



# Progress of Medium Term Management Plan

Conference in Tokyo (May 13, 2009)

**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.

# History of Medium Term Management Plan Targets



The targets have been achieved steadily until now, and our targets have been revised upward.

Billions of yen	06/3 Actual	09/3 Target	07/3 Actual	10/3 Target	08/3 Actual	11/3 Target
Net Sales	730.9	900.0	822.8	1,000.0	955.8	1,200.0
Operating Income	66.6	90.0	102.0	125.0	135.2	160.0
Ordinary Income	43.5	80.0	89.6	115.0	Net Income 75.5      100.0	
	Announced in March 2006		Announced in May 2007		Announced in May 2008	

## Economic Trend

Consumption decline of Japan,  
US and Europe

Growth slowdown  
of the emerging countries

Increase of  
the unemployment rate

Financial instability

## Business Environment

Semiconductor market

Expect recovery  
from the 2H of 10/3

DSC market

Slower market expansion and  
severer competition

Foreign exchange

Continuation of strong Yen

Revise policy and target of  
the Medium Term Management Plan

# Corporate Financial Targets

Billions of yen	09/3	10/3	12/3
Net Sales	879.7	680.0	800.0
Operating Income	48.2	- 12.0	72.0
Net Income	28.1	- 17.0	40.0

<Assumption of exchange rate>

09/3(Actual): 101yen / US\$, 144yen / Euro

10/3(est.) : 95yen / US\$, 125yen / Euro

12/3(est.) : 85yen / US\$, 115yen / Euro

Achieve turnaround in 11/3, and return to the sustainable growth track in 12/3.

10/3	Reform structure of business and profit
	Lower the break-even point
11/3	Commence business operation for the coming economic recovery
	Achieve turnaround
12/3	Return to sustainable growth track

# Challenges of Medium Term Management Plan

**Ensure sustainable growth catching the wave of the market environment after the global recession**

**Execute the structural reforms to secure profit even under the severe environment**

- Construct production system to secure profit under further appreciating yen
- Restructure global business locations suitable for market change
- Explore and deeply cultivate market of the emerging countries

**Product development for sustainable growth**

- Develop and market the cutting edge IC & LCD scanners.
- Develop and market the next generation DSC
- Enhance new developments of Biotechnological and Industrial equipments
- Promote new business and search for the new fields

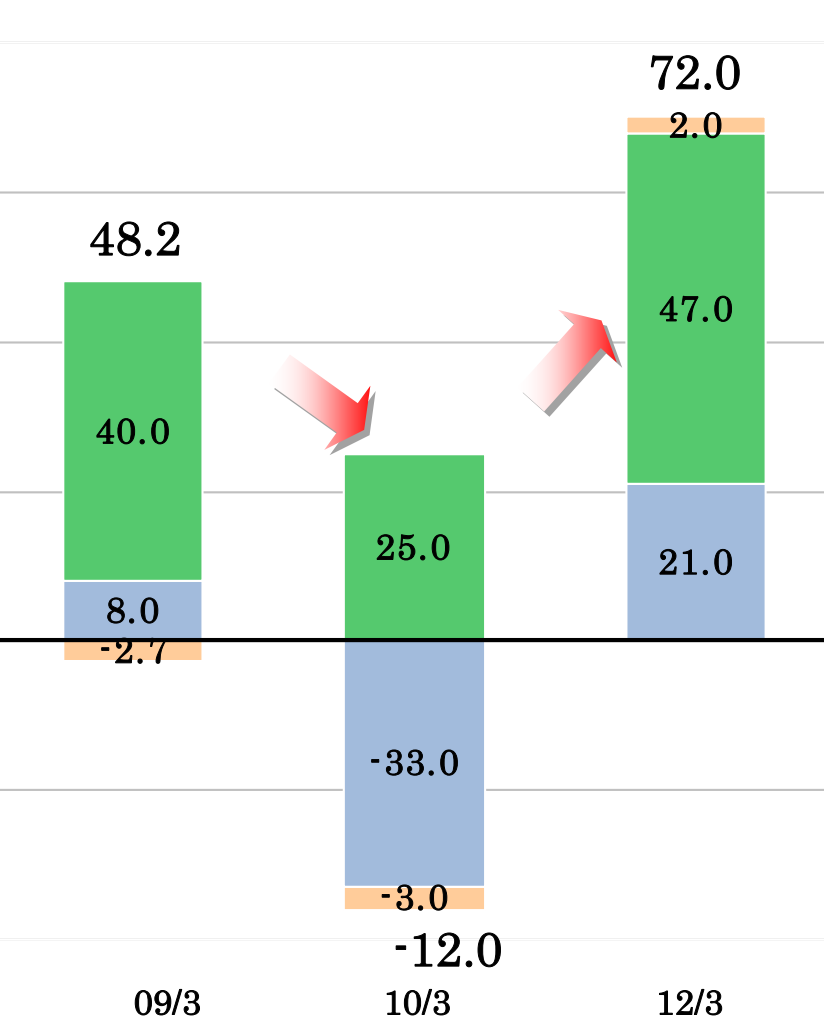
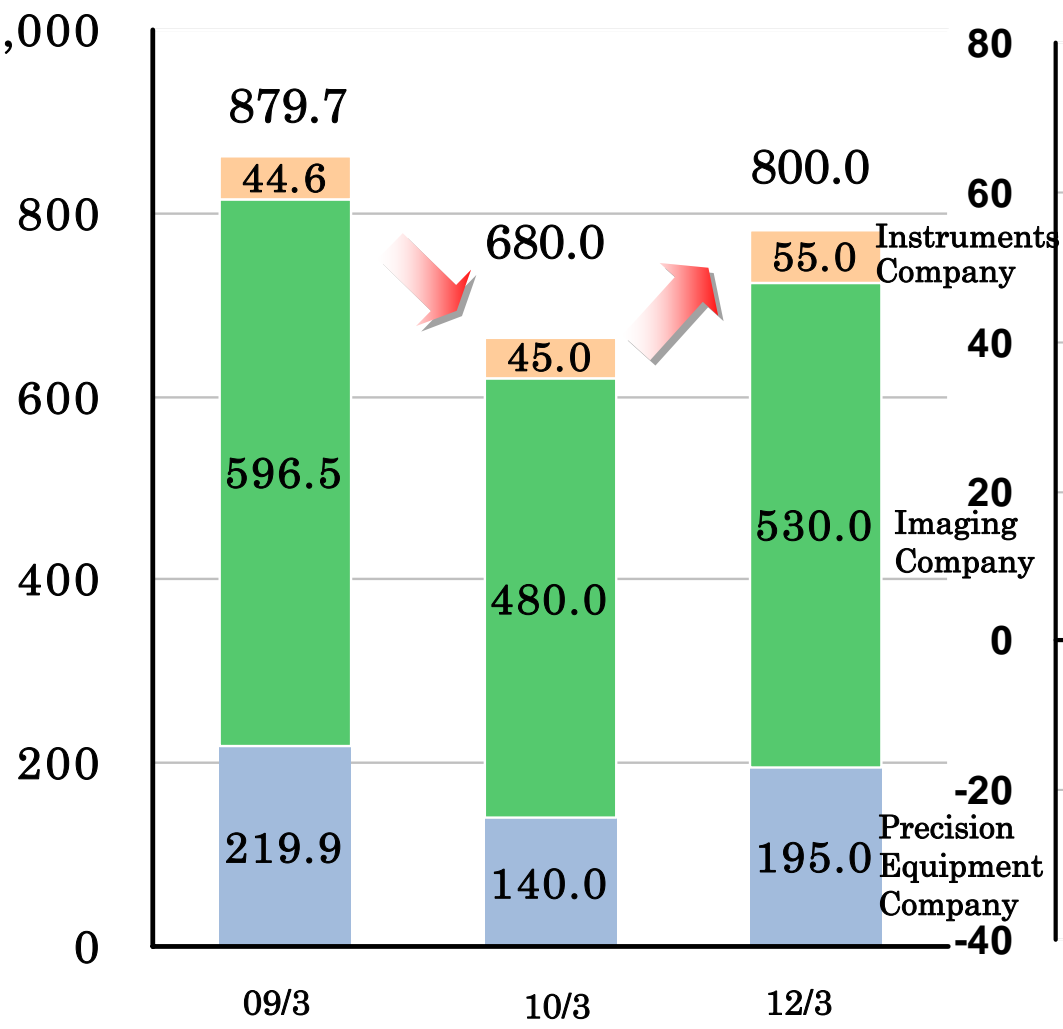
# Financial Targets by Segments



## Net Sales

## Operating Income

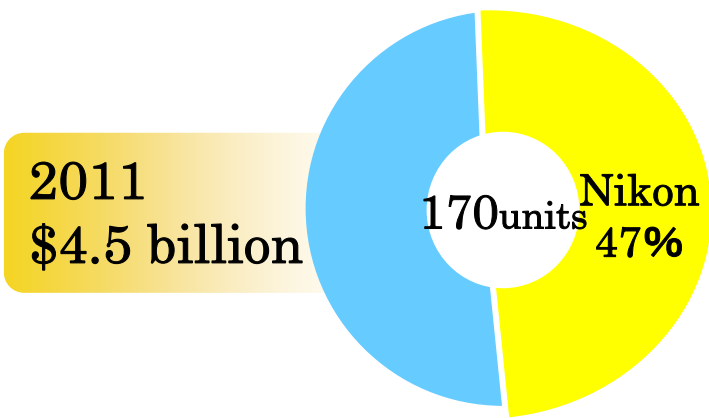
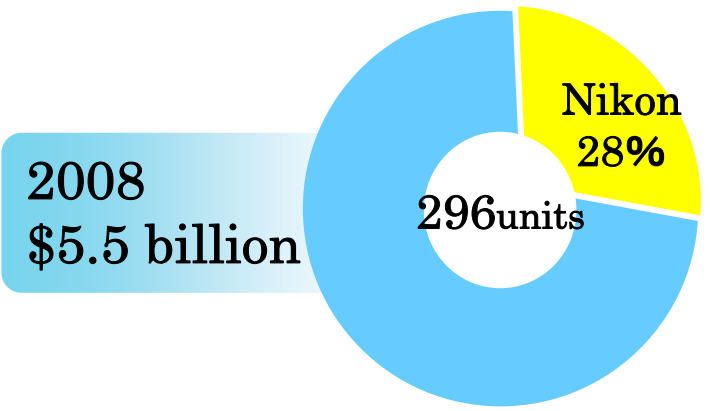
Billions of yen



# Precision Equipment Company: Market Scale

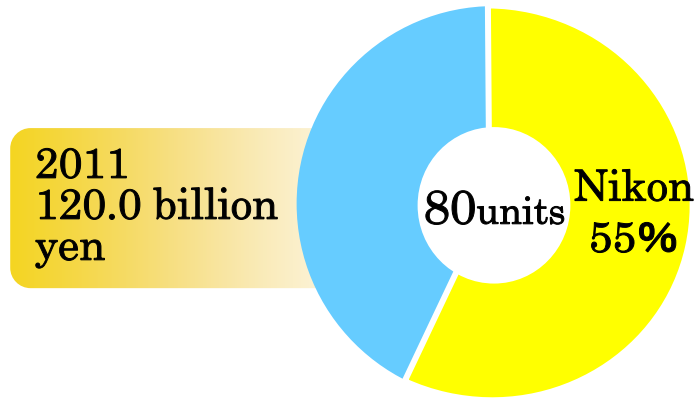
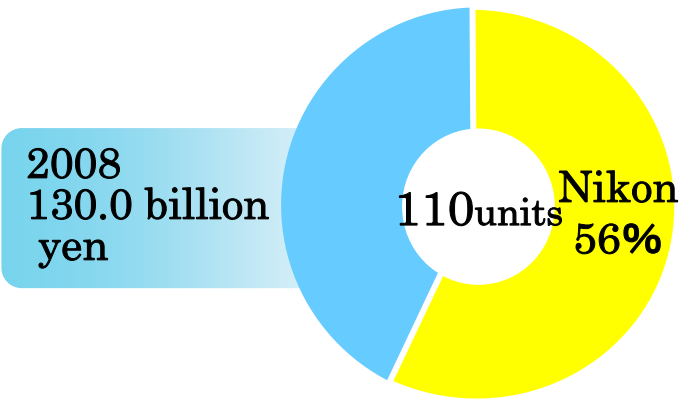


## IC Steppers & Scanners (CY)



## LCD Steppers & Scanners (CY)

\*LCD lithography system for color filter are excluded from the Market scale.

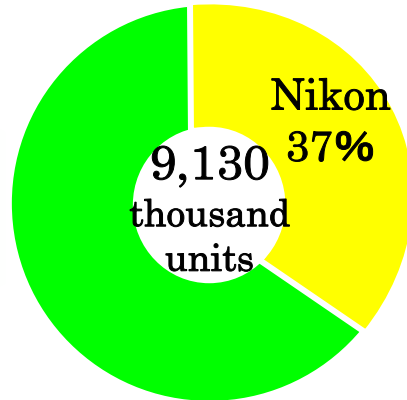


Forecast by Nikon

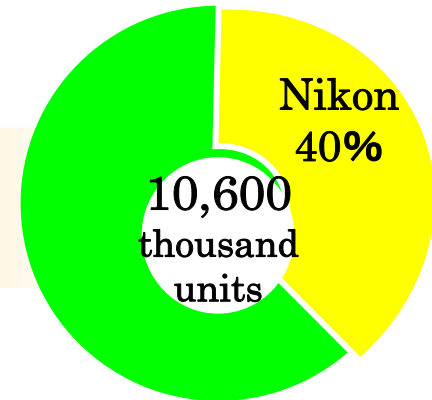


## I/L-DSC

09/3

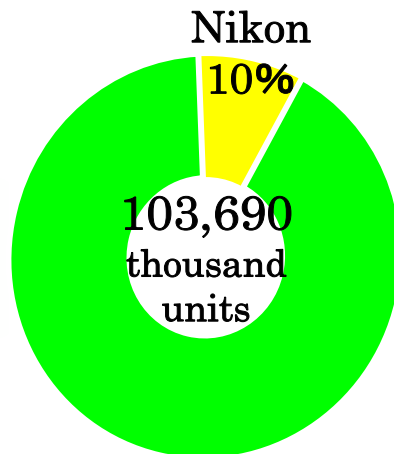


12/3

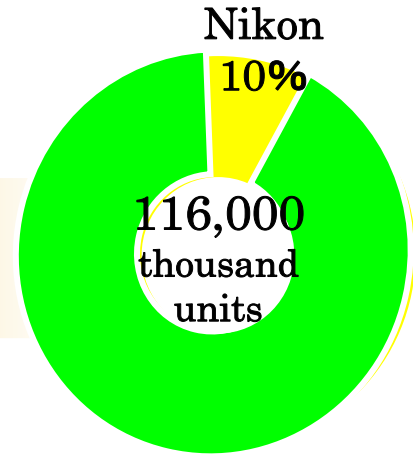


## C-DSC

09/3



12/3



Forecast by Nikon

Execute development and investment in the highly selected fields in preparation for the coming economic recovery.



Vigorous investment  
for cutting edge field

Enhancement of product  
competitiveness by  
full line-up

Product launch to the  
growing market

Capital investment :110.0 billions of yen

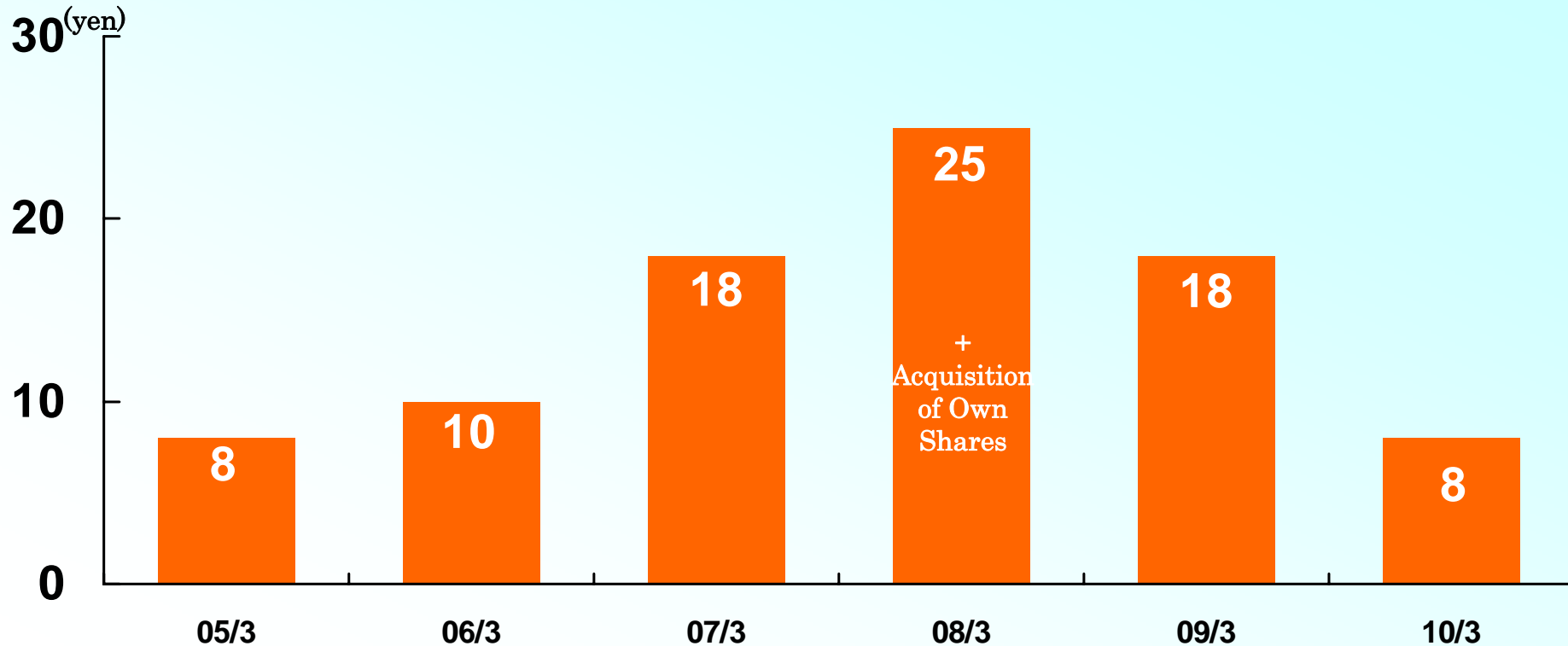
R&D :170.0 billions of yen

( 3 years accumulation )

# Shareholders benefit

Keep the shareholders benefit to target return ratio equivalent to 25% or more

Cash dividend per share



Period of Own Shares acquisition: May 13<sup>th</sup> ~ 21<sup>th</sup>, 2008

Total Shares of acquisition: 3,713,000 stocks

Total value of acquisition: 12.0 Billions of yen

10/3

**Structural Reform**

11/3

**Profit recovery**

12/3

**To the sustainable growth track**