



Financial Results for the Year Ended March 31, 2013

Conference in Tokyo (May 9, 2013)

NIKON CORPORATION

Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.

Agenda

- I . **Financial Results for the Year Ended
March 31,2013**
- II . Estimation for the Year Ending
March 31,2014
- III . Reference Data

Summary for the Year Ended March 31, 2013



◆ Precision Equipment Company reduced sales and income on the year due to sluggish investment. Imaging Company recovered from last fiscal year's Thai floods, but the market condition got worsened in the 2nd half. Overall, the company total sales increased by 10%, while operating income decreased by 36% on the year.

Precision Equipment Company

Both IC and LCD divisions raised competitiveness thanks to state-of-the-art IC and LCD steppers/scanners. But, the market shrinkage affected the sales and income negatively by 28% and 70%, respectively, on the year.

Imaging Company

Both sales and income posted expected results in the 1st half, but the market condition got abruptly worsened in the 2nd half. Because the inventory was built in the 1st half to counteract Thai floods risks, the profitability was deteriorated compared to the 1st half. Sales ended with 28% hike and operating income 13% up from the previous year.

The inventory was reduced to nearly level as planned at fiscal year end.

Instruments Company

Being affected by postponed/compressed government spending and suppressed investments in semiconductor and electronics parts, sales decreased 4% year-on-year and operating deficit has expanded.

◆ Dividend at FY end: 12 yen; annual dividend: 31 yen

Financial Highlights for the Year Ended March 31, 2013



Billions of yen	12/3 (A)	1H 2H	Previous est. as of Feb. 6(B)	1H 2H	13/3 Actual (C)	1H 2H	Change (C)-(A)	Change (C)-(B)
Net Sales	918.6	<u>486.3</u> 432.3	1000.0	<u>497.2</u> 502.8	1010.4	<u>497.2</u> 513.2	+91.8	+10.4
Operating Income	80.0	<u>61.1</u> 18.9	48.0	<u>37.1</u> 10.9	51.0	<u>37.1</u> 13.9	-29.0	+3.0
% vs Net Sales	8.7%		4.8%		5.0%			
Ordinary Income	89.3	<u>65.1</u> 24.2	48.0	<u>39.5</u> 8.5	48.3	<u>39.5</u> 8.8	-41.0	+0.3
% vs Net Sales	9.7%		4.8%		4.8%			
Net Income	59.3	<u>50.4</u> 8.9	38.0	<u>32.0</u> 6.0	42.4	<u>32.0</u> 10.4	-16.9	+4.4
% vs Net Sales	6.5%		3.8%		4.2%			
FCF	-34.0		10.0		-13.2		+20.8	-23.2
Exchange Rate (yen)	79	<u>80</u> 78	81	<u>79</u> 83	83	<u>79</u> 87	Impact on Net Sales:	
US\$	109	<u>114</u> 104	105	<u>101</u> 110	107	<u>101</u> 114	+15.1	+13.0
EURO							Impact on Op. Income:	
							-9.2	+1.4

Overall sales increased year-on-year thanks to strong sales in Imaging Company, but operating income decreased as Precision Equipment was affected by market shrinkage and profitability of Imaging got worsened in the 2nd half.

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

Precision Equipment Company



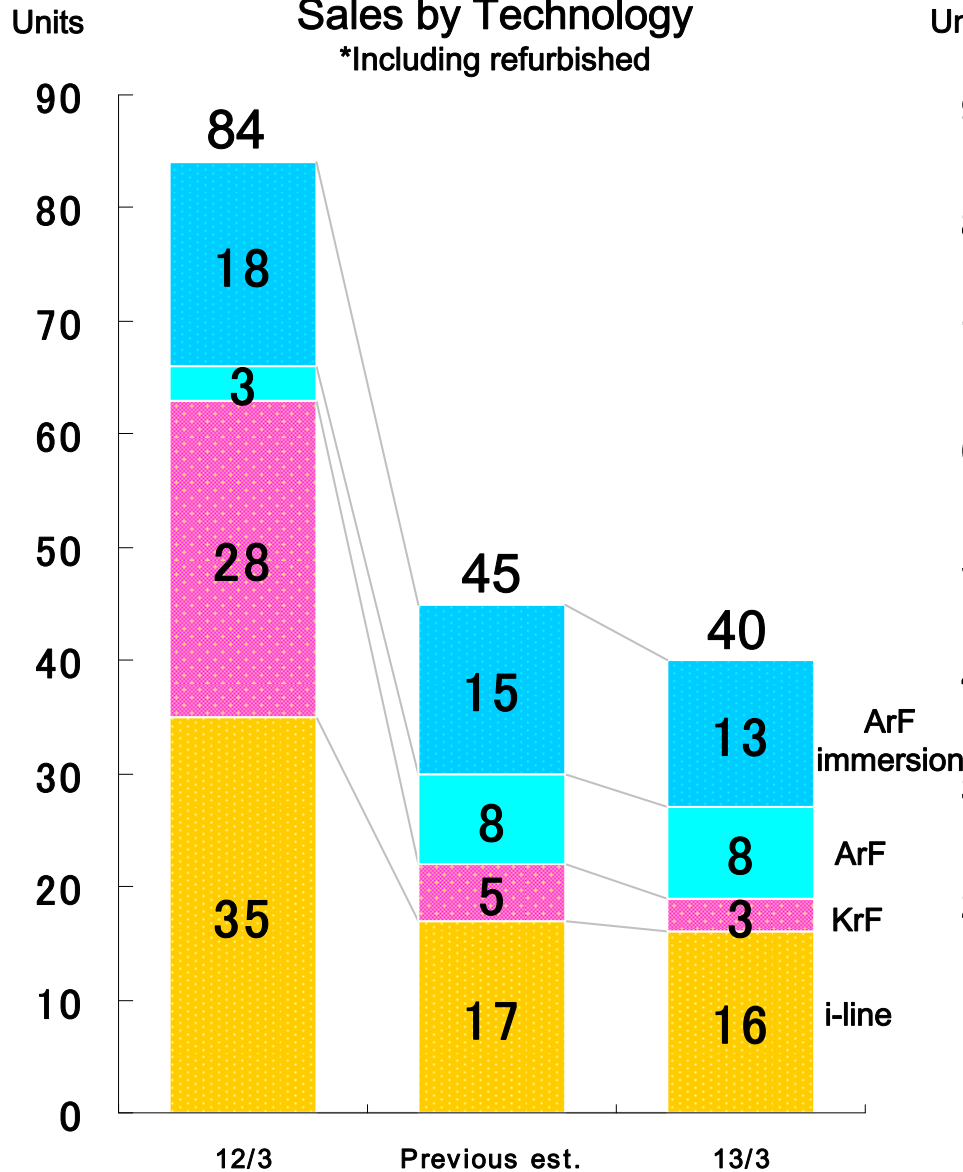
Billions of yen	12/3 Actual	1H 2H	Previous est. as of Feb. 6	1H 2H	13/3 Actual	1H 2H
Net Sales	248.1	<u>124.8</u> 123.3	185.0	<u>80.4</u> 104.6	179.0	<u>80.4</u> 98.6
Operating Income % vs Net Sales	42.7 17.2%	<u>23.2</u> 19.5	11.0 5.9%	<u>7.2</u> 3.8	13.0 7.3%	<u>7.2</u> 5.8
IC Steppers & Scanners New / Refurbished (units sold)	55/29	<u>26/16</u> 29/13	28/17	<u>9/ 5</u> 19/12	25/15	<u>9/5</u> 16/10
LCD Steppers & Scanners (units sold)	86	<u>48</u> 38	42	<u>25</u> 17	43	<u>25</u> 18
IC Steppers & Scanners Market Scale CY11/12	311 units		222 units		222 units	
LCD Steppers & Scanners Market Scale CY11/12	109 units		66 units		66 units	

IC steppers/scanners fell short of the forecasted by 3 new units, while LCD steppers/scanners surpassed the forecast by 1. Sales missed the forecast by 6 billion yen, but the operating income improved partly contributed by the cost reduction initiatives.

IC Steppers & Scanners

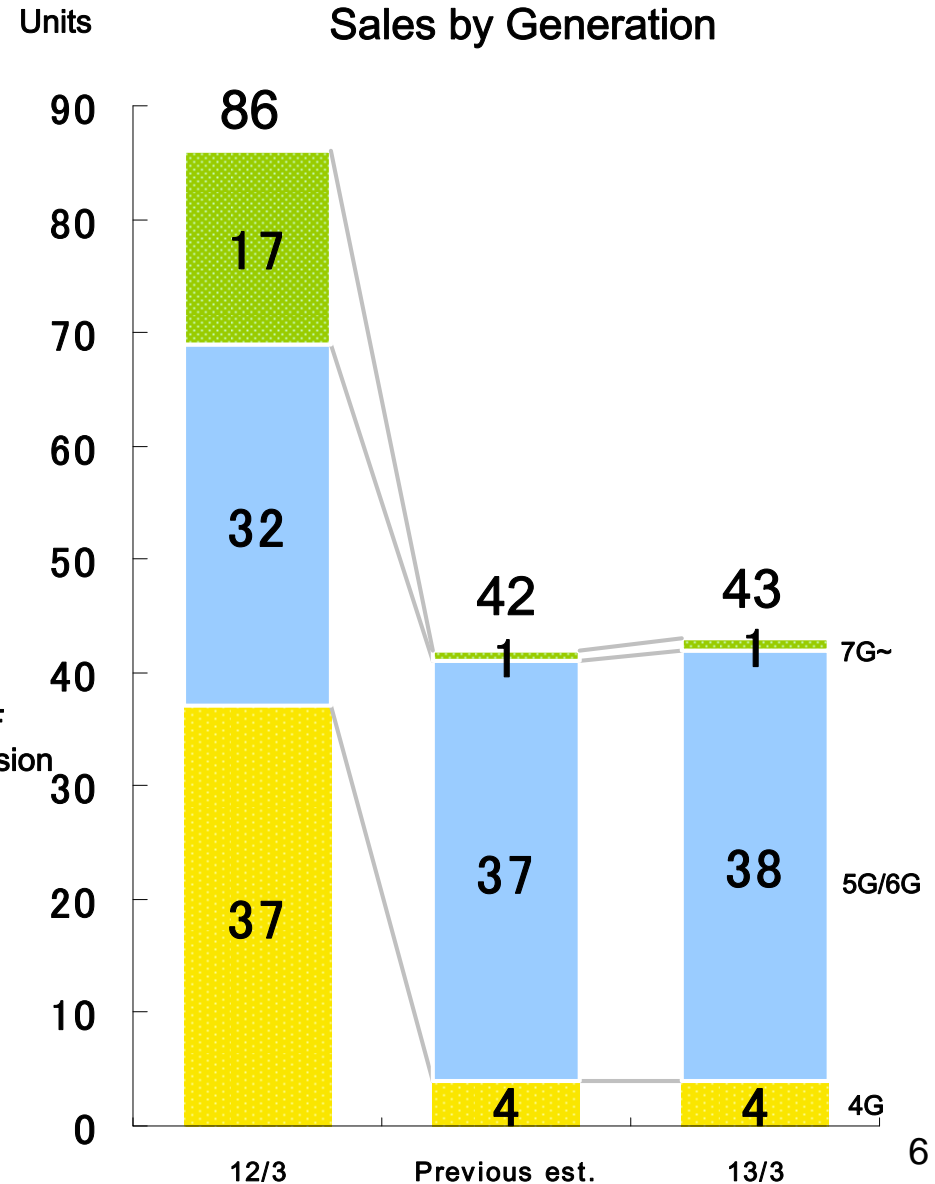
Sales by Technology

*Including refurbished



LCD Steppers & Scanners

Sales by Generation



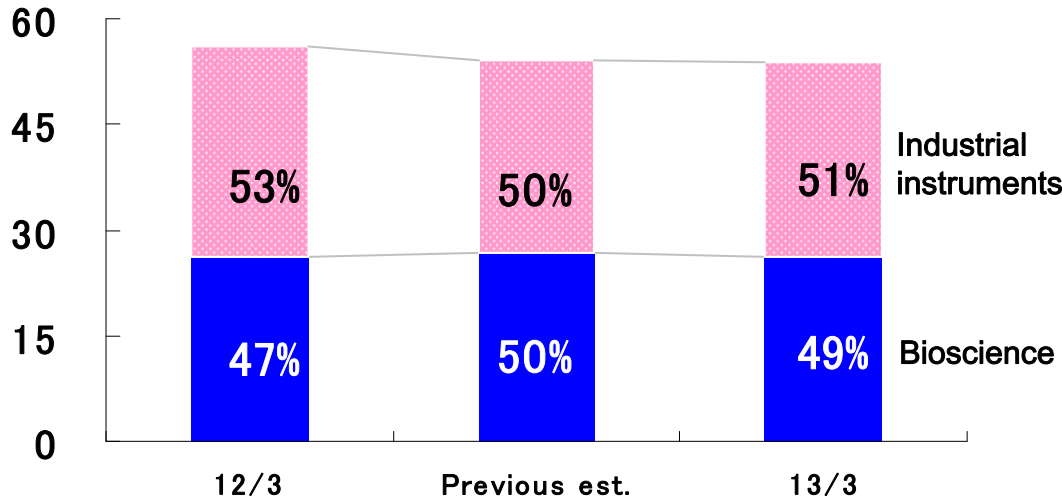
Billions of yen 1,000 of units sold	12/3 Actual	1H 2H	Previous est. as of Feb. 6	1H 2H	13/3 Actual	1H 2H
Net Sales	587.1	<u>324.5</u> 262.6	735.0	<u>381.0</u> 354.0	751.2	<u>381.0</u> 370.2
Operating Income % vs Net Sales	53.9 9.2%	<u>47.4</u> 6.5	60.0 8.2%	<u>41.8</u> 18.2	60.7 8.1%	<u>41.8</u> 18.9
Digital camera – Interchangeable Lens Type	4,740	<u>2,730</u> 2,010	7,000	<u>3,450</u> 3,550	6,980	<u>3,450</u> 3,530
Interchangeable Lens	7,130	<u>3,930</u> 3,200	9,800	<u>4,770</u> 5,030	9,710	<u>4,770</u> 4,940
Compact DSC	17,370	<u>7,860</u> 9,510	17,000	<u>8,260</u> 8,740	17,140	<u>8,260</u> 8,880
D-CIL Market Scale	16,330		20,500		19,230	
IL Market Scale	26,410		32,000		29,640	
C-DSC Market Scale	99,330		73,000		68,080	

Compact DSC maintained the same sales volume as the previous year in spite of market contraction of about 30%. The profitability of digital camera—interchangeable lens type got suddenly worsened in late November, thus the operating margin declined substantially from 1H (11.0%) to 2H (5.1%).

Billions of yen	12/3 Actual	1H 2H	Previous est. as of Feb. 6	1H 2H	13/3 Actual	1H 2H
Net Sales	56.0	<u>24.6</u> 31.4	54.0	<u>23.7</u> 30.3	53.8	<u>23.7</u> 30.1
Operating Income % vs Net Sales	- 3.1 - % (- %)	<u>-2.3</u> -0.8	- 4.0 - %	<u>-2.9</u> -1.1	- 4.9 - %	<u>-2.9</u> -2.0

Bioscience suffered government spending postponement and contraction, and Industrial Instruments was affected by restricted investment in semiconductor and electronic parts, ending with decreased sales and income on the year.

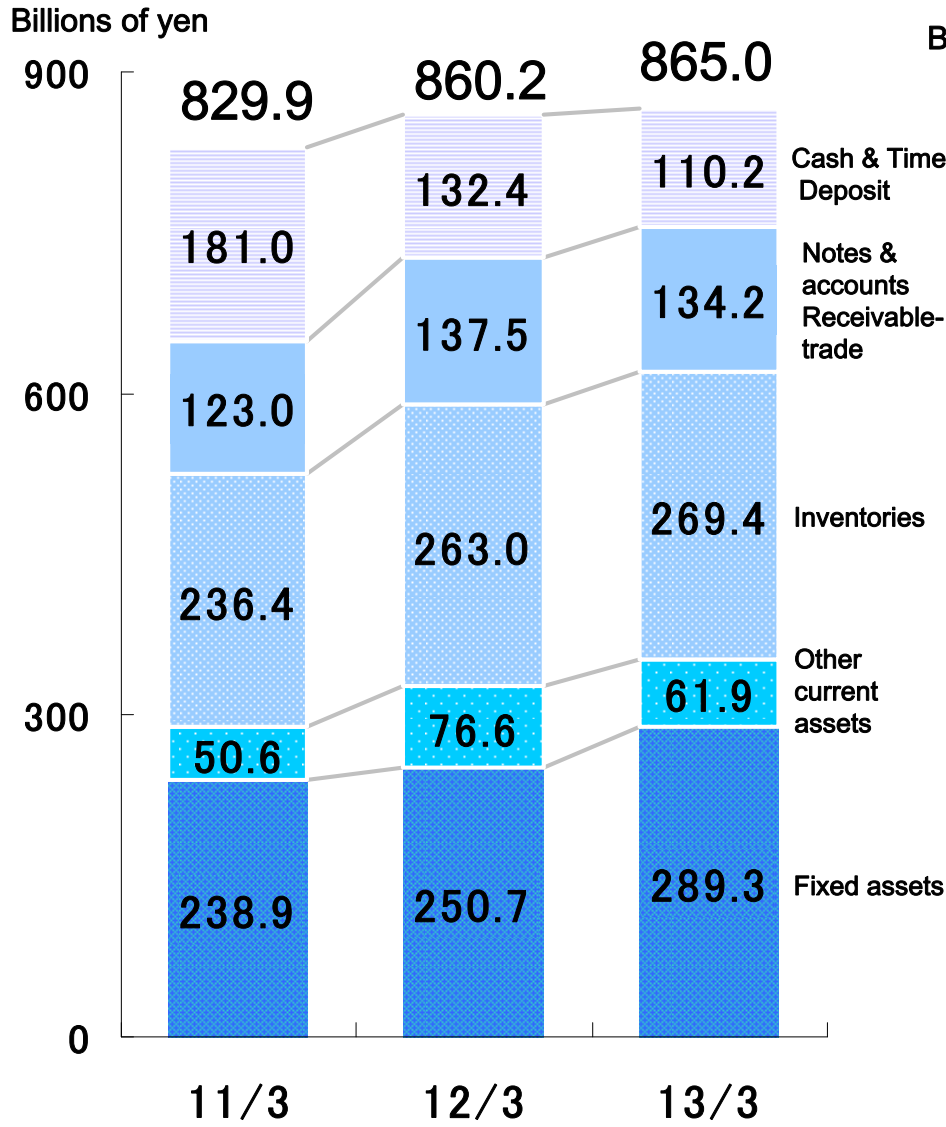
Billions of yen



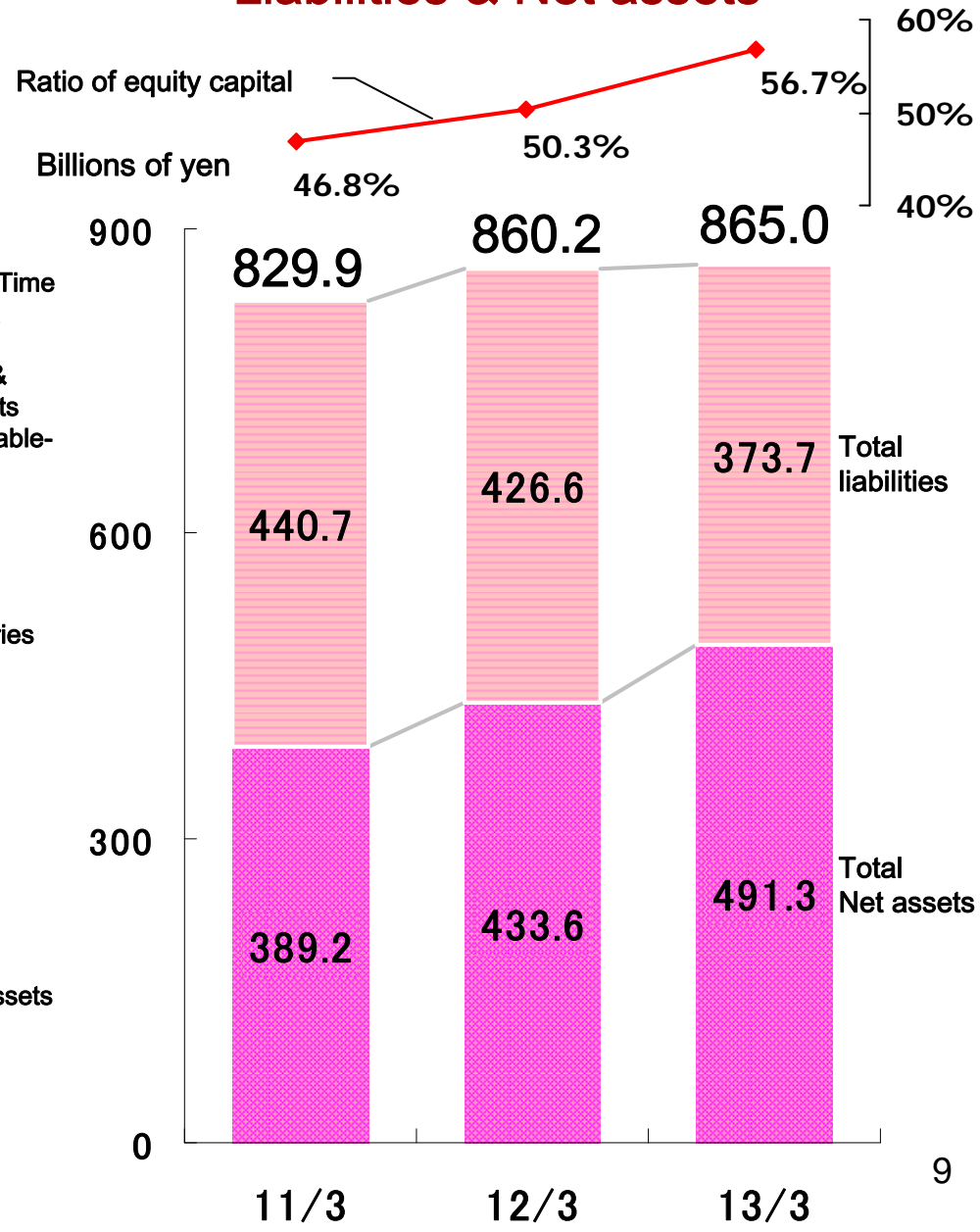
Balance Sheet



Assets



Liabilities & Net assets



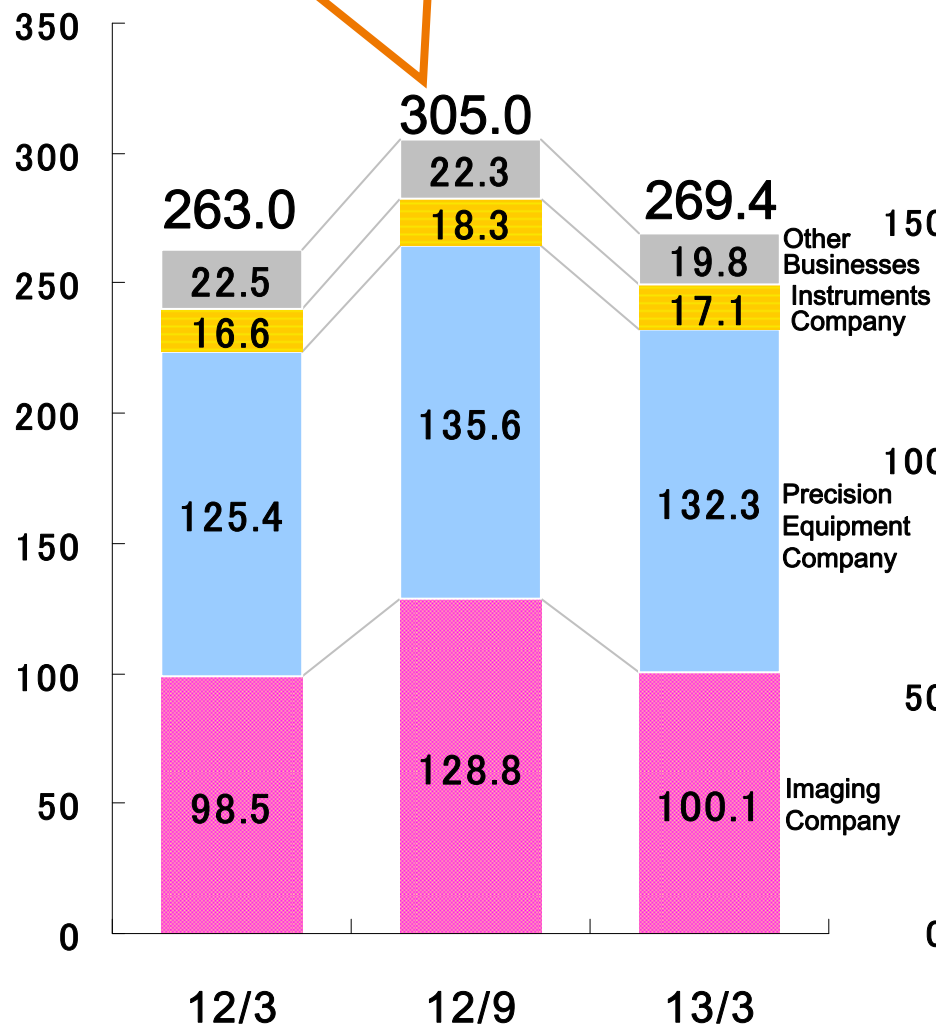
Balance Sheet



Inventories

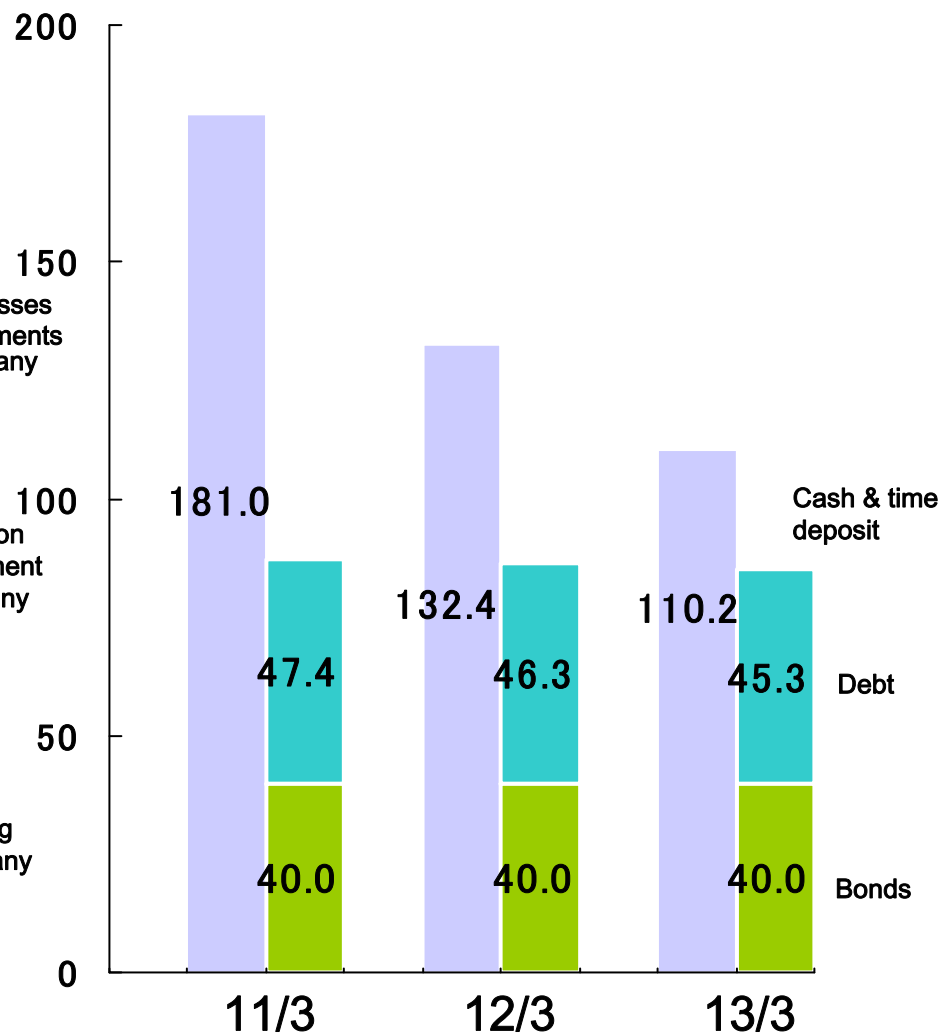
Only this bar is as of September 2012.

Billions of yen



Interest-bearing Debt and Cash & Time Deposit

Billions of yen



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◆ LCD division is expected to increase sales. Although sluggish market conditions are likely to continue for Imaging Company, the overall sales and income show positive forecasts, 10% and 67% up on the year, respectively.

Precision Equipment Company

Investment in lithography tools has been remained low, but a recovery is expected in the 2nd half. LCD division expects to maintain the current high market share as the LCD market expands. Both sales and income are expected to improve 17% and 23%, respectively.

Imaging Company

Persistent contraction is likely for the compact camera market, but the market for digital camera—interchangeable lens type is expected to keep up the current growth. Both sales and income are forecasted to rise 8% and 55% each.

Instruments Company

Bioscience division strives to expand the share of biological microscopes for general research and clinical use while awaiting a recovery of government spending. Industrial Instruments division attempts to capture new demands from automotive and aircraft industries, etc. Sales is expected to grow 17% with reduced loss.

◆ Annual dividend per share: 41 yen (interim dividend 10 yen)

Estimation for the Year Ending March 31, 2014



Billions of yen	13/3 Actual	<u>1H</u> 2H	14/3 Estimation	<u>1H</u> 2H	Change
Net Sales	1010.4	<u>497.2</u> 513.2	1110.0	<u>507.0</u> 603.0	+ 99.6
Operating Income % vs Net Sales	51.0 5.0%	<u>37.1</u> 13.9	85.0 7.7%	<u>25.0</u> 60.0	+ 34.0
Ordinary Income % vs Net Sales	48.3 4.8%	<u>39.5</u> 8.8	85.0 7.7%	<u>25.0</u> 60.0	+ 36.7
Net Income % vs Net Sales	42.4 4.2%	<u>32.0</u> 10.4	65.0 5.9%	<u>16.0</u> 49.0	+ 22.6
FCF	-13.2		50.0		+ 63.2
Exchange Rate (yen)	83	<u>79</u> 87	95		Impact on Net Sales Approx. +107.0
US\$	107	<u>101</u> 114	125		Impact on Op. Income Approx. +33.0
EURO					

Although the business environment remains tough, the corporation will improve profitability and increase in profit.

Estimation for Precision Equipment Company



Billions of yen	13/3 Actual	1H 2H	14/3 Estimation	1H 2H
Net Sales	179.0	<u>80.4</u> 98.6	210.0	<u>80.0</u> 130.0
Operating Income % vs Net Sales	13.0 7.3%	<u>7.2</u> 5.8	16.0 7.6%	<u>-2.0</u> 18.0
IC Steppers & Scanners New / Refurbished (units sold)	25/15	<u>9/5</u> 16/10	38/15	<u>10/7</u> 28/8
LCD Steppers & Scanners (units sold)	43	<u>25</u> 18	50	<u>33</u> 17
IC Steppers & Scanners Market Scale CY12/13	222 units		Approx. 200 units	
LCD Steppers & Scanners Market Scale CY12/13	66 units		Approx. 80 units	

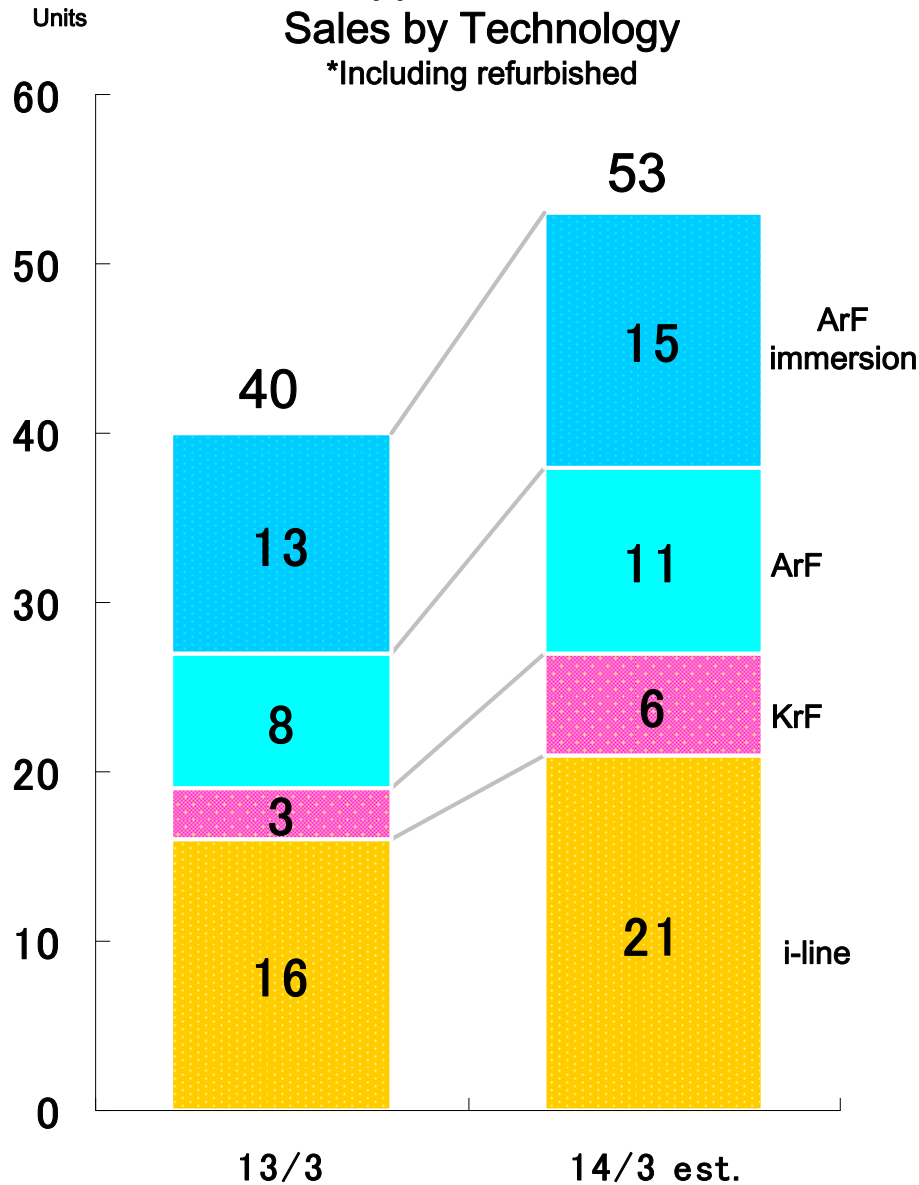
Although the market for IC steppers/scanners shrinks, the improved competitiveness will help increase the sales volume. LCD division is expected to maintain the high market share with an expectation of market recovery.

Estimation for Precision Equipment Company

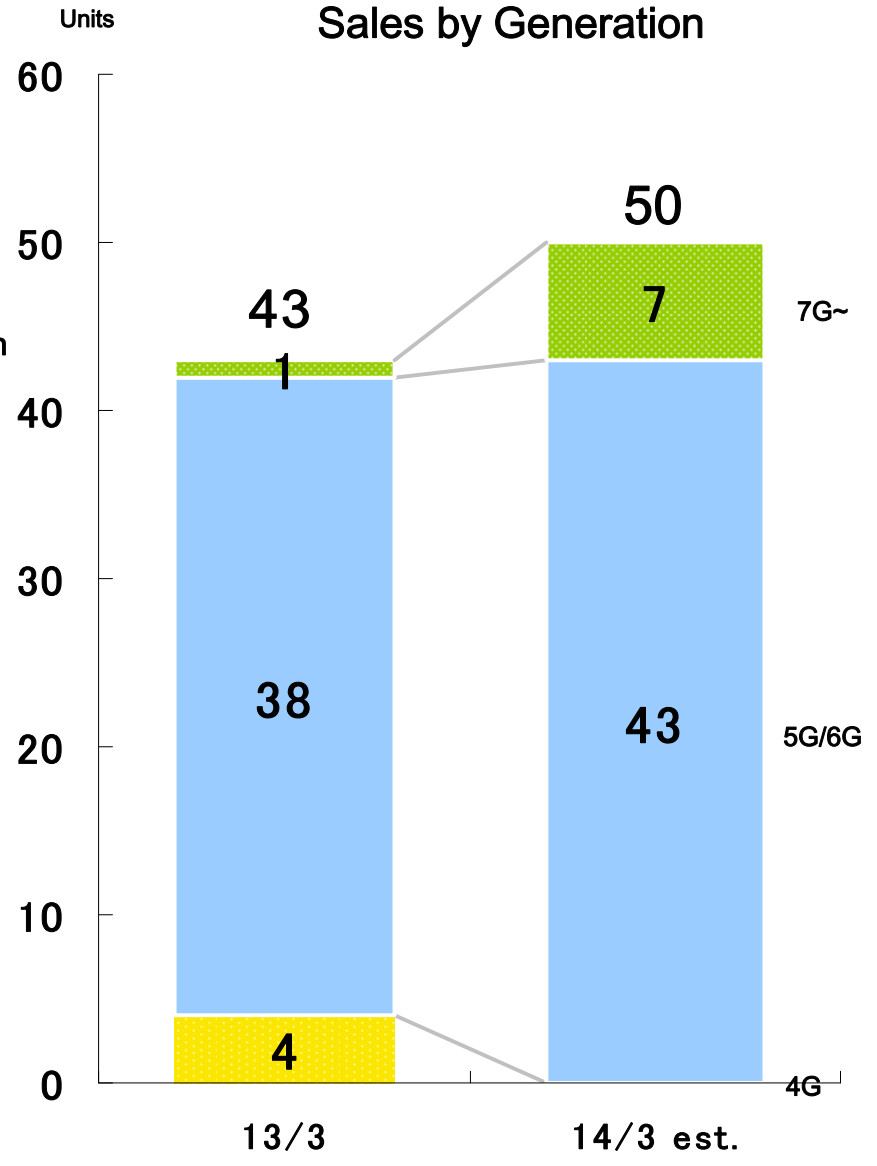


IC Steppers & Scanners Sales by Technology

*Including refurbished



LCD Steppers & Scanners Sales by Generation



Estimation for Imaging Company

Billions of yen 1,000 of units sold	13/3 Actual	1H 2H	14/3 Estimation	1H 2H
Net Sales	751.2	<u>381.0</u> 370.2	810.0	<u>390.0</u> 420.0
Operating Income % vs Net Sales	60.7 8.1%	<u>41.8</u> 18.9	94.0 11.6%	<u>42.0</u> 52.0
Digital camera – Interchangeable Lens Type	6,980	<u>3,450</u> 3,530	7,100	<u>3,400</u> 3,700
Interchangeable Lens	9,710	<u>4,770</u> 4,940	9,800	<u>4,700</u> 5,100
Compact DSC	17,140	<u>8,260</u> 8,880	14,000	<u>6,500</u> 7,500
D-CIL Market Scale	19,230		21,000	
IL Market Scale	29,640		32,000	
C-DSC Market Scale	68,080		60,000	

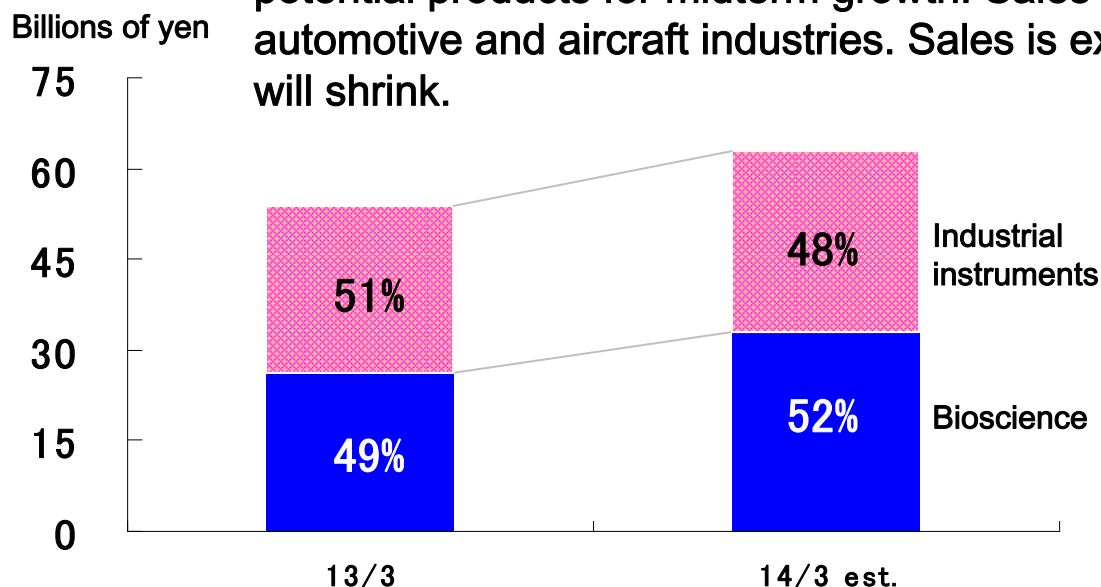
Sales in the entry class of D-SLR shift more to newer products. New product launch of mid-class cameras is also expected to help the performance. Compact DSC aims for profitability. Operating income will be buoyed in part by weak yen, but the substantial income is also expected to grow.

Estimation for Instruments Company



Billions of yen	13/3 Actual	1H 2H	14/3 Estimation	1H 2H
Net Sales	53.8	$\frac{23.7}{30.1}$	63.0	$\frac{27.0}{36.0}$
Operating Income % vs Net Sales	- 4.9 -%	$\frac{-2.9}{-2.0}$	-1.5 -%	$\frac{-2.5}{1.0}$

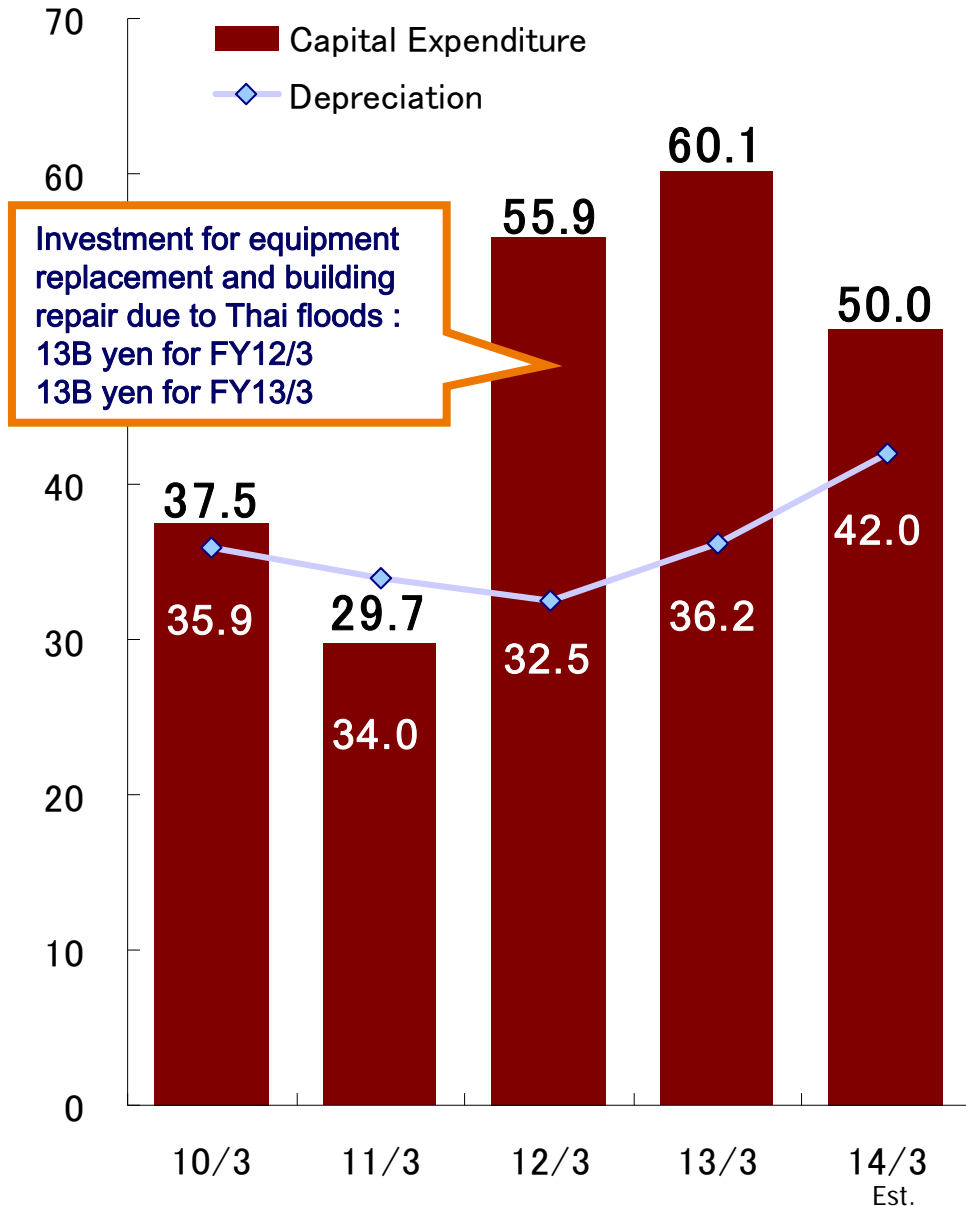
Non-contact 3D metrology tools and X-ray inspection systems are identified as potential products for midterm growth. Sales expansion campaign will focus on automotive and aircraft industries. Sales is expected to grow 17%, while the loss will shrink.



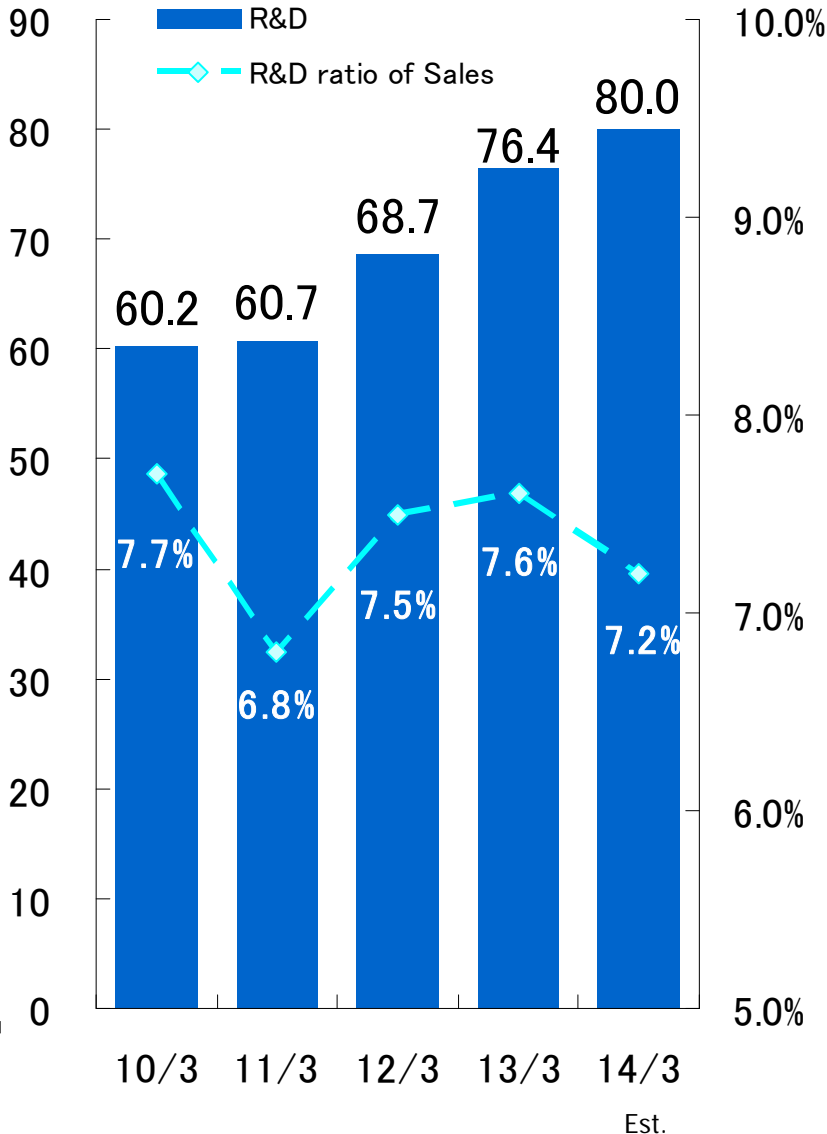
Estimation for Capital Expenditure, Depreciation and R&D



Billions of yen [Capital Expenditure & Depreciation]



Billions of yen [R&D]



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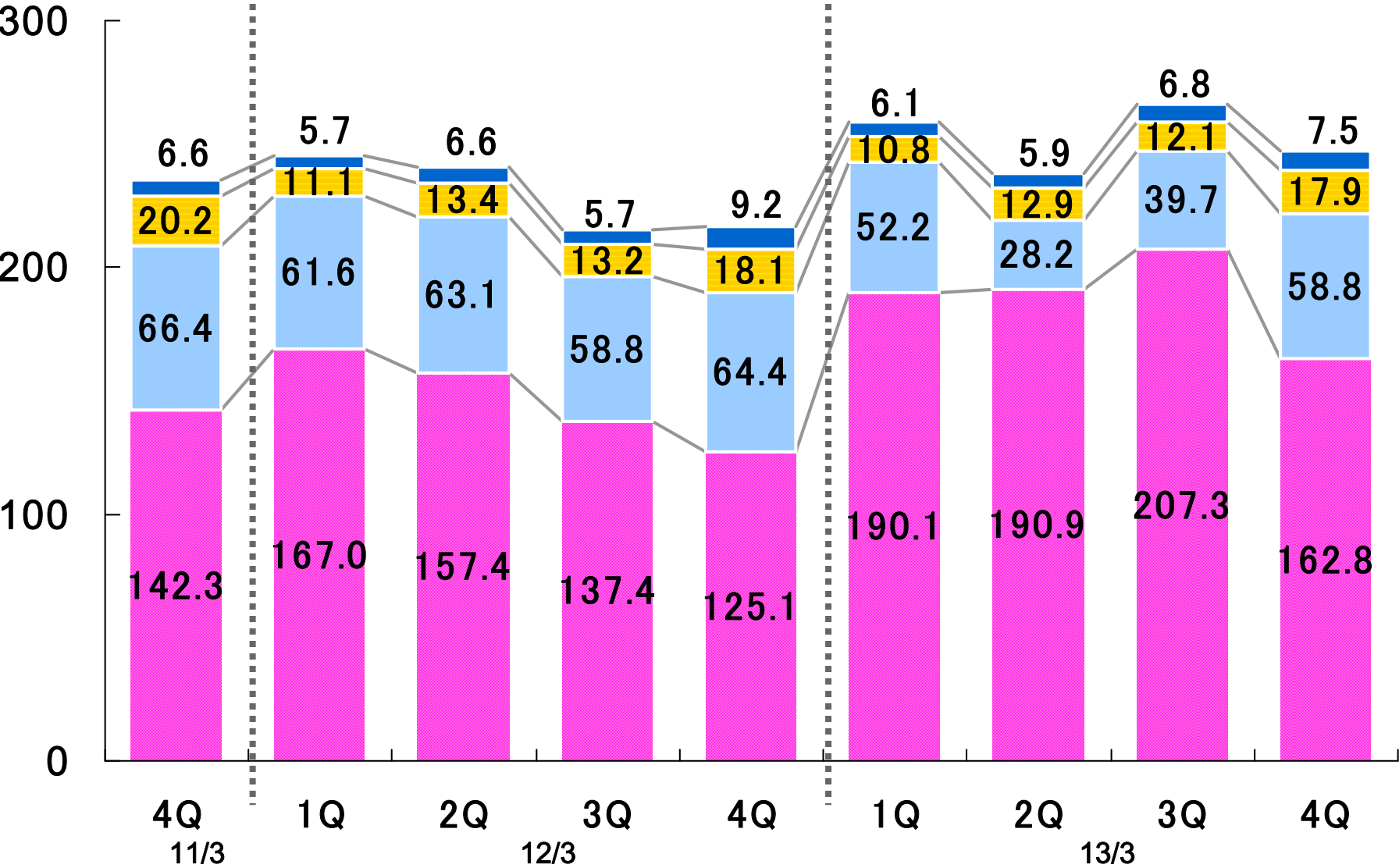
14/3 Estimation

Billions of yen	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	14/3 Forecast	Net Sales	Operating Income
US\$	95 yen	Approx. 5.5	Approx. 0.5
EURO	125 yen	Approx. 2.3	Approx. 1.5

Quarterly Net Sales by Segments

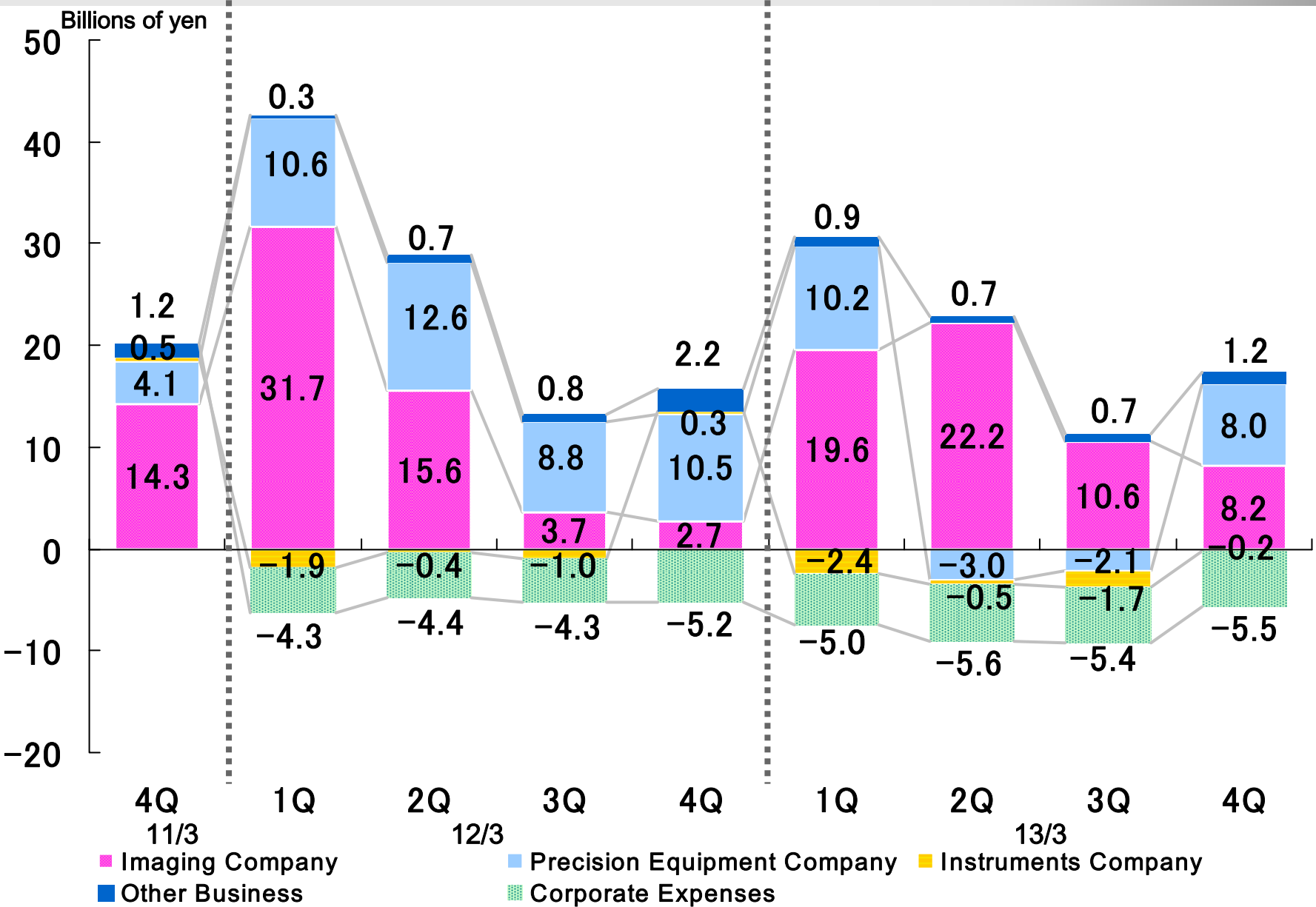


Billions of yen



■ Imaging Company
 ■ Precision Equipment Company
 ■ Instruments Company
 ■ Other Business
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 * Amounts in this slide are rounded down to the hundred million: the sum of breakdown values may not match the total.

Quarterly Operating Income by Segments



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



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