

May 21, 2001

Repurchase of Treasury Stock to introduce Stock Option Program
(Transfer of stock by means of a stock repurchase
in accordance with Article 210-2 of the Commercial Law)

Nikon Corporation (Shoichiro YOSHIDA, president) announces that the board of directors has approved today the introduction of a stock option program and the repurchase of treasury stock. Details are as follows:

1. Objective to introduce the Program

This program aims to further enhance the incentive for better business performance taking an opportunity of the introduction of the executive officer system, and promote the management to maximize the shareholders' value.

1) Outline of the Program

Persons to whom the stock will be transferred

9 members of the Board of Directors to be elected at the ordinary General Shareholders' Meeting on the coming June 28, 2001, and 13 officers to be appointed at the Board of Directors Meeting to immediately follow it.

2) Type of stock to be transferred

Par-value common stock of Nikon Corporation

3) Total number and allocation of stocks to be transferred

99,000 shares in total: 60,000 shares for 9 members of the Board of Directors
39,000 shares for 13 officers

4) Exercise price

Option can be exercised at 105% of the average closing price of Nikon Corporation stock on the Tokyo Stock Exchange in the previous month of the day the stock option rights are granted, and amounts under 1 yen will be rounded up to the nearest yen.

However, if such calculated price is lower than the closing price of the day the stock option rights are granted, the exercise price will become the latter.

5) Option exercise period

From June 29, 2003 through June 28, 2011

6) Conditions to exercise option rights

They will be subject to a stock option contract which will be entered between the Company and the applicable person eligible for stock option based on the decision of the Board of Directors' Meeting which follows the General Shareholders' Meeting.

2. Details of repurchase of treasury stock

1) Type of stock to be acquired: Par-value common stock

2) Total number of stocks to be acquired: Not more than 99,000 shares

3) Total value of stocks to be acquired: Not more than 300 million yen

All the above contents are subject to approval of the resolution of "Repurchase of stocks to transfer them to the members of the Board of Directors and Officers" at the ordinary General Shareholders' Meeting on the coming June 28, 2001.