimation for Instruments Company

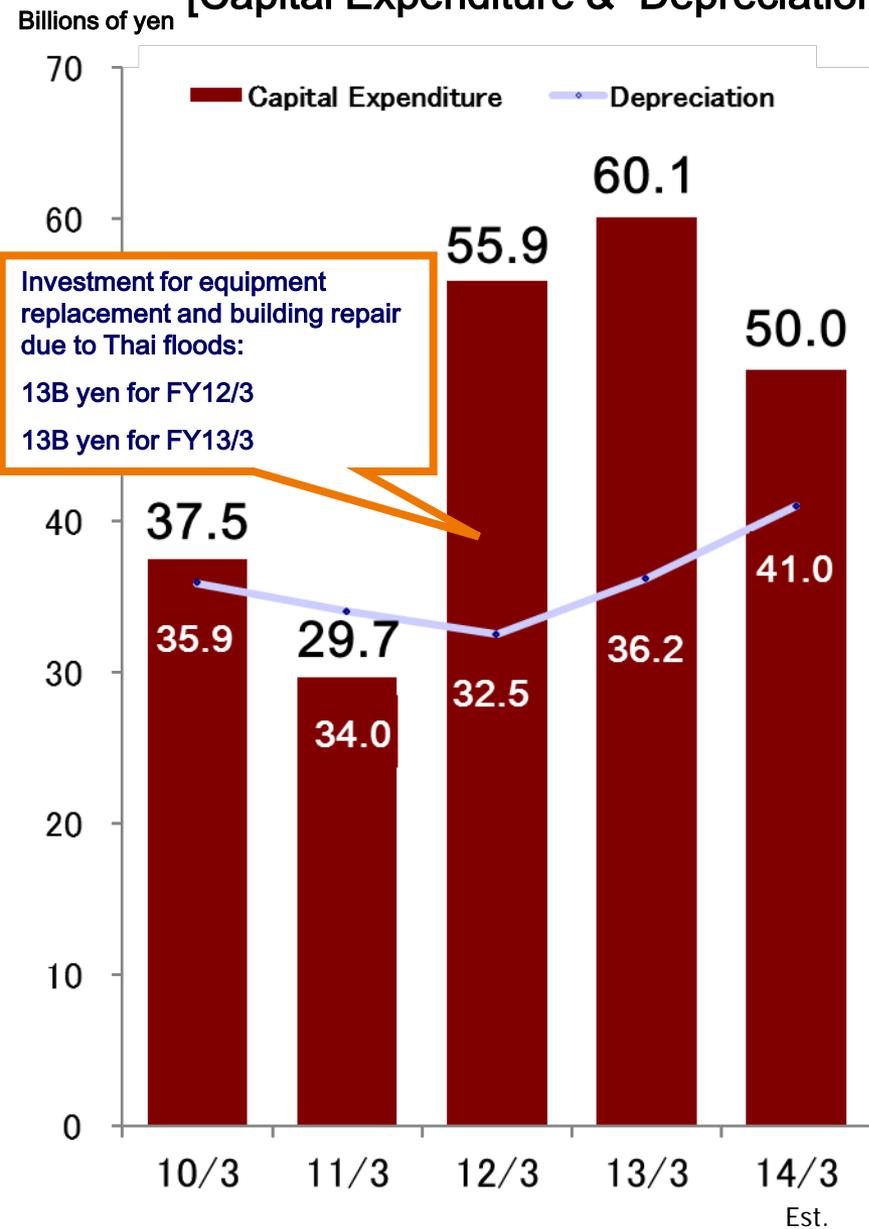
Billions of yen	2013/3	<u>1H</u> <u>2H</u>	Previous Forecast as of Nov. 7	<u>1H</u> <u>2H</u>	New Estimation	<u>1H</u> <u>2H</u>
Net Sales	53.8	<u>23.7</u> <u>30.1</u>	62.0	<u>26.0</u> <u>36.0</u>	62.0	<u>26.0</u> <u>36.0</u>
Operating Income % vs Net Sales	-4.9 - %	<u>-2.9</u> <u>-2.0</u>	-2.0 - %	<u>-3.4</u> <u>1.4</u>	-2.0 - %	<u>-3.4</u> <u>1.4</u>

Efforts have been made to expand the sales of non-contact 3D measurement system and X-ray inspection system to automotive and aviation industries. Nikon Metrology handling these products, has been expanding its internal share in the industrial instruments sales, expecting to reach 40% this fiscal year from 25% of FY 03/2012.

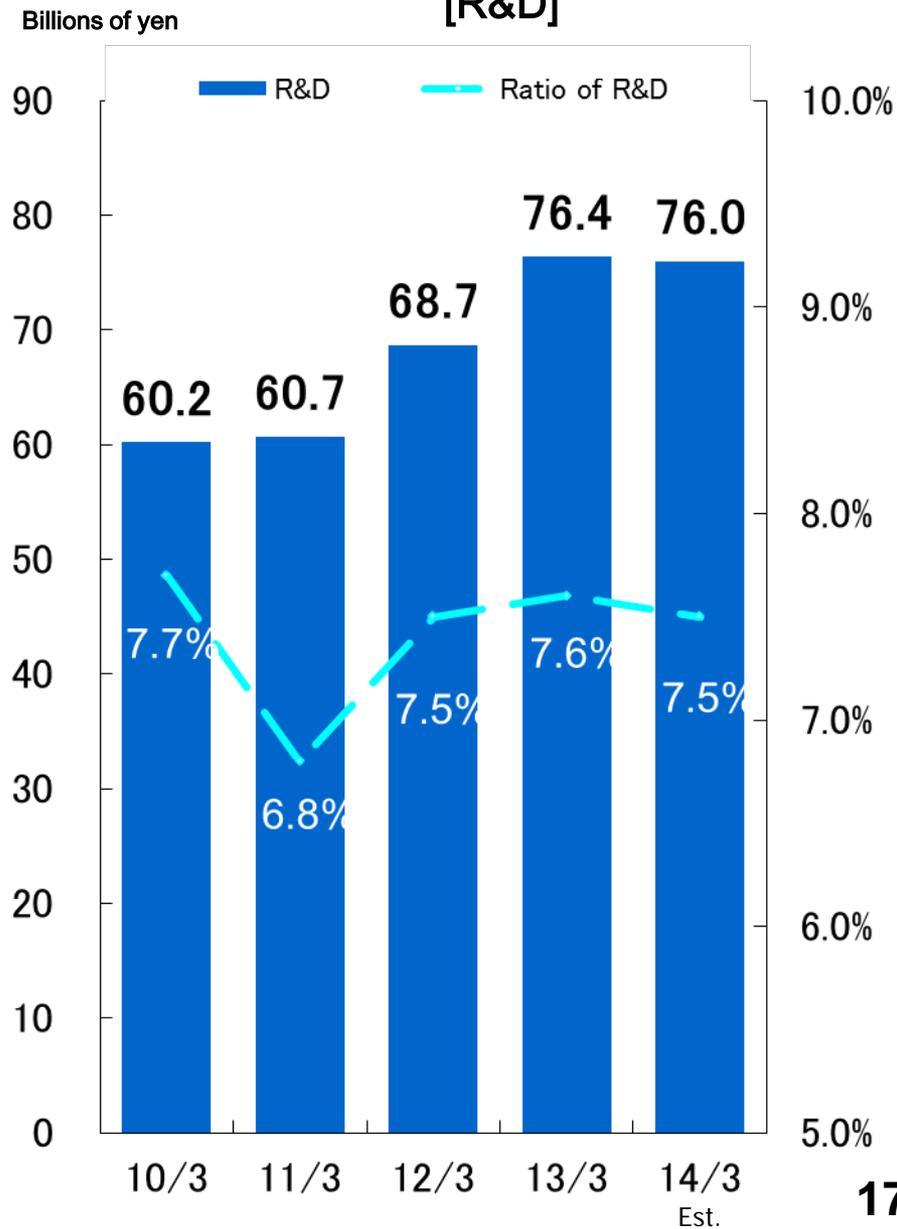


Estimation for Capital Expenditure, Depreciation and R&D

[Capital Expenditure & Depreciation]



[R&D]



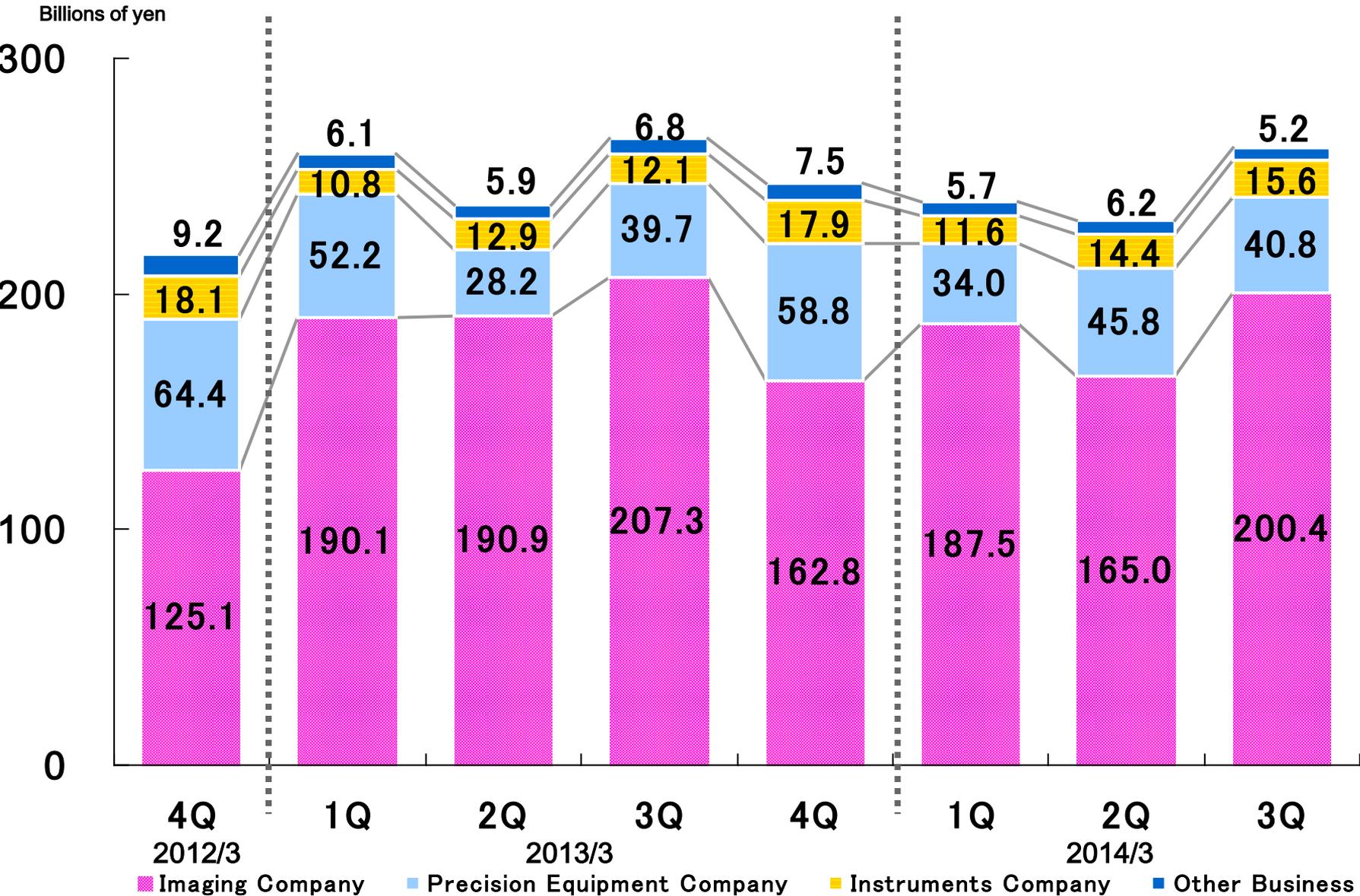
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14/3 Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	14/3 Forecast for 4Q	Net Sales 4Q	Operating Income 4Q
US \$	100 yen	Approx. 1.0 billion yen	Approx. 0.02 billion yen
EURO	135 yen	Approx. 0.4 billion yen	Approx. 0.2 billion yen

Quarterly Net Sales by Segment

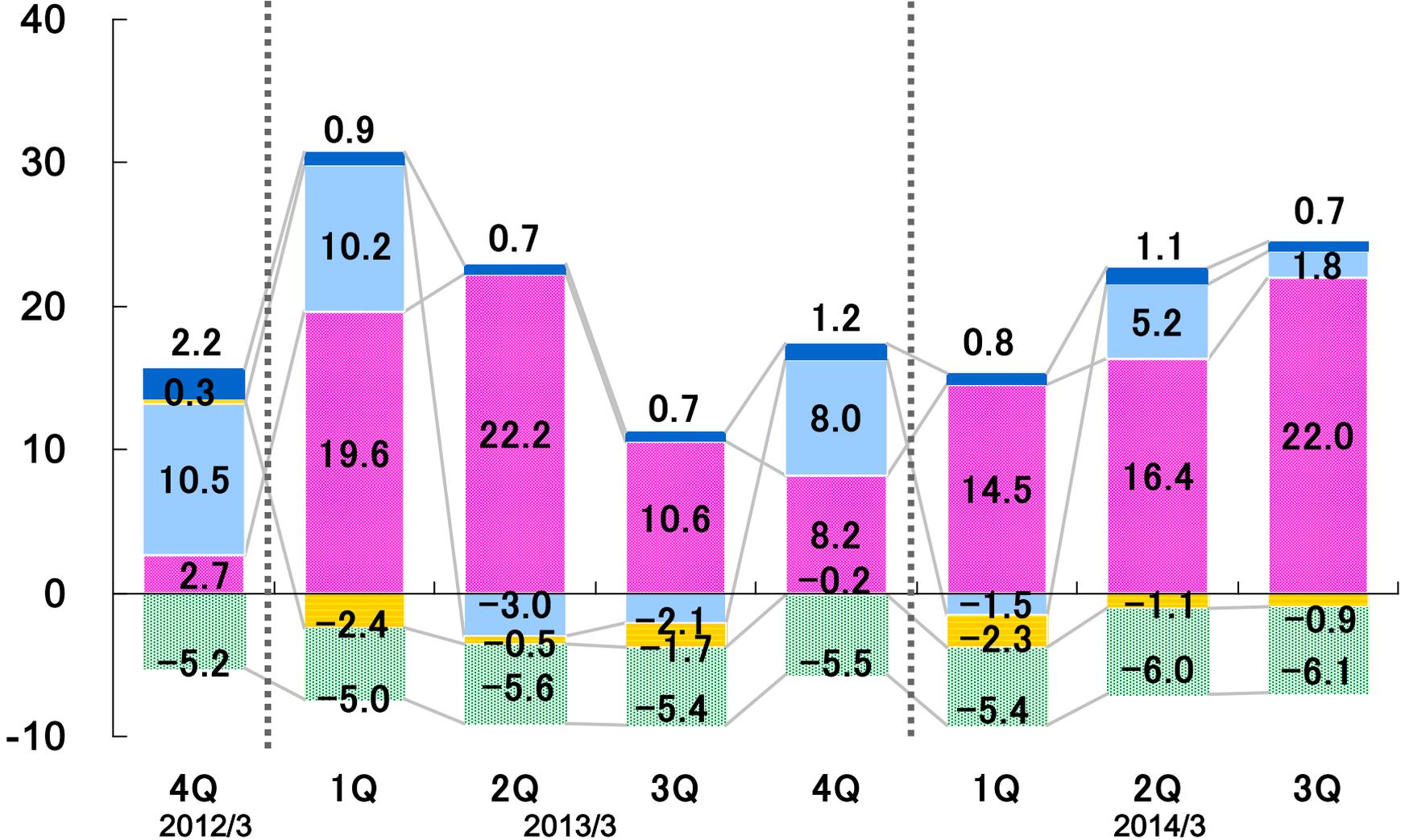


* Amounts in this statement are rounded down to the hundred million: the sum of breakdown values may not match the total.

Quarterly Operating Income by Segment



Billions of yen



■ Imaging Company ■ Precision Equipment Company ■ Instruments Company ■ Other Business ■ Corporate Expenses

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



NIKON CORPORATION