



NIKON CORPORATION
Corporate Communications &
Investor Relations Dept.
Corporate Strategy Division
Feb. 5, 2015

Financial Results for the 3rd Quarter of the Year Ending March 31, 2015

Conference in Tokyo (Feb. 5, 2015)

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, 2015**
- II. Estimation for the Year Ending March 31, 2015
- III. Reference Data

- ◆ Overall sales and incomes decreased year on year both for Q3 and 3 quarters total. Although sales did not reach the Q3 target marginally, operating income almost achieved the target.

- **Precision Equipment Business**
 - Semiconductor lithography systems and FPD lithography systems posted substantial income decline for Q3 and 3 quarters total year on year because of sales volume reduction.

- **Imaging Products Business**
 - Sales and income decreased for Q3 and 3 quarters total year on year.
 - D-SLR and compact DSC almost achieved the sales volume forecast.
 - Q3 sales dropped 8% quarter on quarter, but operating income maintained the previous years ratio of approximately 11% by improving product mix and promoting cost reduction activities.

- **Instruments Business**
 - Both Microscope Solutions Business and Industrial Metrology Business posted higher sales year on year for Q3 and 3 quarters total, shrinking the deficit.

Financial Highlights for the 3rd Quarter of the Year Ending March 31, 2015



Billions of yen	2014/3(A)		2015/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	262.0	732.4	242.9	617.8	-19.1	-114.6
Operating Income % vs Net Sales	17.4 6.6%	39.3 5.4%	13.7 5.6%	26.7 4.3%	-3.7	-12.6
Ordinary Income % vs Net Sales	17.6 6.7%	37.6 5.1%	13.1 5.4%	27.8 4.5%	-4.5	-9.8
Net Income % vs Net Sales	23.9 9.1%	37.5 5.1%	6.7 2.8%	16.7 2.7%	-17.2	-20.8
FCF	27.2		14.4		-12.8	
Exchange Rate: US\$	100yen	99yen	114yen	107yen	Impact on Net Sales: + 15.1 + 27.0	
EURO	137yen	132yen	143yen	140yen	Impact on Op. Income: + 0.1 + 5.0	

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

Precision Equipment Business: 3rd Quarter

Billions of yen	2014/3(A)		2015/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	40.8	120.6	34.3	89.2	-6.5	-31.4
Operating Income % vs Net Sales	1.8 4.4%	5.5 4.6%	0.5 1.5%	-2.7 -	-1.3	-8.2
Semiconductor Lithography Systems New / Refurbished	4/2 units	14/4 units	2/4 units	7/5 units	-2/+2 units	-7/+1 units
FPD Lithography Systems	11 units	46 units	9 units	22 units	-2 units	-24 units

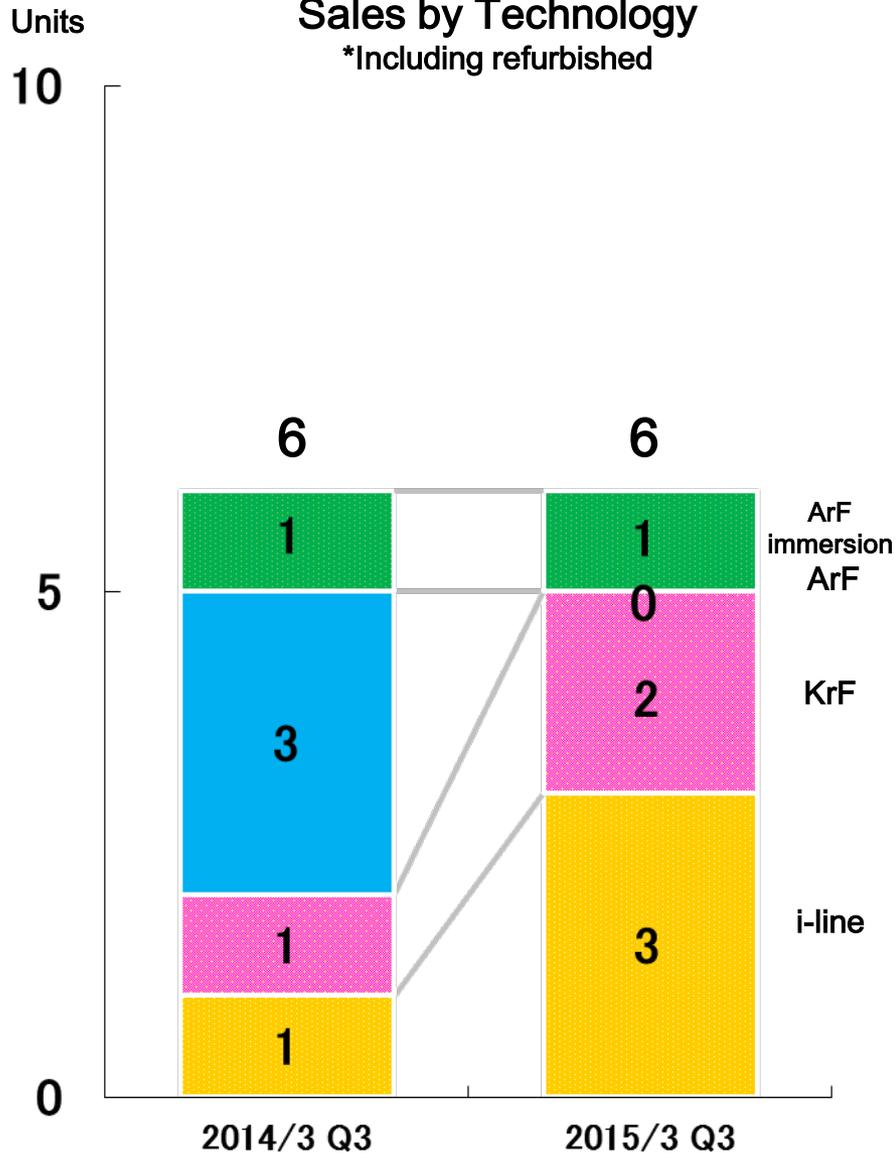
Sales of new semiconductor lithography systems and FPD lithography systems both fell quarter on quarter, but the profit was secured.

Precision Equipment Business : 3rd Quarter

Semiconductor Lithography Systems

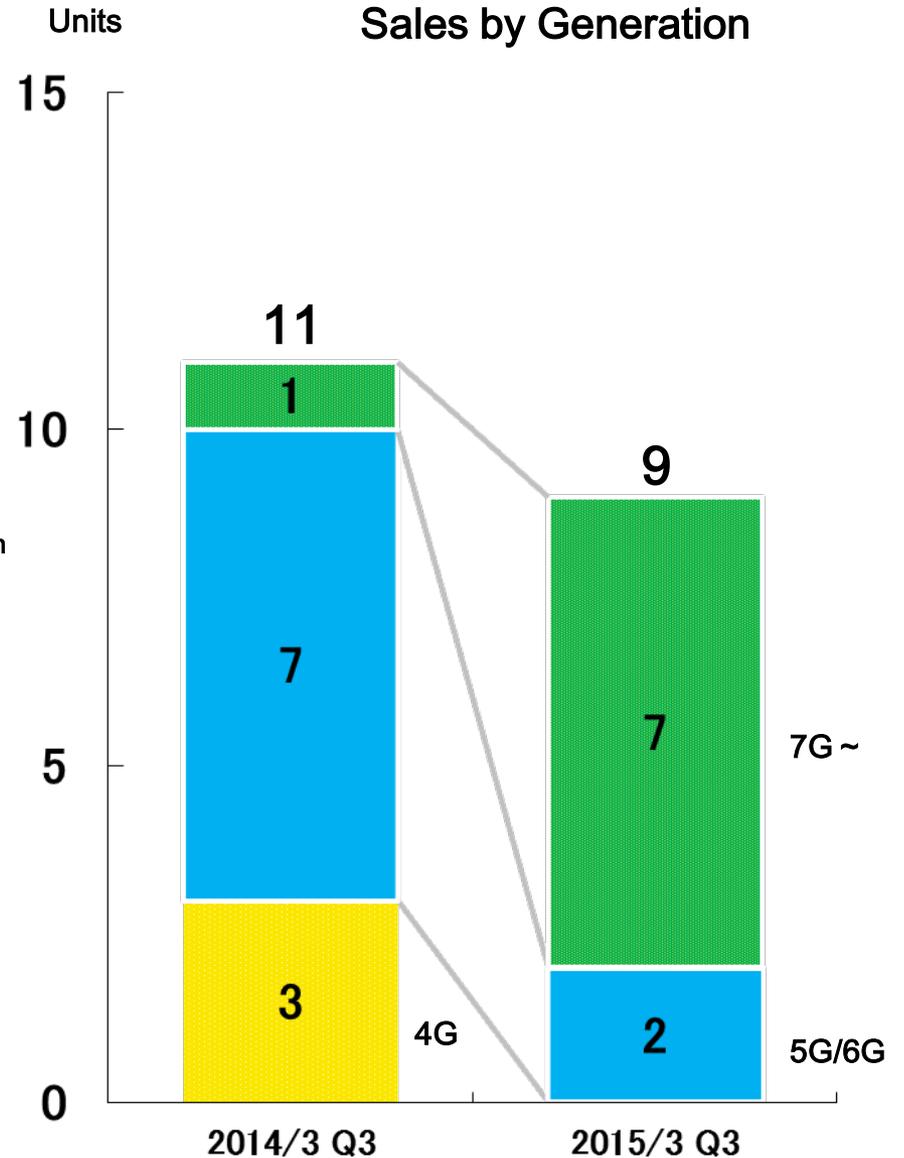
Sales by Technology

*Including refurbished



FPD Lithography Systems

Sales by Generation





Imaging Products Business: 3rd Quarter

Billions of yen Cameras & Lenses (1,000 of units sold)	2014/3(A)		2015/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	200.4	552.9	183.6	461.0	-16.8	-91.9
Operating Income % vs Net Sales	22.0 11.0%	52.9 9.6%	20.0 10.9%	47.5 10.3%	-2.0	- 5.4
Digital camera – Interchangeable Lens Type	1,760	4,730	1,510	3,690	-250	-1,040
Interchangeable Lens	2,510	6,700	2,210	5,300	-300	-1,400
Compact DSC	3,810	9,610	2,760	6,330	-1,050	-3,280

Q3 sales dropped year on year while the same level of operating income ratio was maintained as the previous year. Q3 sales surpassed the forecast due to favorable exchange rate. Sales volume and operating income almost achieved the targets.

Instruments Business : 3rd Quarter

Billions of yen	2014/3(A)		2015/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	15.6	41.6	17.4	45.9	+1.8	+4.3
Operating Income	-0.9	-4.3	-0.5	-2.6	+0.4	+1.7
% vs Net Sales	-%	-%	-%	-%		

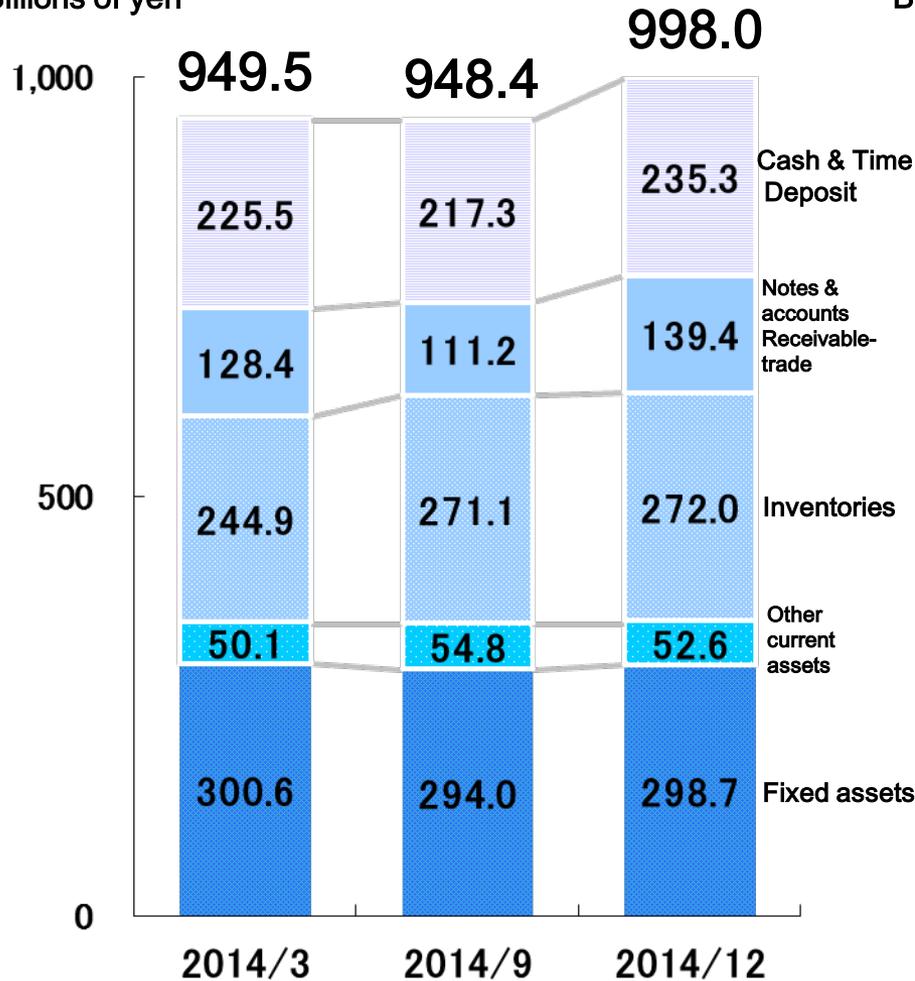
Q3 continuously enjoyed the trend of the first half. Overseas sales in Microscope Solutions Business increased, and Industrial Metrology Business took advantage of investment recovery in electronic components and automobile industry. Both business sectors ended with higher sales and reduced deficit year on year.

Balance Sheet : 3rd Quarter



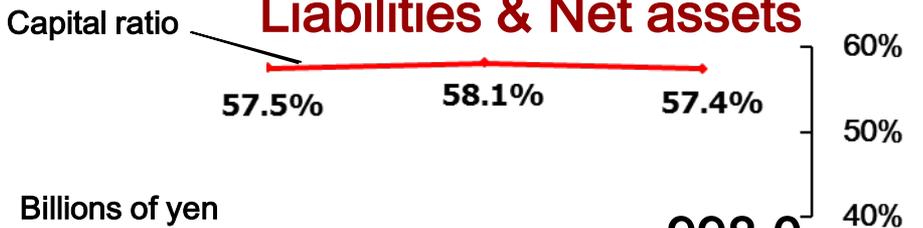
Assets

Billions of yen

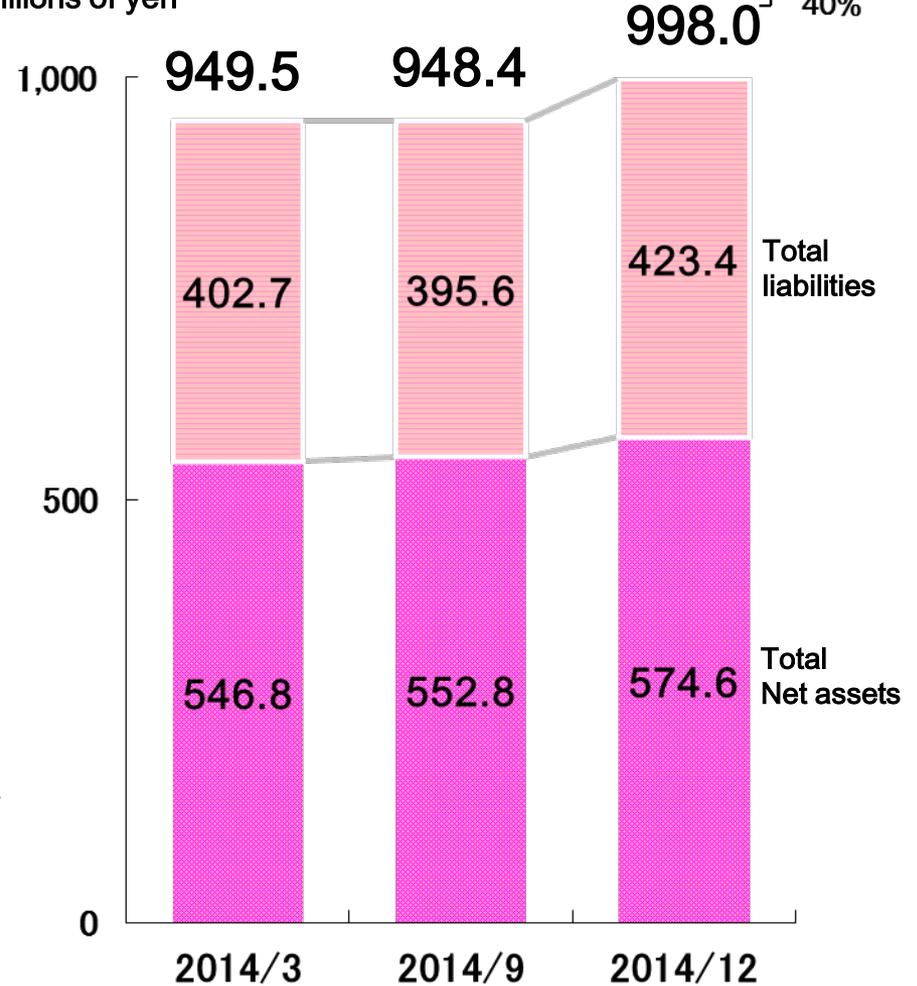


Liabilities & Net assets

Capital ratio



Billions of yen



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Summary of Estimation for the Year Ending March 31, 2015

- ◆ Precision Equipment Business and Imaging Products Business revise their forecasts, downgrading the whole company forecasts on sales and incomes.

- **Precision Equipment Business**
 - Forecasts on sales and operating income are lowered by revising the estimated number of units sold mainly for ArF immersion scanners.

- **Imaging Products Business**
 - Sales volume forecast for Q4 is reduced for digital camera-interchangeable lens type and interchangeable lens. Sales forecast remains unchanged, but operating income forecast is downwardly revised.

- **Instruments Business**
 - The latest full-year forecast is maintained.

- ◆ Annual cash dividend per share: 32 yen

- ◆ Assumption of exchange rate for Q4 is changed from ¥100 to ¥115 against a US dollar. The rate against a Euro remains the same as ¥135.

Estimation for the Year Ending March 31, 2015



Billions of yen	14/3 Actual (A)	1H 2H	Previous est. (B) (Nov. 6)	1H 2H	New est. (C)	1H 2H	Change (C)-(A)	Change (C)-(B)
Net Sales	980.5	<u>470.4</u> 510.1	900.0	<u>374.9</u> 525.1	860.0	<u>374.9</u> 485.1	-120.5	-40.0
Operating Income % vs Net Sales	62.9 6.4%	<u>21.9</u> 41.0	53.0 5.9%	<u>13.0</u> 40.0	36.0 4.2%	<u>13.0</u> 23.0	-26.9	-17.0
Ordinary Income % vs Net Sales	61.7 6.3%	<u>20.0</u> 41.7	56.0 6.2%	<u>14.7</u> 41.3	37.0 4.3%	<u>14.7</u> 22.3	-24.7	-19.0
Net Income % vs Net Sales	46.8 4.8%	<u>13.6</u> 33.2	38.0 4.2%	<u>10.0</u> 28.0	20.0 2.3%	<u>10.0</u> 10.0	-26.8	-18.0
FCF	70.9		35.0		22.0		-48.9	-13.0
Exchange Rate	100yen	<u>99yen</u> 102yen	102yen	<u>103yen</u> 100yen	109yen	<u>103yen</u> 115yen	Impact on Net Sales: + 36.5 -	
US\$								
EURO	134yen	<u>130yen</u> 139yen	137yen	<u>139yen</u> 135yen	139yen	<u>139yen</u> 139yen	Impact on Op. Income: +5.7 -	

Whole company forecasts on sales and incomes are downgraded. (Q4 forex rate assumption: ¥115/dollar, ¥135/Euro) 12

Estimation for Precision Equipment Business

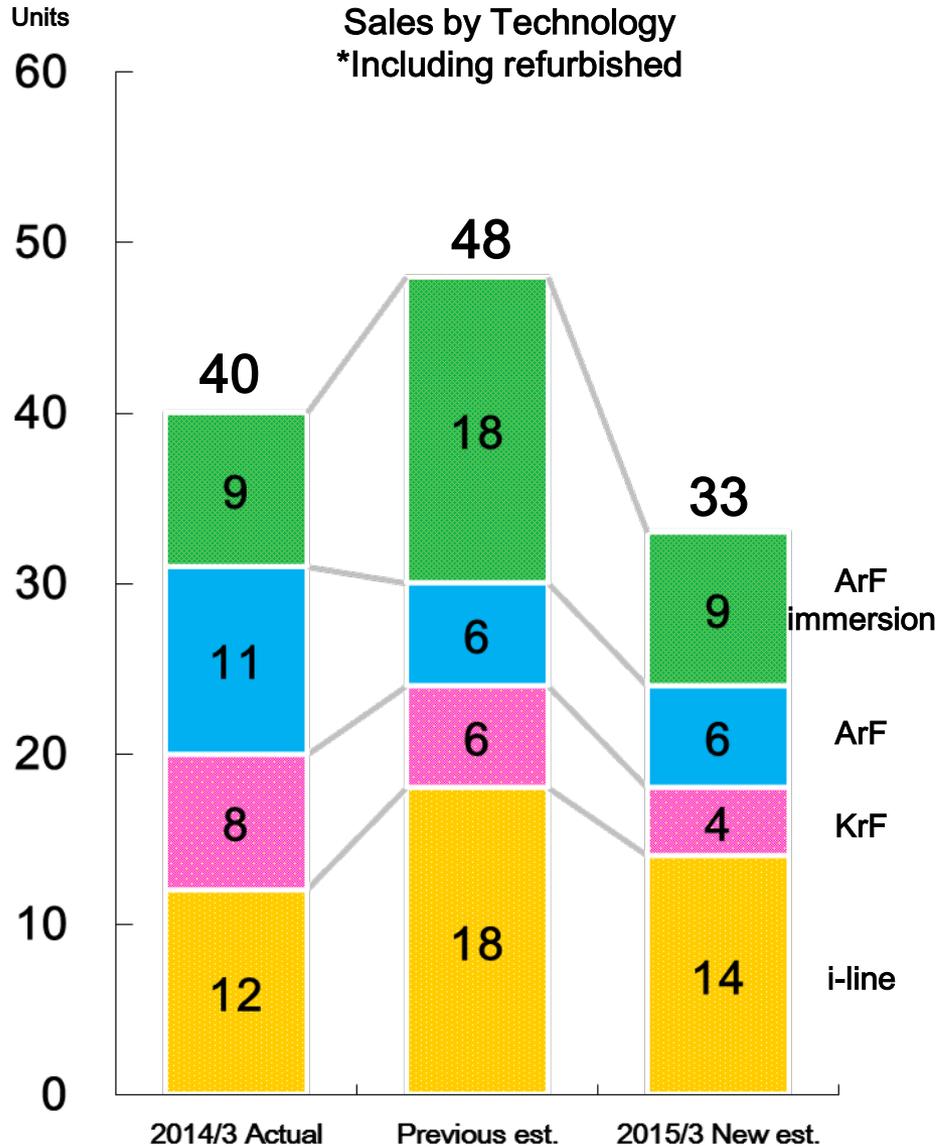


Billions of yen	14/3 Actual	1H 2H	Previous est. (Nov.6)	1H 2H	New est.	1H 2H
Net Sales	205.4	$\frac{79.8}{125.6}$	210.0	$\frac{54.9}{155.1}$	170.0	$\frac{54.9}{115.1}$
Operating Income % vs Net Sales	20.0 9.7%	$\frac{3.7}{16.3}$	19.0 9.0%	$\frac{-3.2}{22.2}$	8.0 4.7%	$\frac{-3.2}{11.2}$
Semiconductor Lithography Systems New / Refurbished	32/8 _{units}	$\frac{10/2}{22/6}$	34/14 _{units}	$\frac{5/1}{29/13}$	19/14 _{units}	$\frac{5/1}{14/13}$
FPD Lithography Systems	56 _{units}	$\frac{35}{21}$	34 _{units}	$\frac{13}{21}$	34 _{units}	$\frac{13}{21}$

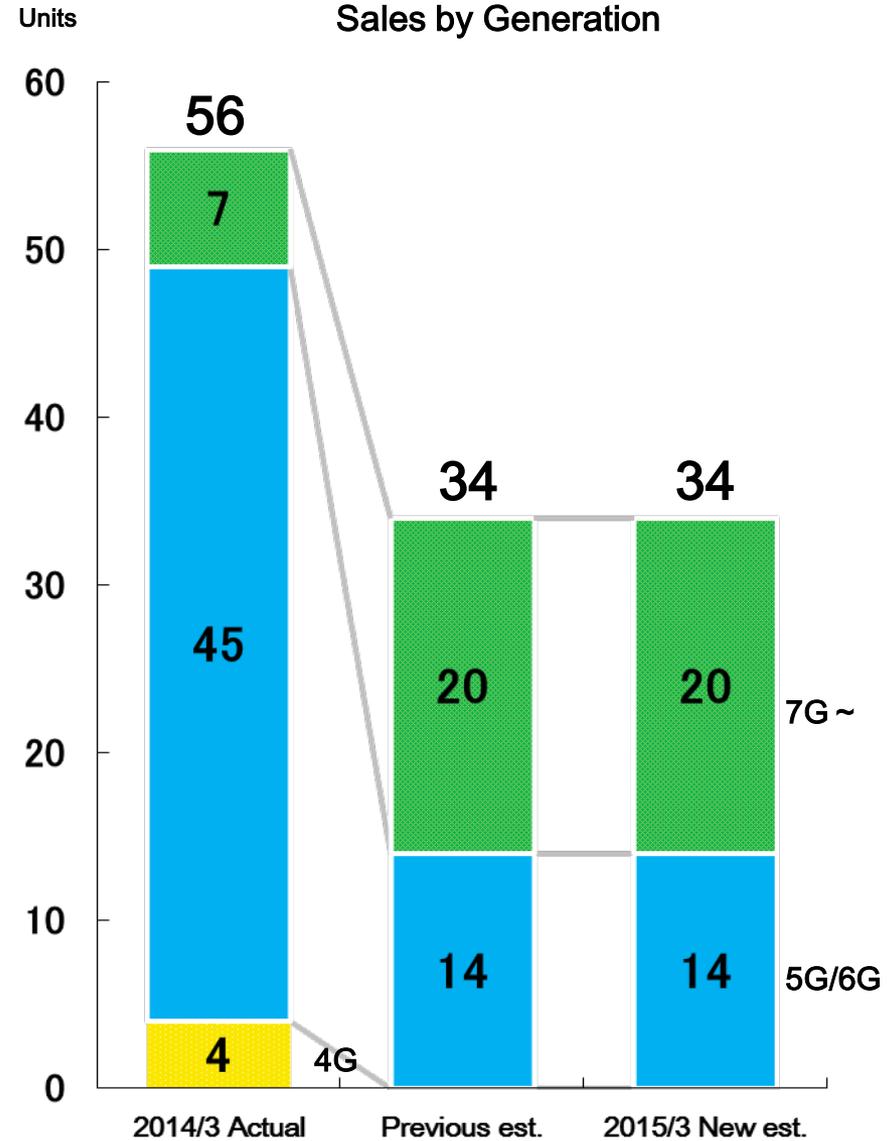
The estimated number of new semiconductor lithography systems sold is reduced 15 units to 19 units, resulting in substantial downgrading of sales and operating income forecasts.

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)	14/3 Actual	1H 2H	Previous est. (Nov. 6)	1H 2H	New est.	1H 2H
Net Sales	685.4	<u>352.5</u> 332.9	590.0	<u>277.4</u> 312.6	590.0	<u>277.4</u> 312.6
Operating Income <small>% vs Net Sales</small>	64.2 9.4%	<u>30.9</u> 33.3	58.0 9.8%	<u>27.5</u> 30.5	53.0 9.0%	<u>27.5</u> 25.5
Digital camera – Interchangeable Lens Type	5,750	<u>2,980</u> 2,770	4,900	<u>2,180</u> 2,720	4,650	<u>2,180</u> 2,470
Interchangeable Lens	8,230	<u>4,200</u> 4,030	6,900	<u>3,090</u> 3,810	6,750	<u>3,090</u> 3,660
Compact DSC	11,160	<u>5,800</u> 5,360	7,500	<u>3,570</u> 3,930	7,500	<u>3,570</u> 3,930
D-CIL Market Scale	16,780		14,700		13,700	
IL Market Scale	26,280		23,600		22,000	
C-DSC Market Scale	41,180		28,000		28,000	

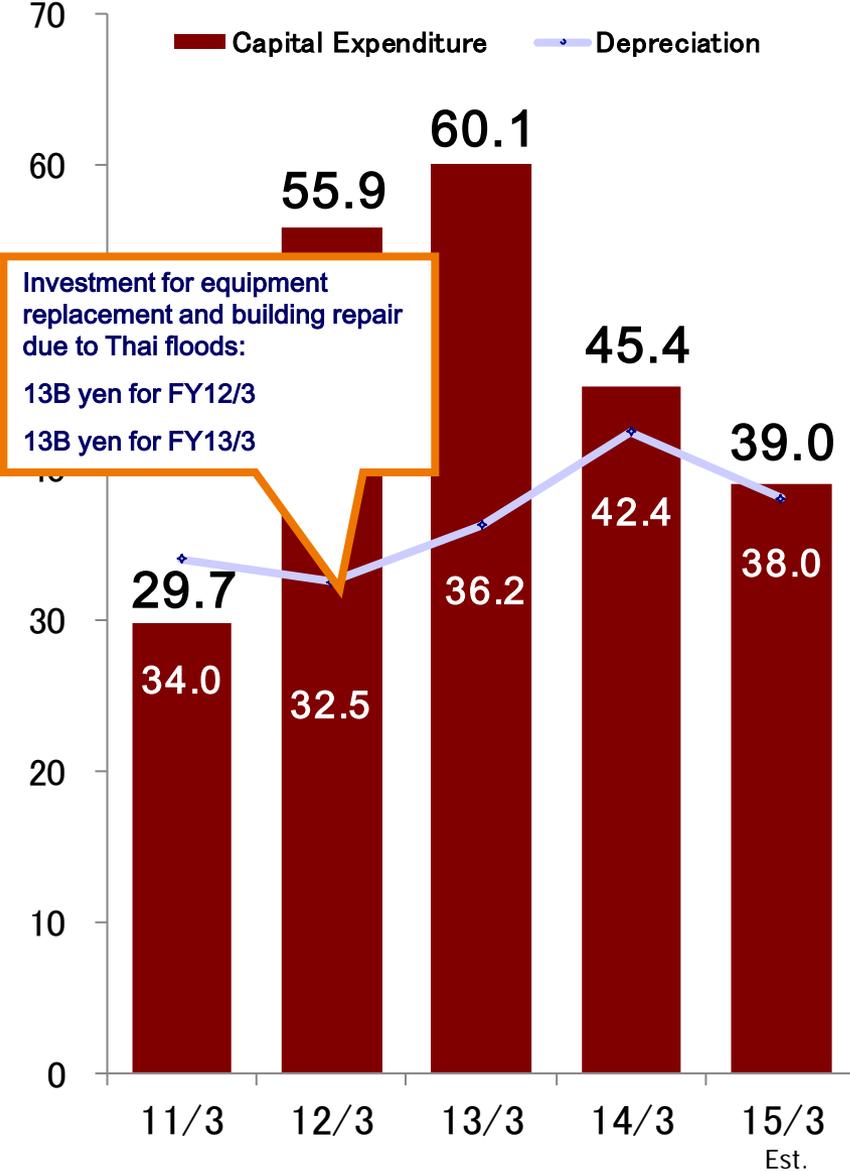
Reflecting the severe market conditions in Europe and China, sales volume and operating income are downgraded.

Billions of yen	14/3 Actual	<u>1H</u> 2H	Previous est. (Nov. 6)	<u>1H</u> 2H	New est.	<u>1H</u> 2H
Net Sales	64.7	<u>26.0</u> 38.7	70.0	<u>28.5</u> 41.5	70.0	<u>28.5</u> 41.5
Operating Income % vs Net Sales	-2.1 - %	<u>-3.4</u> 1.3	1.0 1.4%	<u>-2.1</u> 3.1	1.0 1.4%	<u>-2.1</u> 3.1

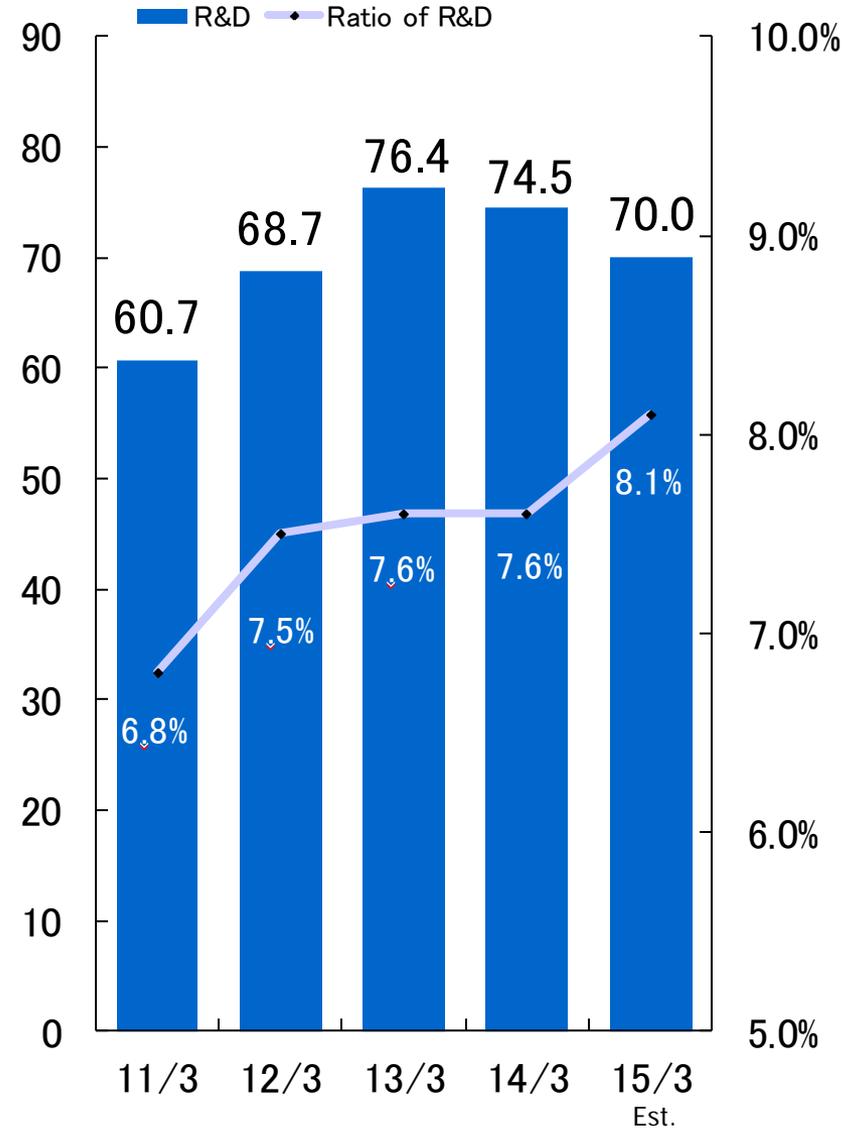
The turning-to-black forecast is not changed as the profit improving trend up to Q3 is expected to continue.

Estimation for Capital Expenditure, Depreciation and R&D

Billions of yen [Capital Expenditure & Depreciation]



Billions of yen [R&D]



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

Agenda

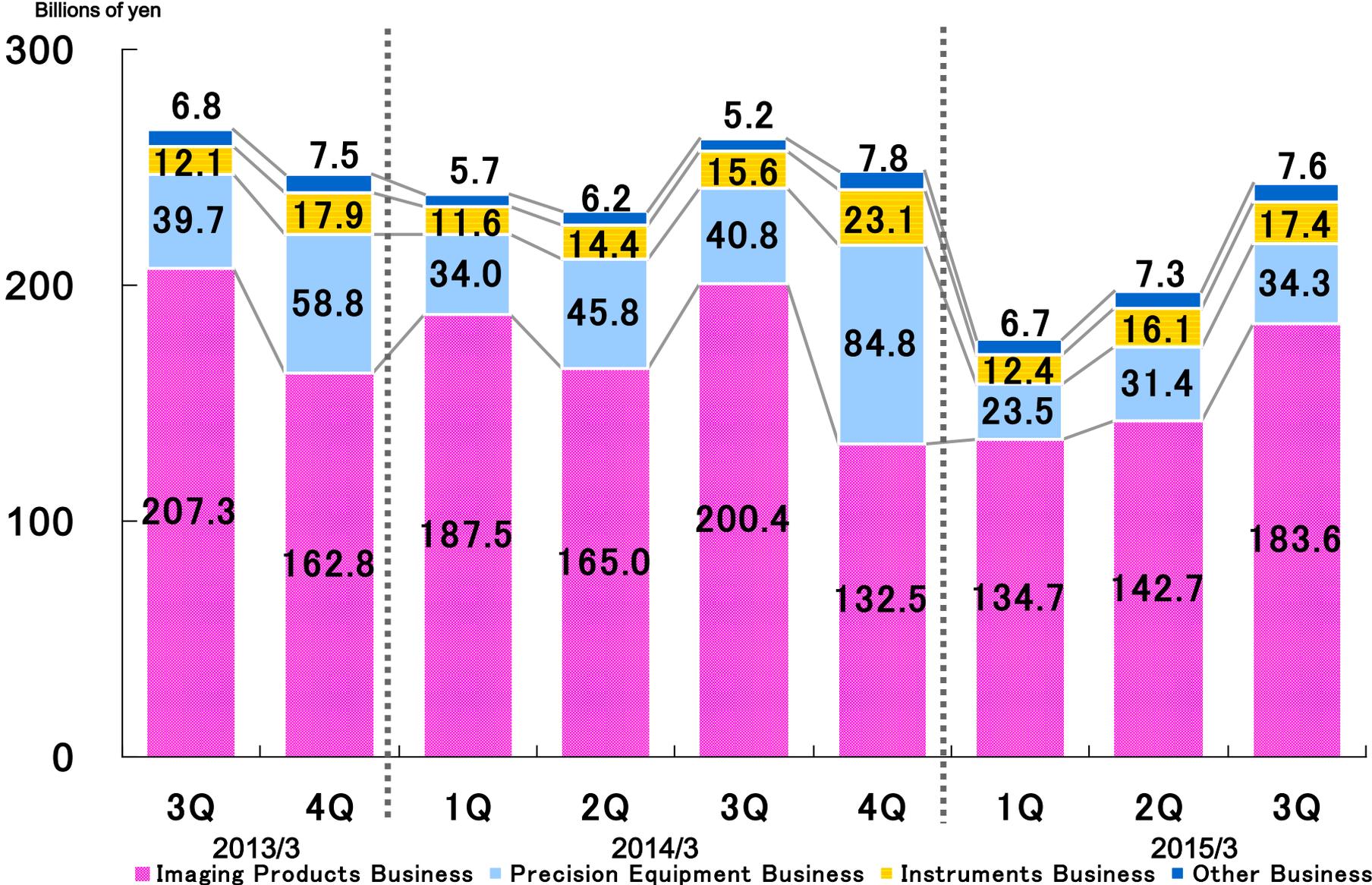
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Exchange Rate

2015/3
Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	15/3 Forecast for 4Q	Net Sales 4Q	Operating Income 4Q
US \$	115 yen	Approx. 0.9 billion yen	Approx. 0.1 billion yen
EURO	135 yen	Approx. 0.3 billion yen	Approx. 0.1 billion yen

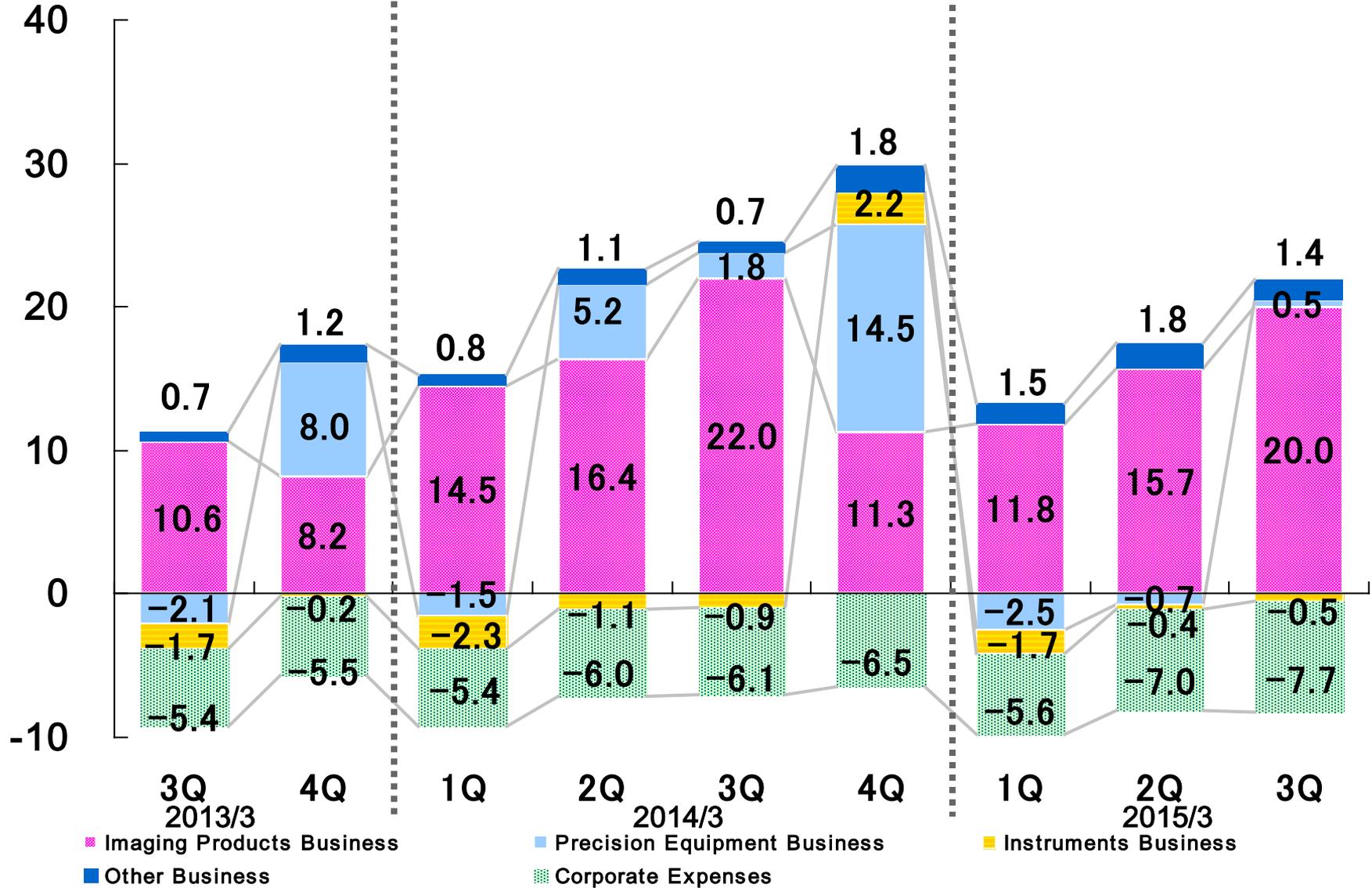
Quarterly Net Sales by Segment



* 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

Billions of yen



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



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