

This is a translation of the original Japanese “Notice of the 150th Annual General Shareholders’ Meeting” prepared for the convenience of non-Japanese speakers. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

Securities Code: 7731

June 10, 2014

NIKON CORPORATION

12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo

Dear Shareholder,

Notice of the 150th Annual General Shareholders’ Meeting

You are cordially invited to attend our 150th Annual General Shareholders’ Meeting to be held as outlined below.

Sincerely yours,

Makoto Kimura

President, Member of the Board

- 1. Date & Time:** 10:00 a.m., June 27, 2014 (Friday)
- 2. Place:** Kiku-no-ma, the fourth floor of Hilton Tokyo Hotel
6-2, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo

3. Agenda:

Matters to be reported

1. Business report, Consolidated Financial Statements, and audit reports concerning Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors for the 150th term (April 1, 2013 to March 31, 2014)
2. Non-Consolidated Financial Statements for the 150th term (April 1, 2013 to March 31, 2014)

Matters to be resolved

- Item 1:** Appropriation of Surplus
- Item 2:** Election of Eleven Directors
- Item 3:** Election of One Corporate Auditor
- Item 4:** Payment of Bonuses to Directors

If you are unable to attend the meeting, you may exercise your voting rights in writing (by mail) or by electromagnetic methods. Please examine the attached Reference Materials for the General Shareholders’ Meeting and exercise your voting rights by 5:00 p.m. on June 26, 2014 (Thursday).

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- * Pursuant to the relevant laws and regulations and the provisions of the Company's Articles of Incorporation, among documents to be attached to this notice, matters to be stated or presented in notes to the Consolidated Financial Statements and the Non-Consolidated Financial Statements are posted on the Company's website indicated below and are not attached to this notice.
 - * If it becomes necessary to amend the contents of the Reference Materials for the General Shareholders' Meeting, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements, the amended version of the relevant documents will be posted on the Company's website indicated below.

The Company's website: http://www.nikon.com/about/ir/stock_info/meeting/index.htm

Voting Procedures

Voting by attending the meeting

If you plan to attend the meeting in person, please present the enclosed voting form to the receptionist at the venue. If you exercise your voting rights by proxy, such proxy must be one other shareholder with voting rights who will act on your behalf pursuant to the provisions of the Company's Articles of Incorporation, and the proxy will be asked to submit a statement in writing attesting to his or her appointment as proxy (letter of attorney).

Voting by mail

Please indicate your approval or disapproval for each of the items on the enclosed voting form and return it to the Company by 5:00 p.m. on June 26, 2014 (Thursday).

If approval or disapproval is not indicated for any item on the submitted voting form, your vote for that item will be counted as a vote of approval.

Voting by electromagnetic methods (ex. on the Internet)

Please exercise your voting rights by 5:00 p.m. on June 26, 2014 (Thursday), after referring to the "Electromagnetic Voting Procedures" (in Japanese only).

- * When shareholders exercise their voting rights more than once by voting by mail and by electromagnetic methods, the electromagnetic vote is deemed to be valid.
- * If multiple votes by electromagnetic methods are received, the most recent vote is deemed to be valid.
- * Depending on your Internet environment, your provider's service or equipment type, you may not be able to access the website for exercising voting rights.
- * Any connection fees to the internet or communication charges, etc. for accessing the website for exercising voting rights shall be borne by the shareholders.

To Institutional Investors

The electronic voting platform for institutional investors operated by Investor Communications Japan Inc. is available for institutional investors that have applied to use such platform in advance.

Reference Materials for the General Shareholders' Meeting

Item 1: Appropriation of Surplus

It is proposed that surplus be appropriated as follows:

Matters concerning year-end dividends

The Company intends to distribute stable dividends by increasing the extent to which they reflect the consolidated business results while proactively making investments for future growth based on cash flow-oriented management.

Based on this dividend policy, it is proposed that a year-end dividend be paid out as follows.

(1) Type of dividend assets

Cash

(2) Allotment of dividend assets to shareholders and total amount

22 yen per Company common stock

Total payment of dividends: 8,726,511,574 yen

(3) Effective date of dividends from surplus

June 30, 2014

The annual dividend for the fiscal year under review, including an interim dividend, will be 32 yen per Company common stock, increasing 1 yen from the previous fiscal year.

Item 2: Election of Eleven Directors

As the terms of office for all ten Directors will expire at the conclusion of this General Shareholders' Meeting, it is proposed that eleven Directors be elected by increasing the number of Directors by one.

The candidates are as follows:

Newly appointed: Newly appointed candidates
 External: candidates for the position of External Director
 Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
1	Makoto Kimura (February 3, 1948)	Apr. 1974: Joined the Company Jun. 2001: Corporate Vice President, General Manager of Marketing & Merchandising Management Department, Imaging Company, the Company Jan. 2002: Corporate Vice President, General Manager of Marketing Management Department, Imaging Company, the Company Oct. 2002: Corporate Vice President, President of Imaging Company, the Company Jun. 2003: Managing Director, Member of the Board & Executive Vice President, President of Imaging Company, the Company Jun. 2005: Senior Managing Director, Member of the Board & Executive Vice President, President of Imaging Company, the Company Jun. 2007: Director, Member of the Board & Executive Vice President, President of Imaging Company, the Company Jun. 2009: Director, Member of the Board & Senior Executive Vice President, Officer in charge of Business Development Headquarters, President of Imaging Company, the Company Jun. 2010: Director, President, Member of the Board, Officer in charge of Business Development Headquarters, the Company (to present)	36,400 shares	-
2	Kazuo Ushida (January 25, 1953)	Apr. 1975: Joined the Company Jun. 2003: Corporate Vice President, General Manager of Development Headquarters, Precision Equipment Company, the Company Jun. 2005: Managing Director, Member of the Board & Executive Vice President, President of Precision Equipment Company, the Company Jun. 2007: Director, Member of the Board & Executive Vice President, President of Precision Equipment Company, the Company Jun. 2009: Director, Member of the Board & Executive Vice President, Officer in charge of Intellectual Property Headquarters, President of Precision Equipment Company, the Company Jun. 2013: Director, Member of the Board & Senior Executive Vice President, Officer in charge of Intellectual Property Headquarters, President of Precision Equipment Company, Vice Officer in charge of Corporate Planning Headquarters, the Company (to present) [Important concurrent position outside the Company] Chairman of Nikon Precision Inc.	19,999 shares	-

Newly appointed: newly appointed candidates
 External: candidates for the position of External Director
 Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
3	Junichi Itoh (November 26, 1950)	<p>Apr. 1975: Joined Mitsubishi Bank, Ltd. Jun. 2002: Executive Officer of The Bank of Tokyo-Mitsubishi, Ltd. May 2005: Managing Executive Officer of The Bank of Tokyo-Mitsubishi, Ltd. Jun. 2005: Managing Director of The Bank of Tokyo-Mitsubishi, Ltd. Jan. 2006: Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2009: Senior Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Jun. 2011: Director, Member of the Board & Senior Executive Vice President & CFO, Officer in charge of Corporate Planning Headquarters, Finance & Accounting Headquarters, the Company Oct. 2012: Director, Member of the Board & Senior Executive Vice President & CFO, Officer in charge of Corporate Planning Headquarters, Finance & Accounting Headquarters, Information Security Headquarters, the Company (to present)</p> <p>[Important concurrent positions outside the Company] Chairman of Nikon Americas Inc. Chairman of Nikon Holdings Europe B.V. Chairman of Nikon Holdings Hong Kong Limited</p>	5,000 shares	-
4	Yasuyuki Okamoto (January 3, 1956)	<p>Apr. 1978: Joined the Company Jun. 2005: Corporate Vice President, General Manager of Marketing Management Department, Imaging Company, the Company Oct. 2006: Corporate Vice President, General Manager of Marketing Headquarters, Imaging Company, the Company Oct. 2007: Corporate Vice President, the Company President & CEO of Nikon Inc. Jun. 2009: Senior Vice President, the Company President & CEO of Nikon Inc. Jun. 2010: Director, Member of the Board & Senior Vice President, President of Imaging Company, the Company (to present)</p>	4,600 shares	-
5	Norio Hashizume (December 4, 1952)	<p>Apr. 1975: Joined the Company Jun. 2005: Corporate Vice President, General Manager of Financing & Accounting Department, the Company Jun. 2009: Director, Member of the Board & Corporate Vice President, Officer in charge of Affiliates Administration Department, General Manager of Financing & Accounting Department, the Company Jun. 2010: Director, Member of the Board & Senior Vice President, General Manager of Finance & Accounting Headquarters, the Company (to present)</p> <p>[Important concurrent positions outside the Company] President & CEO of Nikon Americas Inc. President of Nikon Holdings Europe B.V. President of Nikon Holdings Hong Kong Limited</p>	13,406 shares	-

Newly appointed: newly appointed candidates
 External: candidates for the position of External Director
 Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
6	Hiroshi Ohki (August 12, 1954)	Apr. 1979: Joined the Company Jun. 2008: Corporate Vice President, General Manager of Research & Development Headquarters, Core Technology Center, the Company Jun. 2011: Senior Vice President, Vice President of Core Technology Center & General Manager of Research & Development Headquarters, Core Technology Center, the Company Jun. 2012: Director, Member of the Board & Senior Vice President, President of Core Technology Center, the Company (to present)	10,300 shares	-
7	Newly appointed Takaharu Honda (November 20, 1954)	Apr. 1977: Joined the Company Jun. 2008: Corporate Vice President, General Manager of Business Planning Department, Imaging Company, the Company Jun. 2011: Senior Vice President, Officer in charge of Corporate Communications & IR Department, General Manager of Corporate Planning Headquarters, the Company (to present)	9,100 shares	-
8	Newly appointed Tomohide Hamada (February 6, 1957)	Apr. 1980: Joined the Company Jun. 2009: Corporate Vice President, General Manager of 2nd Development Department, LCD Equipment Division, Precision Equipment Company, the Company Jun. 2012: Corporate Vice President, General Manager of LCD Equipment Division, Precision Equipment Company, the Company Jun. 2013: Senior Vice President, General Manager of LCD Equipment Division, Precision Equipment Company, the Company (to present)	5,100 shares	-
9	Toshiyuki Masai (August 5, 1952)	Mar. 1980: Joined the Company Jun. 2005: Corporate Vice President, the Company President & CEO of Nikon Inc. Sep. 2007: Corporate Vice President, the Company President of Nikon Europe B.V. Jun. 2009: Director, Member of the Board & Senior Vice President, President, Instruments Company, the Company (to present) [Important concurrent positions outside the Company] Director & Executive Vice President of JEOL Ltd. (scheduled to assume the position on June 2014)	14,500 shares	-

Newly appointed: newly appointed candidates
 External: candidates for the position of External Director
 Independent: candidates for the position of independent director

Candidate number	Name (Date of birth)	Career summary, position and duties at the Company, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
10	External/Independent Kenji Matsuo (June 22, 1949)	Apr. 1973: Joined Meiji Life Insurance Company Jul. 2001: Director of Meiji Life Insurance Company Jan. 2004: Director of Meiji Yasuda Life Insurance Company Apr. 2005: Managing Director of Meiji Yasuda Life Insurance Company Dec. 2005: President, Representative Director of Meiji Yasuda Life Insurance Company Jun. 2006: External Director, Member of the Board, the Company (to present) Jul. 2006: President, Representative Executive Officer and Director of Meiji Yasuda Life Insurance Company Jul. 2013: Senior Advisor of Meiji Yasuda Life Insurance Company (to present) [Important concurrent positions outside the Company] External Corporate Auditor of Chubu Electric Power Co., Inc. External Corporate Auditor of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	0 shares	-
11	External/Independent Koukei Higuchi (March 14, 1936)	Apr. 1960: Joined The Tokio Marine & Fire Insurance Co., Ltd. Jun. 1996: President of The Tokio Marine & Fire Insurance Co., Ltd. Jun. 2001: Chairman of The Tokio Marine & Fire Insurance Co., Ltd. Jun. 2003: Counsellor of The Tokio Marine & Fire Insurance Co., Ltd. Oct. 2004: Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Jun. 2010: External Director, Member of the Board, the Company (to present) Jun. 2013: Honorary Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (to present) [Important concurrent positions outside the Company] External Corporate Auditor of Japan Airport Terminal Co., Ltd. External Director of NOHMI BOSAI LTD. External Corporate Auditor of Mitsubishi Research Institute, Inc.	0 shares	-

Notes:

1. Kenji Matsuo and Koukei Higuchi are candidates for the position of External Director as provided for under the Companies Act.
2. Kenji Matsuo has a wealth of knowledge and experience as an executive at other companies and we believe that he will be able to monitor and supervise overall management owing to his excellent insight. He will have served as External Director for the Company for eight years at the conclusion of this General Shareholders' Meeting.
3. Koukei Higuchi has a wealth of knowledge and experience as an executive at other companies and we believe that he will be able to monitor and supervise overall management owing to his excellent insight. He will have served as External Director for the Company for four years at the conclusion of this General Shareholders' Meeting.
4. If this proposal is approved, the Company plans to renew its agreement with Kenji Matsuo that limits his liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
5. If this proposal is approved, the Company plans to renew its agreement with Koukei Higuchi that limits his liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The limit on the liability for losses in this agreement is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.
6. Kenji Matsuo and Koukei Higuchi are reported to Tokyo Stock Exchange, Inc. as being independent directors.

Item 3: Election of One Corporate Auditor

As Corporate Auditors Yoshiyuki Nagai and Susumu Kani will retire from the office of Corporate Auditors due to the resignation at the conclusion of this General Shareholders' Meeting, it is proposed that one Corporate Auditor be elected by decreasing the number of Corporate Auditors by one.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate is as follows:

Newly appointed: newly appointed candidates
External: candidates for the position of External Corporate Auditor
Independent: candidates for the position of independent director

Name (Date of birth)	Career summary, position, and important concurrent positions outside the Company	Shares held in the Company	Special interests in the Company
Newly appointed Koichi Fujiu (September 11, 1955)	Apr. 1978: Joined the Company Jun. 2008: General Manager of Internal Audit Department, the Company (to present)	0 shares	-

Item 4: Payment of Bonuses to Directors

In view of the business results for the fiscal year under review and various other factors, it is proposed that 80,214 thousand yen in total be paid to eight Directors (excluding two External Directors) as of the end of the fiscal year (the 150th term).

(Attached documents)

Business Report

(From April 1, 2013 to March 31, 2014)

1. Matters relating to the current state of the Group

(1) Results of operations

(i) Review of operations

In the global economy during the consolidated fiscal year ended March 31, 2014, although there was a gradual recovery mainly due to robust economic recovery in the United States, sluggishness in European economy due to financial problems as well as a slowdown in economic growth in emerging countries were observed. The Japanese economy moved in a gradual recovery trend.

In the Precision Equipment Business, the semiconductor-related field remained sluggish while the FPD (Flat Panel Display)-related field remained firm. In the Imaging Products Business, the market condition for the Digital camera—Interchangeable Lens Type worsened, and the compact digital camera market shrank significantly as well. In the Instruments Business, the bioscience-related market remained steady, and the industrial instruments-related market saw signs of recovery in capital investment in the latter half of the fiscal year

Under these circumstances, the Group shifted business operations that focus on profitable businesses which captures changes in the business climate. The Group also established the Management Measures Committee with the purpose of strengthening its business structure. We worked to reduce procurement and logistics costs and to make development and production more efficient, along with sweeping cost reduction throughout the entire Group based on the fundamental idea of “Minimum Cost Operation”.

In new business areas, the Group selected analysis and diagnosis in the health and medicine as priority fields, and we actively engaged in capital and business partnerships for research and development as well as future business development toward creating new business. Additionally, we strengthened our existing businesses by activities such as launching new products with distinctive features.

As a result of the foregoing, net sales for the consolidated fiscal year decreased by 29,937 million yen (3.0%) year on year to 980,556 million yen. However, operating income increased by 11,939 million yen (23.4%) year on year to 62,941 million yen, and ordinary income increased by 13,380 million yen (27.7%) year on year to 61,725 million yen.

Furthermore, 15,006 million yen of extraordinary income was recognized mainly as compensation for expropriation from the transfer of a part of land of the Yokohama Plant to the Ministry of Land, Infrastructure, Transport and Tourism and the relocation of some of the buildings there. The result was net income of 46,824 million yen, an increase of 4,365 million yen (10.3%) year on year.

Performance by business segment is as follows.

a. Precision Equipment Business

Of the markets related to the business, the semiconductor-related field saw sluggish capital investment by manufacturers. The FPD-related field remained firm due in part to stronger demand in fields related to smart-phone/tablet terminals.

Amid this situation, the Group strove to expand sales in the Semiconductor Lithography System field, focusing on the NSR-S621D and NSR-S622D ArF immersion scanners. At the same time, we announced the start of accepting orders for the NSR-S630D, a new product that offers greater accuracy in superpositioning and improved productivity.

Sales grew steadily in the FPD Lithography System field, as the Group focused on the FX-66S and the FX-67S, which are ideal for the production of mid-to-small size high definition displays for smart-phone/tablet terminals, etc., and a high market share was maintained.

In addition, the Group made efforts across its business as a whole to improve the profit structure, including shortening of manufacturing periods and cutting costs.

As a result of the foregoing, net sales increased by 14.8% from the previous fiscal year to 205,446 million yen, and operating income increased by 53.4% from the previous fiscal year to 20,079 million yen.

b. Imaging Products Business

Of the markets related to the business, the situation for the Digital camera—Interchangeable Lens Type market worsened, mainly in Europe and China, and the compact digital camera market shrank drastically as well, leaving both markets in a challenging business climate.

Amid this situation, of the Digital camera—Interchangeable Lens Type, the Group strove to expand sales of existing products such as the D7100, along with launching new products with distinctive features differentiated by advanced technology such as the Df, the smallest and lightest of the Nikon FX format cameras, and the latest flagship model D4S. In addition, we released the Nikon 1 AW1, the world's first waterproof and shock-resistant Digital camera—Interchangeable Lens Type.

Cumulative production of interchangeable lenses reached 85 million units in January of this year. The Group captured high market share in each region by making efforts to launch and expand sales of products such as the COOLPIX S6600, which can easily take “self portraits”, and the multi-function model COOLPIX P600, which comes with 60x optical zoom, the highest ever for a COOLPIX camera.

Profitability was improved, thanks to the extensive cost reduction, including the adoption of new materials and the streamlining of development, design and manufacturing, along with reviewing of sales strategy.

As a result of the foregoing, net sales decreased by 8.8% from the previous fiscal year to 685,446 million yen. Even so, operating income increased by 5.9% from the previous fiscal year to 64,284 million yen.

c. Instruments Business

Of the markets related to the business, the bioscience-related markets remained firm due to an increase in public spending mainly in Japan and the United States. In the industrial instruments-related markets, although semiconductors and electronic components performed sluggishly during the first half of the fiscal year affected by restraint in capital investment, recovery could be seen from the latter half of the fiscal year.

Under these circumstances, the Group increased sales in the bioscience business mainly for a state-of-the-art super-resolution microscope system and inverted microscopes for research. In addition, we concluded a capital and business partnership contract with JEOL Ltd. in February this year to reinforce sales activities and create new products.

In the industrial instruments business, The Group made efforts to expand sales with a focus on non-contact metrology devices, in addition to launching new products such as NEXIV VMZ-R3020 and NEXIV VMZ-R6555 CNC video measuring systems.

As a result of the foregoing, net sales increased by 20.1% from the previous fiscal year to 64,708 million yen, and operating loss was 2,156 million yen (operating loss of 4,977 million yen in the previous fiscal year).

d. Other Businesses

In the Customized Products Business, income of space-related products decreased, even though solid-state lasers and optical components remained steady. In the Glass Business, the sales of LCD photomask substrates were higher than that of the previous year.

As a result of the foregoing, net sales of these businesses decreased by 5.3% from the previous fiscal year to 24,954 million yen, and operating income increased by 24.3% from the previous fiscal year to 4,419 million yen.

Note: Business segment operating income or loss includes earnings or losses from transactions within the Group.

Business Segment Sales for 150th term (Year Ended March 31, 2014)

Business segment	Net sales (million yen)	Percentage of total sales (%)	Change from previous year (%)
Precision Equipment Business	205,446	21.0	14.8
Imaging Products Business	685,446	69.9	(8.8)
Instruments Business	64,708	6.6	20.1
Other Businesses	24,954	2.5	(5.3)

(ii) Capital investments

Fiscal year capital investments totaled 45,472 million yen. The amounts of investment by business were 9,730 million yen in the Precision Equipment Business, 16,130 million yen in the Imaging Products Business, 1,362 million yen in the Instruments Business, and 11,314 million yen for Other Businesses. Major capital investments in the fiscal year included additional equipment for the development and manufacturing of cutting-edge lithography systems in the Precision Equipment Business and manufacturing equipment upgrade in the Imaging Products Business.

(iii) Fund procurement

In order to allot to redemption of bonds and investments in expansion of business domains, etc., on March 14, 2014, a total of 20 billion yen was procured by issuing the 20th and the 21st unsecured bonds of 10 billion yen, respectively, in Japan, and 22 billion yen was newly procured from financial institutions as a long-term loan payable.

(iv) Business transfers and absorption-type and incorporation-type demerger

None

(v) Businesses acquired from other companies

None

(vi) Receipt of rights and obligations associated with operations of other company, etc. due to absorption and merger or to absorption and demerger

On April 1, 2013, an absorption-type merger was completed whereby Nikon Singapore Pte. Ltd., the Company's subsidiary, became a surviving company, and Nikon Precision Singapore Pte Ltd, the Company's subsidiary, became a dissolved company.

(vii) Acquisition or disposal of stock or other ownership or subscription rights to shares, etc. of other company

The Company entered into a capital and business Alliance with JEOL Ltd. on February 14, 2014, and thus, acquired 8 million shares of the said company (equivalent to approximately 8.2% of the total outstanding shares of the said company as of March 31, 2014) for 2,944 million yen.

(2) Financial highlights for three previous fiscal years

Financial highlights related to the Group are as follows.

Item	147th term (Year ended March 31, 2011)	148th term (Year ended March 31, 2012)	149th term (Year ended March 31, 2013)	150th term (Year ended March 31, 2014)
Net sales (million yen)	887,512	918,651	1,010,493	980,556
Operating income	54,052	80,080	51,001	62,941
Ordinary income (million yen)	55,811	89,383	48,344	61,725
Net income (million yen)	27,312	59,305	42,459	46,824
Net income per share (yen)	68.90	149.57	107.07	118.06
Total assets (million yen)	829,909	860,230	864,667	949,515
Net assets (million yen)	389,220	433,616	490,217	546,813

Note: Beginning from the 150th term, IAS No. 19 "Employee Benefits" (revised on June 16, 2011) have been applied to certain overseas subsidiaries. As this change in accounting policies is applied retrospectively, the amounts for total assets and net assets for the 149th term are presented after retrospective application.

(3) Major parent company and subsidiaries

(i) Relationship with parent company

None

(ii) Major subsidiaries

Company name	Location	Capital stock	Percentage of equity participation (%)	Main business
Precision Equipment Business				
TOCHIGI NIKON PRECISION CO., LTD.	Tochigi, Japan	425 million yen	100.0	Manufacture of Precision Equipment Business products and parts
Nikon Precision Inc.	US	1 thousand US dollars	*100.0	Sales in the US and Europe of Precision Equipment Business products
Imaging Products Business				
TOCHIGI NIKON CORPORATION	Tochigi, Japan	363 million yen	100.0	Manufacture of Imaging Products Business products
SENDAI NIKON CORPORATION	Miyagi, Japan	480 million yen	100.0	Manufacture of Imaging Products Business products
NIKON IMAGING JAPAN INC.	Tokyo, Japan	400 million yen	100.0	Sales in Japan of Imaging Products Business products
Nikon (Thailand) Co., Ltd.	Thailand	1.2 billion bahts	100.0	Manufacture of Imaging Products Business products
Nikon Imaging (China) Co., Ltd.	China	32 million US dollars	*100.0	Manufacture of Imaging Products Business products
Nikon Inc.	US	1 thousand US dollars	*100.0	Sales in the Americas of Imaging Products Business products
Nikon Europe B.V.	Netherlands	1 million euro	*100.0	Sales in Europe of Imaging Products Business products
Nikon Hong Kong Ltd.	China	78 million HK dollars	*100.0	Sales in Asia of Imaging Products Business products
Nikon Singapore Pte. Ltd.	Singapore	22 million SG dollars	*100.0	Sales in Asia/Oceania of Imaging Products Business products
Nikon Imaging (China) Sales Co., Ltd.	China	10 million US dollars	*100.0	Sales in China of Imaging Products Business products
Instruments Business				
NIKON INSTECH CO., LTD.	Tokyo, Japan	417 million yen	100.0	Sales in Japan of Instruments Business products
Nikon Metrology NV	Belgium	97 million euro	*100.0	Manufacture and sales in Europe and the US of Instruments Business products

Notes: 1. * shows ownership ratios including indirect ownership.

2. Nikon Singapore Pte. Ltd. and Nikon Metrology NV are included as major subsidiaries from the fiscal year under review.

(4) Issues to be addressed

As for the business segments of the Nikon Group, in the Precision Equipment Business, recovery is expected in the semiconductor-related market. Recovery is also predicted in the demand for devices used in large displays, whereas capital investment for mid-to-small size displays in the FPD-related market has cooled down. In the Imaging Products Business, although the market environment of the Digital camera—Interchangeable Lens Type market continues to be severe and shrinkage is foreseen, improvement is expected from the latter half of the fiscal year. Although shrinkage is also foreseen in the compact digital camera market, the decrease is expected to be more moderate than the previous fiscal year. However, gradual improvement is forecasted for the overall market from the latter half of the fiscal year. In the Instruments Business, the bioscience-related market is expected to remain steady, and capital investment is expected to recover in the industrial instruments-related market as well.

Under these circumstances, the Nikon Group will endeavor to strengthen its management structure by continuing to pursue “Minimum Cost Operation” throughout the Group. At the same time, we will reinforce our system to enable flexible and active responses by quickly capturing changes in the business climate. Regarding the development of new business domains, we will actively engage in investment, etc., including research and development as well as M&As, toward commercialization in the fields of health and medicine.

The Group will develop its business activities globally by improving product quality and with CSR always in mind with the aim to further enhance our brand value.

Through these measures, the Nikon Group is committed to “continued growth, and continually offering new value”.

(5) Main business (as of March 31, 2014)

The main businesses of the Group are the manufacture and sale of the following products.

Business segment	Main products
Precision Equipment Business	Semiconductor Lithography System*, FPD Lithography System*
Imaging Products Business	Digital camera—Interchangeable Lens Type, compact digital cameras, interchangeable camera lenses, film cameras, binoculars
Instruments Business	Biological microscopes, industrial microscopes, measuring instruments, semiconductor inspection equipment
Other Businesses	Customized products, LCD photomask substrates

* “IC steppers and scanners” and “LCD steppers and scanners”, the previously used names, have been changed to “Semiconductor Lithography System” and “FPD Lithography System” respectively.

(6) Major offices and plants (as of March 31, 2014)

The major offices and plants of the Company are as follows.

Those of subsidiaries of the Company are shown in “(3) (ii) Major subsidiaries” on page 15.

Name of offices and plants	Location
Head office	Tokyo, Japan
Oi Plant	Tokyo, Japan
Yokohama Plant	Kanagawa, Japan
Sagamihara Plant	Kanagawa, Japan
Kumagaya Plant	Saitama, Japan
Mito Plant	Ibaraki, Japan
Yokosuka Plant	Kanagawa, Japan

(7) Employees (as of March 31, 2014)

(i) Employees of the Group

Number of employees	Change from the end of the previous consolidated fiscal year
23,859	down 188

(ii) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average service years
6,784	up 77	44.2	19.6

Note: Average age and average service years are rounded off to the nearest tenths.

(8) Major lenders (as of March 31, 2014)

Lender	Amount borrowed (million yen)
Meiji Yasuda Life Insurance Company	13,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,350
NIPPON LIFE INSURANCE COMPANY	7,200

(9) Other items concerning the status of the Group

None

2. Current state of the Company

(1) Matters relating to shares of the Company (as of March 31, 2014)

- (i) Total number of shares authorized to be issued: 1,000,000,000 shares
- (ii) Total number of shares issued: 400,878,921 shares
- (iii) Shares per unit: 100 shares
- (iv) Total number of shareholders: 42,918
- (v) Major shareholders:

Name of shareholder	Number of shares held (thousand shares)	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,698	7.0
Japan Trustee Services Bank, Ltd. (Trust Account)	22,593	5.7
Meiji Yasuda Life Insurance Company	19,537	4.9
JPMorgan Chase Bank 380072	7,872	2.0
Tokio Marine & Nichido Fire Insurance Co., Ltd.	7,383	1.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,378	1.9
NIPPON LIFE INSURANCE COMPANY	7,301	1.8
The Joyo Bank, Ltd.	6,801	1.7
The Bank of New York-Jasdec Non-Treaty Account	6,753	1.7
Mitsubishi UFJ Trust and Banking Corporation	5,481	1.4

Note: The percentage of total shares issued is calculated after deducting treasury stock of 4,219,304 shares.

(2) Subscription rights to shares

(i) Subscription rights to shares held by the Company's Directors and Corporate Auditors that were granted as remuneration for duties performed (as of March 31, 2014)

Issue number (date of issue)	Number of subscription rights to shares	Type and number of shares to be issued	Issue price per right (yen)	Exercise price per right (yen)	Exercise period	Status of holding (number of subscription rights to shares (number of holders))	
						Directors	Corporate Auditors
2nd issue (July 1, 2004)	7	7,000 shares of the Company's common stock	Gratis issue	1,225,000	From June 30, 2006 to June 29, 2014	7 (1)	-
3rd issue (July 1, 2005)	39	39,000 shares of the Company's common stock	Gratis issue	1,273,000	From June 30, 2007 to June 29, 2015	34 (5)	5 (1)
4th issue (March 14, 2007)	25	25,000 shares of the Company's common stock	840,000	2,902,000	From February 28, 2009 to February 27, 2017	20 (5)	5 (1)
5th issue (August 27, 2007)	68	6,800 shares of the Company's common stock	325,900	100	From August 28, 2007 to August 27, 2037	49 (5)	19 (2)
6th issue (November 25, 2008)	350	35,000 shares of the Company's common stock	73,400	100	From November 26, 2008 to November 25, 2038	295 (7)	55 (1)
7th issue (August 10, 2009)	244	24,400 shares of the Company's common stock	140,800	100	From August 11, 2009 to August 10, 2039	214 (7)	30 (1)
8th issue (July 14, 2010)	275	27,500 shares of the Company's common stock	152,700	100	From July 15, 2010 to July 14, 2040	247 (7)	28 (1)
9th issue (March 19, 2012)	450	45,000 shares of the Company's common stock	203,700	100	From March 20, 2012 to March 19, 2042	450 (8)	-
10th issue (August 23, 2012)	571	57,100 shares of the Company's common stock	172,600	100	From August 24, 2012 to August 23, 2042	571 (8)	-
11th issue (August 1, 2013)	651	65,100 shares of the Company's common stock	163,200	100	From August 2, 2013 to August 1, 2043	651 (8)	-

Notes:

- No subscription rights to shares have been granted to External Directors or External Corporate Auditors.
 - Subscription rights to shares held by Corporate Auditors were granted when these individuals were Directors or Vice President.
- (ii) Subscription rights to shares granted to employees, etc. as remuneration for duties performed during the fiscal year

The following subscription rights to shares were granted to Vice Presidents who do not concurrently serve as Directors.

Issue number (date of issue)	Number of subscription rights to shares	Type and number of shares to be issued	Issue price per right (yen)	Exercise price per right (yen)	Exercise period	Number of persons granted
11th issue (August 1, 2013)	545	54,500 shares of the Company's common stock	163,200	100	From August 2, 2013 to August 1, 2043	15

- (iii) Other subscription rights to shares actually issued
None

(3) Matters relating to Directors and Corporate Auditors

(i) Directors and Corporate Auditors (as of March 31, 2014)

Position	Name	Duties at the Company and important concurrent positions outside the Company
* Director, President, Member of the Board	Makoto Kimura	Company's operations, Officer in charge of Business Development Headquarters
* Director, Member of the Board (Senior Executive Vice President & CFO)	Junichi Itoh	Assistant of President, Officer in charge of Corporate Planning Headquarters, Finance & Accounting Headquarters, Information Security Headquarters Chairman of Nikon Americas Inc. Chairman of Nikon Holdings Europe B.V. Chairman of Nikon Holdings Hong Kong Limited
* Director, Member of the Board (Senior Executive Vice President)	Kazuo Ushida	President of Precision Equipment Company, Officer in charge of Intellectual Property Headquarters, Vice Officer in charge of Corporate Planning Headquarters Chairman of Nikon Precision Inc.
Director, Member of the Board (Senior Vice President)	Toshiyuki Masai	President of Instruments Company
Director, Member of the Board (Senior Vice President)	Yasuyuki Okamoto	President of Imaging Company
Director, Member of the Board (Senior Vice President)	Norio Hashizume	General Manager of Finance & Accounting Headquarters President & CEO of Nikon Americas Inc. President of Nikon Holdings Europe B.V. President of Nikon Holdings Hong Kong Limited
Director, Member of the Board (Senior Vice President)	Hiroshi Ohki	President of Core Technology Center
Director, Member of the Board (Senior Vice President)	Kenichi Kanazawa	President of Business Administration Center, Officer in charge of Information System Headquarters General Manager of Information Security Headquarters
Director, Member of the Board	Kenji Matsuo	Special Advisor of Meiji Yasuda Life Insurance Company External Corporate Auditor of Chubu Electric Power Co., Inc. External Corporate Auditor of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Director, Member of the Board	Koukei Higuchi	Honorary Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. External Director of NOHMI BOSAI LTD. External Corporate Auditor of Japan Airport Terminal Co., Ltd. External Corporate Auditor of Mitsubishi Research Institute, Inc.
Standing Corporate Auditor	Yoshimichi Kawai	External Director of Avaldata Corporation
Standing Corporate Auditor	Yoshiyuki Nagai	-
Corporate Auditor	Susumu Kani	Corporate Advisor of Mitsubishi Corporation
Corporate Auditor	Haruya Uehara	Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation External Director of KOITO MANUFACTURING CO., LTD. External Corporate Auditor of Mitsubishi Heavy Industries, Ltd. External Corporate Auditor of Mitsubishi Research Institute, Inc.
Corporate Auditor	Hiroshi Hataguchi	Attorney at law External Corporate Auditor of SOSHIN ELECTRIC CO., LTD. External Corporate Auditor of TOKYO ENERGY & SYSTEMS INC.

Notes:

- * indicates Representative Directors.
- Kenji Matsuo and Koukei Higuchi are External Directors. The Company has submitted Independent Directors/Auditors Notifications to the Tokyo Stock Exchange, Inc. designating these two individuals as independent directors as stipulated in the Tokyo Stock Exchange, Inc. Securities Listing Regulations.
- Susumu Kani, Haruya Uehara and Hiroshi Hataguchi are External Corporate Auditors. The Company has submitted Independent Directors/Auditors Notifications to the Tokyo Stock Exchange, Inc. designating these three individuals as independent corporate auditors as stipulated in the Tokyo Stock Exchange, Inc. Securities Listing Regulations.
- Standing Corporate Auditor Yoshimichi Kawai has served as an Officer in charge of accounting at the Company and has considerable knowledge involving finance and accounting.
- The Company has loans from Meiji Yasuda Life Insurance Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation. In addition, the

Company has an insurance transaction relationship with Meiji Yasuda Life Insurance Company and Tokio Marine & Nichido Fire Insurance Co., Ltd. respectively. The Company has transactions with Mitsubishi Heavy Industries, Ltd. such as selling products, etc.

(Reference)

The Company uses the Executive Officer System. The table on the previous page shows Directors who also serve as Officers. Officers who are not Directors were as follows as of March 31, 2014.

Position	Name	Duties
Senior Vice President	Kunio Kawabata	Vice President of Precision Equipment Company
Senior Vice President	Takaharu Honda	General Manager of Corporate Planning Headquarters, Officer in charge of Corporate Communications & IR Department
Senior Vice President	Toshikazu Umatate	Vice President of Precision Equipment Company & General Manager of Semiconductor Equipment Division, Precision Equipment Company
Senior Vice President	Tsuneo Kosaka	Vice President of Imaging Company & General Manager of Production Headquarters, Imaging Company
Senior Vice President	Tomohide Hamada	General Manager of LCD Equipment Division, Precision Equipment Company
Corporate Vice President	Kazuyuki Kazami	General Manager of Business Development Headquarters
Corporate Vice President	Tsuneyoshi Kon	Vice President of Business Administration Center
Corporate Vice President	Nobuyoshi Gokyu	President & CEO of Nikon Inc.
Corporate Vice President	Masao Nakajima	General Manager of Production Headquarters, Semiconductor Equipment Division, Precision Equipment Company
Corporate Vice President	Osamu Shimoda	Deputy General Manager of Business Development Headquarters
Corporate Vice President	Toru Iwaoka	General Manager of Marketing Headquarters, Imaging Company
Corporate Vice President	Kenji Yoshikawa	Chairman & CEO of Nikon Metrology NV
Corporate Vice President	Atsumi Nakamura	General Manager of Business Planning Department & Bioscience Marketing Department, Instruments Company
Corporate Vice President	Takumi Odajima	General Manager of Planning Headquarters, Precision Equipment Company
Corporate Vice President	Jun Nagatsuka	General Manager of Production Technology Headquarters, Core Technology Center

(ii) Compensation for Directors and Corporate Auditors

Category	Monthly compensation		Subscription rights to shares granted as stock-related compensation		Bonuses		Total	
	Number of persons	Amount of compensation (million yen)	Number of persons	Amount of compensation (million yen)	Number of persons	Amount of compensation (million yen)	Number of persons	Amount of compensation (million yen)
Directors (External Directors out of all Directors)	10 (2)	303 (20)	8 (-)	104 (-)	8 (-)	80 (-)	10 (2)	487 (20)
Corporate Auditors (External Corporate Auditors out of all Corporate Auditors)	5 (3)	81 (30)	-	-	-	-	5 (3)	81 (30)
Total	15	384	8	104	8	80	15	568

Notes:

1. The amount of subscription rights to shares granted as stock-related compensation in the above table indicates the amount of compensation, etc. concerning subscription rights to shares granted to Directors (excluding External Directors) recorded as expenses during the fiscal year.
2. The amount of bonuses shown above represents the amount of compensation, etc. planned to be paid subject to approval and resolution of the Item 4, "Payment of Bonuses to Directors" of this Annual General Shareholders' Meeting as originally proposed.

(iii) Matters relating to External Directors and Corporate Auditors

a. Relationships between organizations where important concurrent positions are held and the Company Information is shown in "(i) Directors and Corporate Auditors" on page 20.

b. Major activities during the fiscal year

• Attendance at meetings of the Board of Directors and the Board of Corporate Auditors

Category	Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Corporate Auditors
Director	Kenji Matsuo	12 of 13	-
	Koukei Higuchi	12 of 13	-
Corporate Auditor	Susumu Kani	13 of 13	8 of 8
	Haruya Uehara	12 of 13	8 of 8
	Hiroshi Hataguchi	13 of 13	8 of 8

- Participation in meetings of the Board of Directors and the Board of Corporate Auditors
Each of the External Directors used their extensive knowledge of management to provide advice and ask questions proactively from a perspective independent of the business execution concerning matters under consideration by the Board of Directors and the contents of reports.
Each of the External Corporate Auditors used their extensive knowledge of management and neutral perspective based on their independence to ask appropriate questions for performing the management oversight function regarding matters under consideration by the Board of Directors and the contents of reports. In addition, for matters under consideration by the Board of Corporate Auditors and the contents of reports, each of the External Corporate Auditors asked questions proactively and stated their opinions in order to achieve highly effective audits.

c. Outline of contents of liability limitation agreement

The Company has signed agreements with all External Directors and External Corporate Auditors that limit their liability for losses under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act.

The limit on the liability for losses in these agreements is the lowest amount prescribed in Article 425, Paragraph 1 of the Companies Act.

(4) Matters relating to Independent Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.

	Amount
Total amount of remuneration, etc. of Independent Auditor during the fiscal year under review	87 million yen
Total amount of money and other properties which the Company and its subsidiaries should pay in remuneration of Independent Auditor for their services to the Company and its subsidiaries during the fiscal year under review	165 million yen

Notes:

1. Major overseas subsidiaries of the Company are audited (only companies subject to the provisions of overseas laws and regulations similar to Japan's Companies Act or Japan's Financial Instruments and Exchange Act) by parties other than Deloitte Touche Tohmatsu LLC (overseas certified public accountants or individuals with qualifications equivalent to those of an auditing company).
2. In the auditing contract between the Company and Deloitte Touche Tohmatsu LLC, there is no separation of auditing remuneration for audits performed pursuant to the provisions of the Companies Act and for ones performed pursuant to the Financial Instruments and Exchange Act. Furthermore, there is no practical way to separate these amounts. As a result, the amounts shown above are the total for these two types of audits.
3. The Company has asked Deloitte Touche Tohmatsu LLC to provide a consulting service for introducing the International Financial Reporting Standards as part of services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services) and has paid consideration for such service to the Independent Auditor. The amount stated in the lower line of the above table includes the amount of such consideration.

(iii) Policy for decisions to terminate or not extend contracts with an Independent Auditor

The Independent Auditor can be terminated with the unanimous consent of the Board of Corporate Auditors in cases where it has been determined that actions by the Independent Auditor apply to any item of Article 340, Paragraph 1 of the Companies Act.

In addition, even if the actions of the Independent Auditor do not apply to any item of Article 340, Paragraph 1 of the Companies Act, in the event that it has been determined that the Independent Auditor is unable to perform proper audits due to a lack of accuracy and independence, the Board of Directors can submit a proposal to terminate the Independent Auditor or not renew the contract at the General Shareholders' Meeting with the approval of the Board of Corporate Auditors or in response to a request by the Board of Corporate Auditors.

(5) A framework regarding the “Basic Policy on Internal Control System” based on Japanese Companies Act

We believe that the reinforcement of our company’s corporate governance plays a pivotal role in achieving “a fair and transparent management deserving of stakeholders’ confidence”, and we intend to increase its effectiveness by improving the quality of our internal controls. We acknowledge that the achievement of effective and efficient business processes, the accuracy of financial reports, the compliance with relevant laws and regulations, and the preservation of company’s assets are the management’s responsibility. Accordingly, we will prepare and refine a framework, including our internal regulations as well as our organization, to ensure fair business activity in compliance with the Japanese Companies Act and relevant regulations.

- (i) A framework to ensure that performance of a Director’s or an employee’s duty is in compliance with relevant laws and the articles of incorporation
 - a. We have established the “Nikon CSR Charter”, which shows Nikon Group’s basic stance on corporate social responsibility. Additionally, the “Nikon Code of Conduct” defines the standards of behavior to ensure sensible conduct by Directors and employees, based on a high level of morality, pursuant to relevant laws and internal regulations.
 - b. Putting special emphasis on a social responsibility-oriented management, we established the “CSR Committee”, which aims at fostering, educating as well as disseminating CSR awareness. Established as its sub-committee, the “Business Conduct Committee” regularly performs its function to ensure legitimate, fair, and sound corporate behavior. Finally, established as its dedicated department, CSR Department integrates and promotes activities pertaining to CSR and corporate compliance.
 - c. Preparation and refinement of our corporate compliance framework are vigorously pursued, in order to prevent or correct behaviors that violate social rules or corporate ethics. The “Code of Conduct Hotline” has been created as the report/consultation system in this respect.
 - d. Internal Audit Department has been established as an independent organization reporting directly to the President. This Department examines whether operations within the Group are conducted in compliance with relevant laws and internal rules, and when necessary, makes recommendations as to how such operations can be improved.
 - e. Regarding elimination of anti-social forces and groups, we have defined our basic policy and standards in the “Nikon CSR Charter” and the “Nikon Code of Conduct”. Additionally, we have established a system to liaison with attorneys and police forces, to take steadfast action as an organization.
- (ii) A framework to ensure an efficient performance of Directors’ duties
 - a. The Executive Officer System provides a clear definition of the authority and responsibility in performance of a Vice President’s duty, resulting in quick decision-making as well as an efficient performance of the Vice President’s duty.
 - b. The “Rules of Organization and Authority” clearly defines the scope of authority and responsibility for each post as well as each organization, to ensure organized and efficient performance of duties.
 - c. The following organizations and meeting bodies are established to enable efficient decision-making and performance of duties by the Directors:
The “Executive Committee,” primarily consisting of full-time Directors, deliberates about and resolves major issues regarding management, general internal controls, and guidelines about general operations of the company’s business, in accordance with the basic direction of

management as determined by the Board of Directors. Major issues are reported to the Executive Committee by each department. Depending upon its purpose, other organizations and meeting bodies such as the “Executive Meeting”, as well as other committees are established.

- d. In accordance with our corporate philosophy of “Trustworthiness & Creativity”, management targets are defined within annual plans as well as within the Medium Term Management Plans, and implemented as specific measures. In order to achieve annual targets, management of operations is carried out through our “internal company system”, an operation-based framework including subsidiaries engaged in the same business. The regularly held “Business Activity Review Meeting” evaluates the achievement’s progress level, identifies issues, if any, and results are evaluated and validated based on the “Achievement Evaluation System”.
- (iii) A framework aimed at preservation and control of information relating to the Directors’ performance of their duties
- a. Information regarding resolutions, approvals, and reports pertaining to Directors’ performance of their duties are preserved in documentary format and until such time as provided in the “Rules of the Board of Directors”, the “Rules of the Executive Committee”, and the “Nikon Group Information Management Rules”. The information control system is designed to allow access, when needed, from Directors, Corporate Auditors, as well as Independent Auditors.
 - b. As for security of information, Information Security Headquarters have been established as an independent organization reporting directly to the President. The Headquarters have controlled centralized management for security of information within the Group and managed to coordinate and reinforce an information management framework within the Group. Further, the “Nikon Group Information Management Rules” have been established and the Rules intend to make definitions of the access level per category and relevance, password control, measures for preventing leaks, manipulations and destructions of proprietary information and other matters generally and thoroughly known by employees and Directors within the Group.
- (iv) A framework including rules concerning risk of loss management
- a. In accordance with our recognition of identification, assessment, and control of risk factors potentially affecting operations and business continuity as critical issues, we have established the “Risk Management Committee” and identified critical risks and prepared specific countermeasures against risks and are developing a framework to appropriately control risks surrounding the Group.
 - b. We have prepared and implemented manuals and rules pertaining to fields such as corporate ethics, protection of personal information, environmental control, quality control, export control, insider trading prevention, and disaster prevention, which reinforce the management framework concerning prevention of loss.
 - c. A framework is in place whereby Internal Audit Department audits other departments about their risk management, evaluates their effectiveness, and reports to the Board of Directors through the Representative Directors when necessary, so that corrective measures can be implemented.

- (v) A framework to ensure fairness of operations within the Group, including parent companies and subsidiaries
- a. The “Authorization and Reporting Standards for Subsidiaries” and “Chart of Authorization Standards for Subsidiaries” define the scope of authority and responsibility for subsidiaries in Japan and abroad. Thorough control and guidance based on such standards are currently implemented.
 - b. The “Basic Policy on internal control over financial reporting” has been established to ensure credibility of financial reporting by the Company or other entities belonging to Nikon Group. Systems to enable the foregoing are being developed and improved.
 - c. Audits of companies within the Group are carried out by Corporate Auditors and External Corporate Auditors. Additionally, we will reinforce our Internal Audit Department and expand the scope of audits.
 - d. In order to encourage ethical behavior at all levels in the area of corporate compliance within the Group, standards such as the “Nikon Code of Conduct” have been established under the “Nikon CSR Charter”, a basic policy on corporate social responsibility for the Group. Furthermore, regarding the reporting/consultation system concerning corporate compliance, various systems such as the “Code of Conduct Hotline” have been established and functioning.
- (vi) Implementation of matters concerning employees assisting Corporate Auditors based on such Corporate Auditor’s request, and matters concerning such employees’ independence from other Officers
- a. Several employees are appointed as dedicated assistants to Corporate Auditors, in order to ensure an efficient procedure of the meetings of the Board of Corporate Auditors as well as to ensure the increased effectiveness of the audit.
 - b. Transfer of the assistants or evaluation of the assistants’ performance requires prior agreement by the Corporate Auditors, to ensure independence of such employees from other Officers.
- (vii) A reporting framework to Corporate Auditors, including reporting by Directors or employees
- a. A Corporate Auditor has the authority to attend major meetings, such as the “Executive Committee”, “Executive Meeting” or the “Business Activity Review Meeting”. This ensures that the Corporate Auditors constantly understand and audit the status of operations and the decision-making process.
 - b. A framework is developed to ensure prompt and effective reporting regarding facts that can potentially cause damage to our company, information obtained through the reporting/consultation system concerning corporate compliance, or items to be reported at the meetings of the Board of Corporate Auditors as previously agreed with Directors.
 - c. Internal Audit Department reports the status of internal audit as well as the results of the audit to the Corporate Auditors. The Corporate Auditors perform an effective audit in close cooperation with Internal Audit Department, by requesting, if necessary, further investigations by Internal Audit Department.

(viii) A framework to ensure effective audit by the Corporate Auditors

- a. While ensuring independence, this framework enables the Corporate Auditor to hold regular meetings with the Representative Directors in order to exchange opinions regarding issues to be dealt with by the company, or important tasks pertaining to audits, and to make necessary requests, consequently deepening the mutual understanding between them.
- b. Corporate Auditors hold regular meetings with External Corporate Auditors, to actively exchange opinions and information.

Figures in this business report are presented as follows unless designated otherwise.

1. Monetary amounts and numbers of shares of less than the units shown are discarded.
2. Percentages are rounded off to the nearest tenths.

Consolidated Balance Sheet

(As of March 31, 2014)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	648,822	Current liabilities	280,176
Cash and deposits	225,519	Notes and accounts payable-trade	118,841
Notes and accounts receivable-trade	128,443	Short-term loans payable	14,511
Merchandise and finished goods	92,792	Current portion of bonds	10,000
Work in process	123,813	Lease obligations	1,301
Raw materials and supplies	28,336	Accrued expenses	52,272
Deferred tax assets	38,373	Income taxes payable	4,449
Other	15,513	Provision for product warranties	9,926
Allowance for doubtful accounts	(3,969)	Advances received	46,373
		Other	22,499
Noncurrent assets	300,693	Noncurrent liabilities	122,525
Property, plant and equipment	159,278	Bonds payable	50,000
Buildings and structures, net	50,612	Long-term loans payable	49,600
Machinery, equipment and vehicles, net	57,609	Lease obligations	1,719
Land	15,234	Net defined benefit liability	4,674
Lease assets, net	2,896	Asset retirement obligations	2,755
Construction in progress	8,407	Deferred tax liabilities	10,356
Other, net	24,516	Other	3,419
		Total liabilities	402,702
Intangible assets	33,006	(Net assets)	
Goodwill	3,759	Shareholders' equity	518,412
Other	29,247	Capital stock	65,475
		Capital surplus	80,711
Investments and other assets	108,408	Retained earnings	384,843
Investment securities	72,742	Treasury stock	(12,618)
Net defined benefit asset	19,266	Accumulated other comprehensive income	27,361
Other	16,653	Valuation difference on available-for-sale securities	12,859
Allowance for doubtful accounts	(255)	Deferred gains or losses on hedges	(160)
		Foreign currency translation adjustments	17,424
Total assets	949,515	Remeasurements of defined benefit plans	(2,762)
		Subscription rights to shares	952
		Minority interests	87
		Total net assets	546,813
		Total liabilities and net assets	949,515

Consolidated Statements of Income
(From April 1, 2013 to March 31, 2014)

(Million yen)

Item	Amount	
Net sales		980,556
Cost of sales		630,568
Gross profit		349,987
Selling, general and administrative expenses		287,046
Operating income		62,941
Non-operating income		
Interest income	933	
Dividends income	1,139	
Equity in earnings of affiliates	2,328	
Other	4,786	9,187
Non-operating expenses		
Interest expenses	1,351	
Foreign exchange losses	5,486	
Other	3,565	10,403
Ordinary income		61,725
Extraordinary income		
Gain on sales of noncurrent assets	238	
Gain on sales of investment securities	1,484	
Compensation income for expropriation	15,006	16,729
Extraordinary losses		
Loss on sales of noncurrent assets	23	
Impairment loss	2,319	
Loss on sales of investment securities	11	
Loss on valuation of investment securities	458	
Environmental expenses	949	3,763
Income before income taxes		74,691
Income taxes—current	11,714	
Income taxes—deferred	16,143	27,857
Income before minority interests		46,834
Minority interests in income		9
Net income		46,824

Consolidated Statement of Changes in Net Assets

(From April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity				Total shareholders' equity
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	
Balance at April 1, 2013	65,475	80,711	345,692	(12,804)	479,076
Cumulative effect of changes in accounting policies			5		5
Balance of April 1, 2013 as restated	65,475	80,711	345,698	(12,804)	479,081
Changes of items during the period					
Dividends from surplus			(4,759)		(4,759)
Dividends from surplus (interim dividends)			(3,966)		(3,966)
Net income			46,824		46,824
Purchase of treasury stock			-	(10)	(10)
Disposal of treasury stock			(112)	196	83
Changes in the number of consolidated subsidiaries			1,158	-	1,158
Net changes of items other than shareholders' equity during the period					
Total changes of items during the period	-	-	39,144	185	39,330
Balance at March 31, 2014	65,475	80,711	384,843	(12,618)	518,412

	Accumulated other comprehensive income (loss)					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)			
Balance at April 1, 2013	9,482	(216)	2,187	-	11,452	795	-	491,324
Cumulative effect of changes in accounting policies			(51)	(1,060)	(1,112)			(1,107)
Balance of April 1, 2013 as restated	9,482	(216)	2,135	(1,060)	10,340	795	-	490,217
Changes of items during the period								
Dividends from surplus								(4,759)
Dividends from surplus (interim dividends)								(3,966)
Net income								46,824
Purchase of treasury stock								(10)
Disposal of treasury stock								83
Changes in the number of consolidated subsidiaries								1,158
Net changes of items other than shareholders' equity during the period	3,377	56	15,288	(1,701)	17,020	156	87	17,264
Total changes of items during the period	3,377	56	15,288	(1,701)	17,020	156	87	56,595
Balance at March 31, 2014	12,859	(160)	17,424	(2,762)	27,361	952	87	546,813

Non-Consolidated Balance Sheet

(As of March 31, 2014)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	418,651	Current liabilities	230,495
Cash and deposits	109,636	Notes payable-trade	2,160
Notes receivable -trade	4,464	Electronically recorded obligations-operating	24,366
Accounts receivable-trade	68,182	Accounts payable-trade	72,145
Finished goods	34,813	Short-term loans payable	13,600
Semi-finished goods	1,310	Current portion of bonds	10,000
Raw materials	41	Lease obligations	1,077
Work in process	114,966	Accounts payable - facilities	8,172
Supplies	12,041	Accrued expenses	23,108
Deferred tax assets	25,688	Income taxes payable	3,732
Short-term loans receivable from subsidiaries and affiliates	38,650	Advances received	38,403
Accounts receivable-other	7,874	Deposits received	26,557
Other	988	Provision for product warranties	5,740
Allowance for doubtful accounts	(5)	Other	1,430
Noncurrent assets	262,579	Noncurrent liabilities	104,641
Property, plant and equipment	73,734	Bonds payable	50,000
Buildings, net	22,959	Long-term loans payable	49,600
Structures, net	858	Lease obligations	1,298
Machinery and equipment, net	24,195	Deferred tax liabilities	1,166
Vehicles, net	84	Asset retirement obligations	1,674
Tools, furniture and fixtures, net	6,482	Other	901
Land	9,840	Total liabilities	355,137
Lease assets, net	2,267	(Net assets)	
Construction in progress	7,044	Shareholders' equity	332,490
Intangible assets	25,075	Capital stock	65,475
Patents rights	4,836	Capital surplus	80,711
Leasehold right	4	Legal capital surplus	80,711
Right of trademark	9	Retained earnings	198,921
Right of using facilities	396	Legal retained earnings	5,565
Software	19,828	Other retained earnings	193,356
Investments and other assets	163,769	Reserve for special depreciation	7
Investment securities	60,618	Reserve for research and development	2,056
Stocks of subsidiaries and affiliates	49,931	Reserve for reduction entry of replaced property	4,453
Investments in capital	1	Reserve for reduction entry	4,797
Investments in capital of subsidiaries and affiliates	14,918	General reserve	111,211
Long-term loans receivable from subsidiaries and affiliates	14,909	Retained earnings brought forward	70,831
Long-term loans receivable from employees	8	Treasury stock	(12,618)
Long-term prepaid expenses	746	Valuation and translation adjustments	12,650
Prepaid pension cost	19,973	Valuation difference on available-for-sale securities	12,844
Other	2,669	Deferred gains or losses on hedges	(193)
Allowance for doubtful accounts	(9)	Subscription rights to shares	952
Total assets	681,230	Total net assets	346,093
		Total liabilities and net assets	681,230

Non-Consolidated Statements of Income

(From April 1, 2013 to March 31, 2014)

(Million yen)

Item	Amount	
Net sales		716,863
Cost of sales		545,682
Gross profit		171,180
Selling, general and administrative expenses		138,371
Operating income		32,809
Non-operating income		
Interest and dividends income	11,253	
Other	4,322	15,575
Non-operating expenses		
Interest expenses	957	
Other	9,198	10,156
Ordinary income		38,228
Extraordinary income		
Gain on sales of noncurrent assets	150	
Gain on sales of investment securities	1,484	
Compensation income for expropriation	14,926	16,561
Extraordinary losses		
Loss on sales of noncurrent assets	0	
Impairment loss	601	
Loss on sales of investment securities	8	
Loss on valuation of investment securities	458	
Loss on sales of stocks of subsidiaries and affiliates	3	
Environmental expenses	103	1,175
Income before income taxes		53,615
Income taxes—current	5,353	
Income taxes—deferred	15,482	20,835
Net income		32,780

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity										Treasury stock	Total shareholders' equity
	Capital stock	Capital surplus		Retained earnings						Retained earnings brought forward		
		Legal capital surplus	Legal retained earnings	Other retained earnings								
				Reserve for special depreciation	Reserve for research and development	Reserve for reduction entry of replaced property	Reserve for reduction entry	General reserve				
Balance at April 1, 2013	65,475	80,711	5,565	15	2,056	4,751	13	111,211	51,367	(12,804)	308,362	
Changes of items during the period												
Reversal of reserve for special depreciation				(7)					7		-	
Reversal of reserve for reduction entry of replaced property						(298)			298		-	
Provision of reserve for reduction entry							4,851		(4,851)		-	
Reversal of reserve for reduction entry							(67)		67		-	
Dividends from surplus									(4,759)		(4,759)	
Dividends from surplus (interim dividends)									(3,966)		(3,966)	
Net income									32,780		32,780	
Purchase of treasury stock										(10)	(10)	
Disposal of treasury stock									(112)	196	83	
Net changes of items other than shareholders' equity during the period												
Total changes of items during the period	-	-	-	(7)	-	(298)	4,783	-	19,463	185	24,127	
Balance at March 31, 2014	65,475	80,711	5,565	7	2,056	4,453	4,797	111,211	70,831	(12,618)	332,490	

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at April 1, 2013	9,460	(250)	9,210	795	318,369
Changes of items during the period					
Reversal of reserve for special depreciation					-
Reversal of reserve for reduction entry of replaced property					-
Provision of reserve for reduction entry					-
Reversal of reserve for reduction entry					-
Dividends from surplus					(4,759)
Dividends from surplus (interim dividends)					(3,966)
Net income					32,780
Purchase of treasury stock					(10)
Disposal of treasury stock					83
Net changes of items other than shareholders' equity during the period	3,383	56	3,440	156	3,596
Total changes of items during the period	3,383	56	3,440	156	27,724
Balance at March 31, 2014	12,844	(193)	12,650	952	346,093

(TRANSLATION) Copy of Auditor's Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 8, 2014

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kinya Suzuki (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masahiro Ide (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Haruko Nagayama (seal)

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2014 of NIKON CORPORATION (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from April 1, 2013 to March 31, 2014, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NIKON CORPORATION and its consolidated subsidiaries as of March 31, 2014, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION) Copy of Auditor's Report on the Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 8, 2014

To the Board of Directors of
NIKON CORPORATION:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kinya Suzuki (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masahiro Ide (seal)

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Haruko Nagayama (seal)

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2014 of NIKON CORPORATION (the "Company"), and the related statements of income and changes in net assets for the 150th fiscal year from April 1, 2013 to March 31, 2014, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the annexed detailed statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the accompanying supplemental

schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of NIKON CORPORATION as of March 31, 2014, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

With respect to the performance of duties of the Directors of the Company during the 150th fiscal year from April 1, 2013 to March 31, 2014, the Board of Corporate Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor and hereby reports as follows:

1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties, etc. and received a report from each Corporate Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Directors, etc. and the Independent Auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Corporate Auditor auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies and assignment of duties, etc., each Corporate Auditor endeavored to facilitate a mutual understanding with the Directors, the Internal Audit Department and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. Also, each Corporate Auditor has received reports on a regular basis from the Directors and employees, etc. and requested explanations as necessary with respect to the status of development and maintenance of (i) the contents of the Board of Directors' resolutions regarding the development of the system to ensure that the Directors' performance of their duties complied with all laws and regulations, and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company, and (ii) the systems (internal control systems) established based on such resolutions. Regarding internal controls over financial reporting, Corporate Auditors received assessments and reports concerning these internal controls from the Directors, etc. and from Deloitte Touche Tohmatsu LLC and requested explanations as necessary. With respect to the subsidiaries, each Corporate Auditor endeavored to facilitate a mutual understanding and exchanged information with the Directors and Corporate Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Corporate Auditor examined the business report and annexed detailed statements for the fiscal year.

In addition, each Corporate Auditor monitored and verified whether the Independent Auditor maintained its independence and properly conducted its audit, received a report from the Independent Auditor on the status of its performance of duties, and requested explanations as necessary. Each Corporate Auditor was notified by the Independent Auditor that it had established a "system to ensure that the performance of the duties of the Independent Auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and requested explanations as necessary. Based on the above-described methods, each Corporate Auditor examined the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and annexed detailed statements thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements), for the fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the business report and the annexed detailed statements thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the Directors' performance of their duties concerning the internal control systems, including the internal controls over financial reporting.

(2) Results of Audit of Financial Statements and their Annexed Detailed Statements

We acknowledge that the methods and results of the audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of the audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 9, 2014

Board of Corporate Auditors of NIKON CORPORATION

Standing Corporate Auditor:	Yoshimichi Kawai	(seal)
Standing Corporate Auditor:	Yoshiyuki Nagai	(seal)
Corporate Auditor:	Susumu Kani	(seal)
Corporate Auditor:	Haruya Uehara	(seal)
Corporate Auditor:	Hiroshi Hataguchi	(seal)

Note: Corporate Auditors Susumu Kani, Haruya Uehara and Hiroshi Hataguchi are External Corporate Auditors pursuant to Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.