

1. Financial results for the 3rd Quarter of the year ending March 31, 2017
2. Progress of Restructuring plan
3. Forecast for the year ending March 31, 2017



### Voluntary Retirement Plan

- As announced on November 8, we instituted a voluntary retirement program to **reduce headcount by 1,000**
- We closed applications on February 10 and **received 1,143 applications**
- We expect to **achieve expected fixed cost reduction**

### Other Restructuring Initiatives

- On November 8, we announced restructuring initiatives in five areas:
  - Semiconductor lithography Business, Imaging Products Business, Headquarters, Optical Manufacturing Centralization and Rewiring Management DNA
- Although realization of full-scale policy effects will be in FY17, necessary activities and decisions are **progressing according to plan**

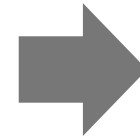


## Program Summary

- Eligible applicants:
  - Employees of Nikon Corporation and domestic group companies
  - Over 40 years of age, 5 years of service (Nikon Corporation Only)
- Application period:
  - Jan 30, 2017 - Feb 10, 2017 (deadline closed)

Number of Applicants (Confirmed)

Solicited :  
1,000



**Actual :  
1,143**

Fixed-cost reduction according to plan



## KEY INITIATIVES (Q2 ANNOUNCEMENT)

## PROGRESS TO DATE

Semiconductor lithography Business	<ul style="list-style-type: none"> <li>• Reassess R&amp;D strategy</li> <li>• Reassess sales approach</li> <li>• Optimize manufacturing structure</li> <li>• Reassess business organization/structure</li> </ul>	➔	<ul style="list-style-type: none"> <li>• Commissioned inventory write-downs/write-off</li> <li>• Started personnel re-allocation to down-size R&amp;D of ArF Immersion Scanners</li> </ul>
Imaging Products Business	<ul style="list-style-type: none"> <li>• Create focus in product portfolio</li> <li>• Increase focus and efficiency of R&amp;D</li> <li>• Optimize sales/manufacturing structure</li> <li>• Reassess business organization/structure</li> </ul>	➔	<ul style="list-style-type: none"> <li>• Canceled launch of lower profitability products in-line with principle to focus on high value-add products</li> </ul>
Optical manufacturing centralization	<ul style="list-style-type: none"> <li>• Increase technology sharing</li> <li>• Enhance ability to adapt to new fields</li> <li>• Centralize organization to increase manufacturing efficiency</li> </ul>	➔	<ul style="list-style-type: none"> <li>• Completed shift to Tochigi Nikon on February 1</li> <li>• Proceed with operational integration going forward</li> </ul>
Headquarters	<ul style="list-style-type: none"> <li>• Redefine HQ role and function</li> <li>• Simplify organization and improve productivity</li> </ul>	➔	<ul style="list-style-type: none"> <li>• Will start plans to redefine headquarters function and streamline structure</li> </ul>
Management DNA Rewiring	<ul style="list-style-type: none"> <li>• Shift to portfolio-based management</li> <li>• Implement targets linked to shareholder value</li> <li>• Enhance governance structure</li> </ul>	➔	<ul style="list-style-type: none"> <li>• Started initiatives to manage business performance based on ROE/ ROIC</li> <li>• Will start plans for portfolio-based management and governance structure</li> </ul>

Increase One-time restructuring cost to ¥53 billion, planned ¥20 billion fixed-cost reduction in 2018/3 unchanged