



THE MARKET

Nikon is a world leader in precision optics and imaging technology. Recognized globally for setting new standards in product design and performance, the unique strength of the Nikon brand is attributable to the company's unwavering commitment to quality, performance, and innovation.

As the worldwide digital camera market continues to achieve strong year-over-year growth and the demand for imaging solutions evolves, Nikon's innovation continues to define the market. To most consumers the Nikon name is associated with unbeatable image quality and excellence in photography. However, Nikon's innovation, precision optics, and manufacturing expertise extend well beyond cameras and photography into an array of industries:

- Nikon's ultra-high precision stepper products have been indispensable to the success of the semiconductor industry, and Nikon's semiconductor manufacturing and wafer inspection equipment is found at chip fabrication facilities throughout the world.
- Nikon microscopes and scientific imaging products command the largest share of the U.S. life science market, both in research and diagnostic laboratories.
- Industries from automotive and aerospace to internal medicine depend on Nikon metrology products for maximum accuracy in component production.
- Nikon's binoculars and sport optics, many of which are designed to perform in the most extreme conditions, are used by outdoor enthusiasts the world over.

ACHIEVEMENTS

Nikon has led in technical innovations for more than 85 years, and the performance delivered by Nikon products has earned the company and its customers prestige and recognition in a variety of fields. The

majority of recent Pulitzer Prize-winning photographers used Nikon equipment to capture the winning image. Nikon Coolpix cameras have received more awards and top rankings than any other consumer digital camera line. Plus, Nikon SLR cameras have been on every manned space flight since the Apollo 15 mission in 1971.

As "The Eyes of Science," Nikon microscopes enable researchers to make critical breakthroughs, and Nikon instruments have been at the forefront of discoveries in such areas as AIDS, Alzheimer's, cancer, in-vitro fertilization, and genetic research. The Nikon Diaphot microscope was used for the country's first in-vitro birth, and is still the predominant microscope for assisted reproduction. Additionally, a Nikon microscope was used in the cloning process for Dolly the Sheep, the first successful fully grown mammal clone.

The tradition of Nikon quality pervades the company, extending beyond the excellence of its products. For the third consecutive year, Nikon has earned the distinct honor of receiving the National Association of Photo Equipment Technicians Manufacturer Service Support Award — the highest honor for consistent quality service within the industry.

HISTORY

Nikon's story began in 1917, when three of Japan's leading optical manufacturers merged to form a comprehensive, fully integrated optical company known as Nippon Kogaku K.K.

Nippon Kogaku K.K. began to produce ultra-small prism binoculars, and later expanded to microscopes, telescopes, surveying equipment, measuring devices, and camera lenses. In 1932, Nikkor was adopted as the brand name for camera lenses, and today Nikkor Optics remains synonymous with premiere quality. The Nikon name was first used in 1946 for the company's small-sized cameras. Only a handful of these cameras made it to the United States, but they became the hottest new technology for camera professionals. A 1950 New York Times article touted the superiority of Nikon cameras and Nikkor lenses, and by the end of that decade, the first system-oriented SLR camera, the groundbreaking Nikon F, began its 15-year domination of the industry.

Between 1970 and the end of the 1980s, the company delivered innovative products across multiple product lines that included cameras, lenses and accessories, eyewear, measuring devices, telescopes, surveying instruments, stepper machines, and magneto-optical disk drive systems. During this time, the company introduced the first autofocus compact camera. In 1988, the corporate name was changed to Nikon Corporation.

The 1990s brought the introduction of the flagship F5 camera, the widest variety of lenses and speedlights ever available, and the award-winning Coolpix line of compact digital cameras. In 1999, Nikon introduced its first megapixel pro-quality digital SLR camera: the Nikon D1. This camera revolutionized the way sports, fashion, and journalism images were captured, and its aggressive price point served as a springboard to the entire digital imaging market.

THE PRODUCT

Nikon offers a wide range of high-precision products, ranging from its world-renowned semiconductor manufacturing steppers to its popular professional and consumer camera systems, to its microscopes and scientific

imaging products, measuring and inspection instruments, binoculars, eyewear, scanners, and more. Virtually the entire product line is based on its hallmark: Nikon glass, from which its precision optical lenses are crafted. Nikon is, in fact, one of the world's leading manufacturers of optical glass. Nikon directs every aspect of lens manufacturing from innovations in design to choosing the finest raw materials, from the most advanced processing techniques to the most exacting manufacturing standards. Nikon has developed over 200 types of optical glass and is the pioneer of the design and manufacture of aspherical lenses, which minimize optical aberrations.



RECENT DEVELOPMENTS

Nikon's dedication to system compatibility ensures smooth integration of the latest technological developments into all aspects of Nikon imaging. Nikon's Total Imaging System — an integrated system of cameras, lenses, scanners, accessories, and specialty optics — assures consistent, precise performance. Nikon continues to grow their product line and make their great products better, with new features, advantages, and innovation.

- "LBCAST," the revolutionary imaging sensor, enhances image quality and shooting speed.
- Nikon's exclusive WT-1A wireless transmitter enables photographers to take pictures and instantly transmit the images directly to their computer's local area network.
- Vibration reduction in the latest VR lenses delivers unprecedented stability for sharper images at slower shutter speeds.
- Nikon's newest iTTL automatic Speedlight System enables groups of Nikon Speedlights to be controlled and fired by the camera without a wired connection. Accomplished through a sophisticated computerized system, this lighting technology is revolutionizing digital SLR photography.
- Nikon's 1,005-pixel Sensor 3D Color Matrix Meter provides automated precision exposure performance.

- An extended variety of scene modes, built-in Scene Assist™, In-Camera Red-Eye Fix and One-Touch Red-Eye Fix™ afford the most novice photographers remarkable picture-taking ability.
- Nikon's software innovations are versatile and user-friendly, making workflow fast and easy.

- Nikon's newest generation of digital SLR cameras include ASIC (Application Specific Integrated Circuit) modules that provide superior image processing capability.
- The Nikon Electronic Format (NEF) raw data file together with Nikon's Capture software delivers image file architecture and processing capabilities that maximize image quality. The internal structure of the NEF mates the camera's automated operations and the photographer's personal control with post-processing through Capture software.
- Nikon's Evanescent Wave Imaging System enables observation of single-gene and protein molecules within living cells, an important breakthrough for advancing research in the life sciences.
- Combining advanced optical microscope technology with their digital camera and digital image processing technology, Nikon introduced a digital microscope that replaces the traditional eyepiece lens with digital images displayed on a monitor. The all-in-one design includes the necessary features for observation, image capture, and network communication.
- New "Fly Eye" technology and Digital Imaging Head technology provide the highest performance for Epi Fluorescence techniques and digital imaging capabilities.
- Nikon is setting new standards with their latest rangefinders, which offer precision measuring and view finders that "see" the correct target.



Nikon brand and broaden the company's reach in the marketplace. Nikon's Web sites, publications, videos, Nikon School classes, and the Nikon Spirit Initiative are all dedicated to providing information, inspiration, and support. Nikon's educational programs and development initiatives help differentiate Nikon from its competitors and underscore the company's commitment to quality.

BRAND VALUES

The Nikon name is equated with extraordinary performance, innovation, precision, and optical quality. The Nikon brand is a well-earned, valued asset — an asset that Nikon will continue to invest in by pursuing continual innovation in all business activities, from product planning, design, and development to production, marketing, customer support, and services. The unique strength of the Nikon brand comes from the determination to deliver quality that customers can trust. Nikon is always at the *Heart of the Image*.

PROMOTION

Pictures are an integral part of our lives, and Nikon has always known that ultimately it is the photograph that matters most. Perhaps the picture matters for creative expression and



THINGS YOU DIDN'T KNOW ABOUT NIKON

- Nikon instruments have been part of some of the most famous life science developments in recent history. For instance, Nikon's Diaphot microscope was used for the country's first in vitro birth, and is still the predominant microscope for assisted reproduction.
- Many of the world's most memorable photographic images over the last four-plus decades have been captured with Nikons — from John Kennedy Jr. saluting at his father's funeral, and the defiant Tiananmen Square student standing in front of a military tank, to young Elian Gonzalez cowering in a closet as authorities closed in.