

May 30, 2018

## R&I Affirms A/a-1, Stable: Nikon Corp.

Rating and Investment Information, Inc. (R&I) has announced the following:

**ISSUER:** Nikon Corp.  
**Issuer Rating: A, Affirmed**  
**Rating Outlook: Stable**

**Commercial Paper: a-1, Affirmed**

### RATIONALE:

Nikon Corp. is an optical equipment manufacturer with two earnings pillars: the Imaging Products business, which mainly handles digital cameras, and the Precision Equipment business, which offers lithography systems for flat panel display and semiconductor manufacturing. Although the company is exposed to high industry risk in both businesses, it commands high market shares. Its earnings base is robust, supported by technical capability and strong brand recognition. In light of the benefits of fixed cost reduction including workforce reduction, R&I views that the company will likely maintain earning capacity even in face of a certain demand contraction. The company has ample equity capital and is in a net cash position. It has financial resilience for making investments for growth.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Digital Devices" and "Semiconductor Production Equipment". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

[https://www.r-i.co.jp/en/rating/about/rating\\_method.html](https://www.r-i.co.jp/en/rating/about/rating_method.html)

### R&I RATINGS:

**ISSUER:** Nikon Corp. (Sec. Code: 7731)  
**Issuer Rating**  
**RATING:** A, Affirmed  
**RATING OUTLOOK:** Stable

**Commercial Paper**  
**ISSUE LIMIT (mn):** JPY 50,000  
**SUPPORT:** Unsecured  
**RATING:** a-1, Affirmed

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