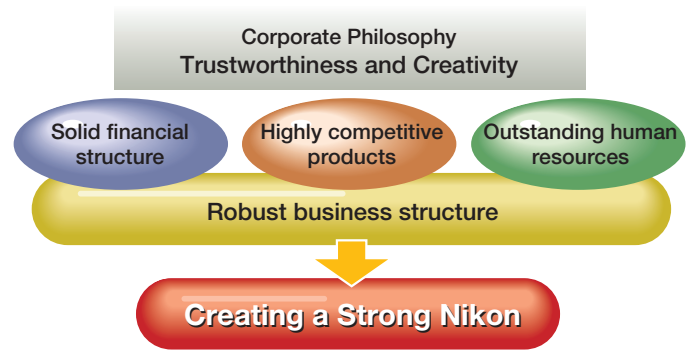


Medium Term Management Plan (Fiscal 2006–2008): Creating a “Strong Nikon”

The Medium Term Management Plan clearly conveys to stakeholders the Nikon Group’s managerial intentions from a medium to long term viewpoint.



Management Policy

Create a “Strong Nikon” with a business structure that can generate sustainable growth in spite of changes in the business environment.

Key Objectives

Strengthening competitiveness of core businesses	Creating and fostering new businesses	Bolstering manufacturing competitiveness
Improving financial structure	Practicing transparent CSR-oriented management	Nurturing a free and open-minded corporate culture

Consolidated Targets for Fiscal 2008

Consolidated targets—operating income to net sales: 10%

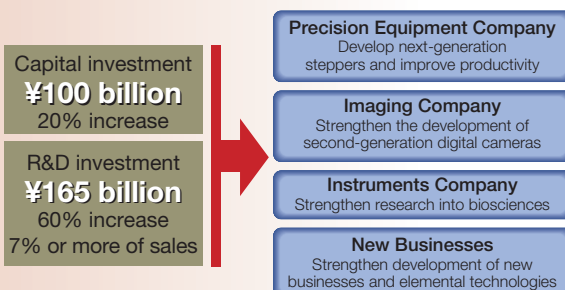
Net sales	¥900 billion
Operating income	¥90 billion
Ordinary income	¥80 billion
Debt-equity ratio	30% or lower

Fiscal 2006–2008 Investment

Funds will be channeled primarily into R&D investment and strategic investment to drive corporate growth, and into strengthening financial structure.

■ Capital Investment and R&D Investment Plan (three-year total)

Increased investment to drive future growth.



Business Plan

■ Precision Equipment Company

- IC stepper business
Aim to secure the top market share for ArF Immersion, including cutting-edge immersion lithography products.
- LCD exposure systems
Aim to further solidify Nikon’s top market share position for large LCD exposure systems.

■ Imaging Company

Aim to develop and propose new products, and secure a 40% or larger share of the digital SLR camera market. Create attractive products that will add value to compact digital cameras.

■ Instruments Company

Focus on the fields of live cell imaging and non-contact measurement.

■ New Businesses

Develop new businesses in areas such as glass materials, solid-state lasers, inspection/fabrication tools for 3D-IC and inspection tools and CMPs.

Nurturing Personnel and a Free and Open-Minded Corporate Climate

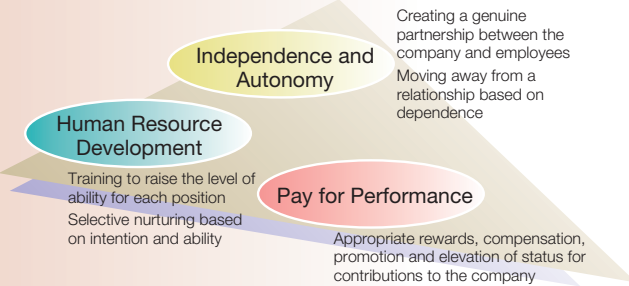
With the aim of creating a more attractive company, human resources are being developed to nurture the personnel on whom growth of the Nikon Group depends while measures are being taken to revitalize the corporate climate.

Personnel Vision

Working from the basic personnel philosophy of “Aspire towards improving your own value as an employee and be forward-looking to provide the company with strong support”, Nikon is moving ahead with a range of human resource measures.

Nikon is making every effort to train personnel based on the concept of individual independence and autonomy, rewarding any contributions from employees in various ways to boost motivation.

Personnel Philosophy and Policy



Key Objectives for Creating a Free and Open-Minded Corporate Climate

Strengthened Management

Management plays an extremely important role in creating an environment in which employees can work with a feeling of freshness and energy. Consequently, Nikon is moving ahead with a program to both strengthen and nurture management.

Supporting Independence and Autonomy

Naturally, before individuals can work with a sense of involvement, they must have an understanding of their own “aims, ability and expectations”. To further this understanding, it is essential to foster awareness of independence and autonomy. At Nikon, a wide range of training and educational programs are provided to support the development of this awareness among employees.

Creating a Structure that Respects Diversity

To enable individual employees to make the most of their abilities under different circumstances, conditions and environments, a number of systems and measures have been implemented related to child care, nursing care and other considerations.



Outstanding Personnel Nikon Is Looking For

“Individual employees working energetically with a sense of involvement”.

In concrete terms, the above concept means “employees who can firmly state their own opinions, debate authoritatively, and when a consensus has been reached, cooperate and act to achieve overall optimal results without adhering to their own ideas and views”. This describes the kind of model employee Nikon is looking for, in other words, employees who:

Work for the team, think on your own, and act.

The aim is to achieve a feeling of solidarity and empathy from the standpoint of the company, workplace and individuals with employees who:

- Are not only wanted by the company but,
- Are worth nurturing at the workplace and,
- Are individuals with motivation