

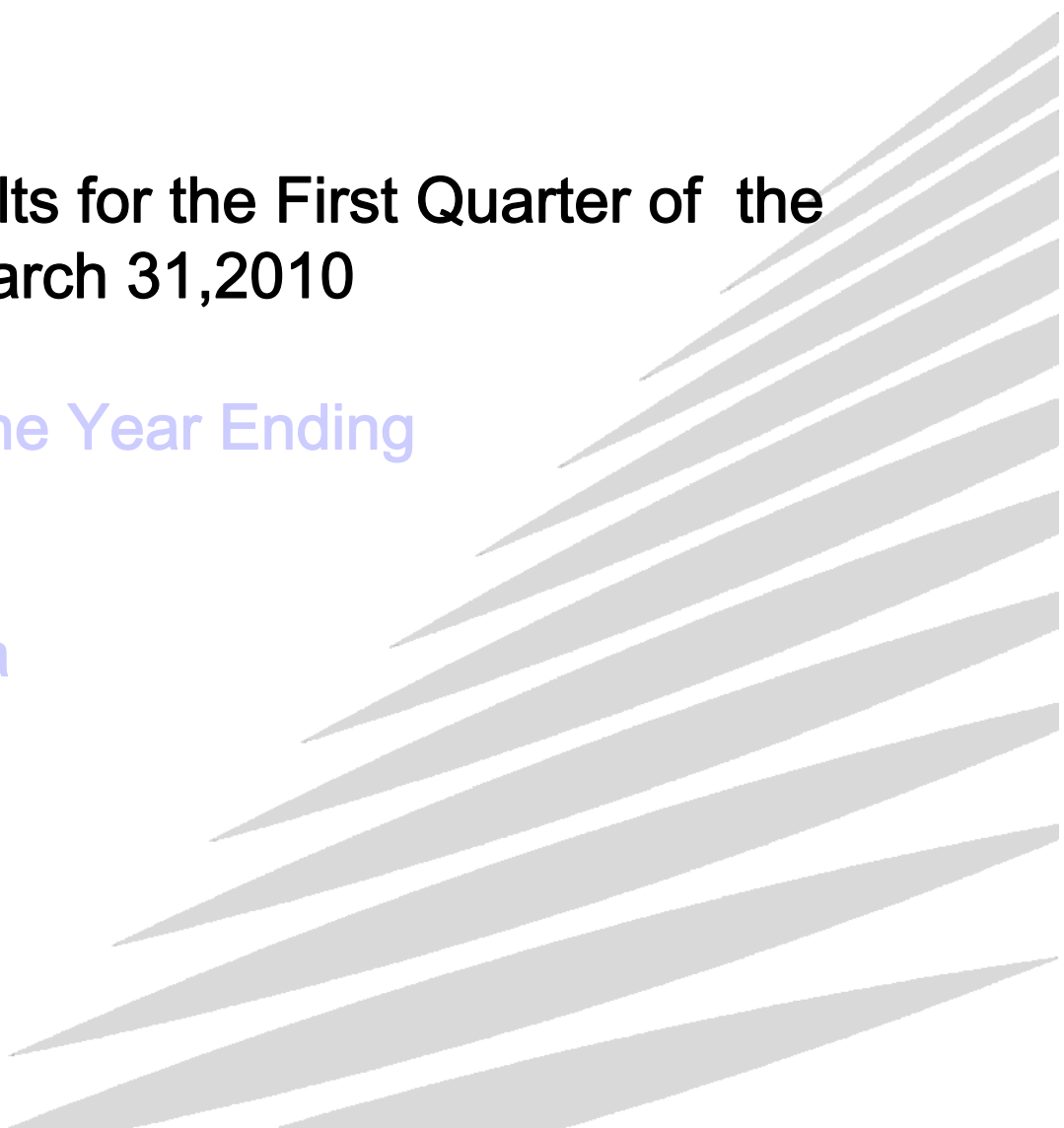


# Financial Results for the First Quarter of the year Ending March 31, 2010

Conference in Tokyo (Aug 5, 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.

# Agenda

- I. **Financial Results for the First Quarter of the year Ending March 31,2010**
  - II. Estimation for the Year Ending March 31,2010
  - III . Reference Data
- 

# Financial Highlights for the First Quarter of the Year Ending March 31, 2010



(Billions of yen)	09/3 1Q (A)	10/3 1Q (B)	Change (B)-(A)
<b>Net Sales</b>	<b>237.9</b>	<b>175.1</b>	<b>- 62.8</b>
<b>Operating Income</b> <small>% vs Net Sales</small>	<b>28.7</b> <small>12.1%</small>	<b>0.7</b> <small>0.4%</small>	<b>- 28.0</b>
<b>Ordinary Income</b> <small>% vs Net Sales</small>	<b>29.1</b> <small>12.2%</small>	<b>- 1.3</b> <small>-%</small>	<b>-30.4</b>
<b>Net Income</b> <small>% vs Net Sales</small>	<b>18.0</b> <small>7.6%</small>	<b>- 4.0</b> <small>-%</small>	<b>- 22.0</b>
<b>Exchange Rate</b> US\$ EURO	<b>105</b> <b>163</b>	<b>97</b> <b>133</b>	Impact on Net Sales:-21.1 Op. Income: -13.7

Good performance of Imaging business contributed to achieve positive operating income despite harsh business environment of Precision equipment business. Remarkable improvement of operating income from 6.6 billion yen loss in the previous quarter.

(Billions of yen)	09/3 1Q (A)	10/3 1Q (B)	Change (B)-(A)
Net Sales	57.9	27.3	- 30.6
Operating Income <small>% vs Net Sales</small>	6.2 <small>10.7%</small>	- 10.1 <small>-%</small>	- 16.3
IC Steppers & Scanners, New / Refurbished	17/5 units	7 / 0 units	-10 / -5 units
LCD Steppers & Scanners	17 units	3 units	- 14 units

Sales volume declined by 60% for new IC Steppers & Scanners and 80% for and LCD Steppers & Scanners compared to the previous year. Net sales has reduced to half and operating income has reduced by 16.3 billion yen. Good sales (more than 50% market share for new IC Stepper & Scanner) achieved under depressed market environment.

(Billions of yen) Cameras & Lenses (1,000 of units sold)	09/3 1Q (A)	10/3 1Q (B)	Change (B)-(A)
Net Sales	164.9	135.4	- 29.5
Operating Income <small>% vs Net Sales</small>	23.1 <small>14.0%</small>	12.5 <small>9.2%</small>	- 10.6
Single-lens Reflex DSC	860	840	- 20
Interchangeable Lenses	1,260	1,240	- 20
Compact DSC	2,600	2,540	- 60

Higher sales of Medium and High-Priced Digital SLR cameras than estimation. Recorded good net sales and operating income compared to the previous year despite negative impact of exchange rate. Completing production and inventory adjustment in the previous quarter, remarkable improvement is shown in operating income from 6.0 billion yen loss in the previous quarter.

	09/3 1Q (A)	10/3 1Q (B)	Change (B)-(A)
Net Sales	10.9	8.2	- 2.7
Operating Income % vs Net Sales	- 1.1 -%	-1.6 -%	- 0.5

Industrial equipment business fully suffered from reduction of capital investment although biological microscope business achieved higher sales than the previous year.

# Other Businesses



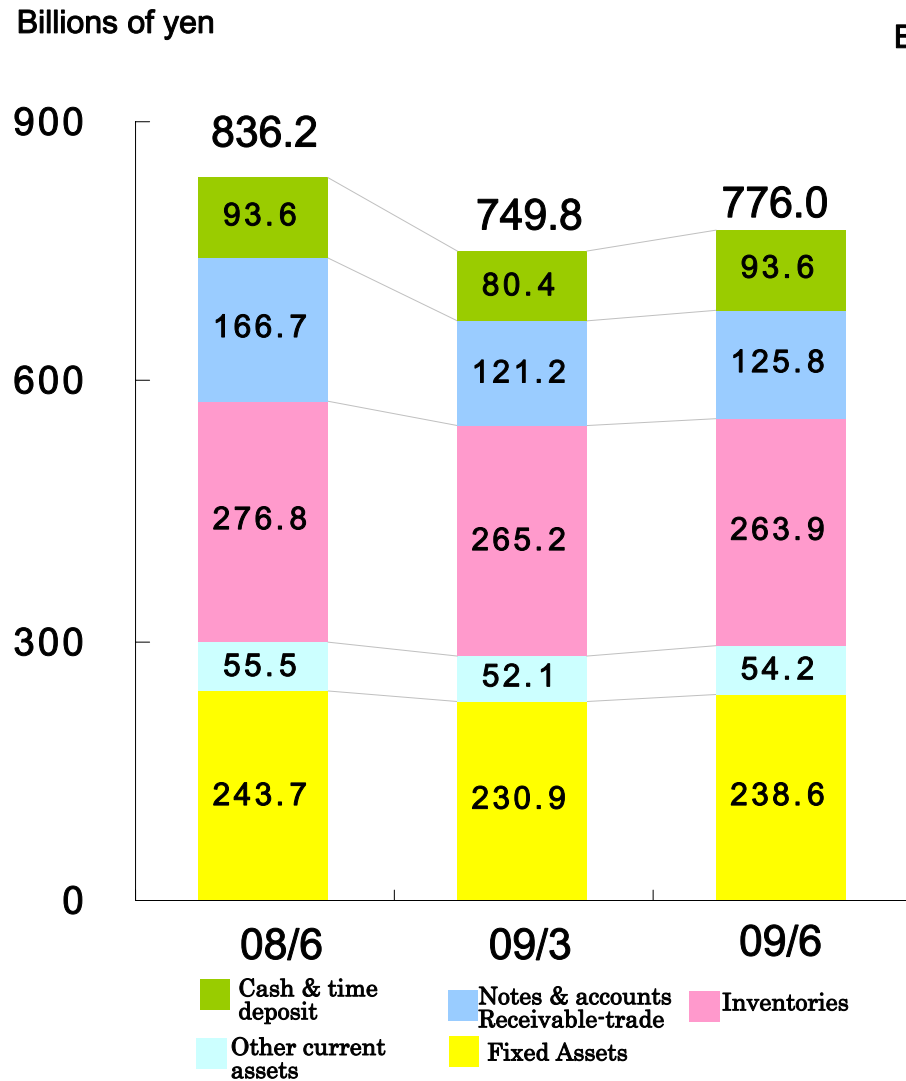
	09/3 1Q (A)	10/3 1Q (B)	Change (B)-(A)
Net Sales	4.2	4.2	even
Operating Income <small>% vs Net Sales</small>	0.7 16.7%	0.1 2.4%	- 0.6

Photomask substrates for LCD in Glass business recorded sales expansion compared to the previous year.

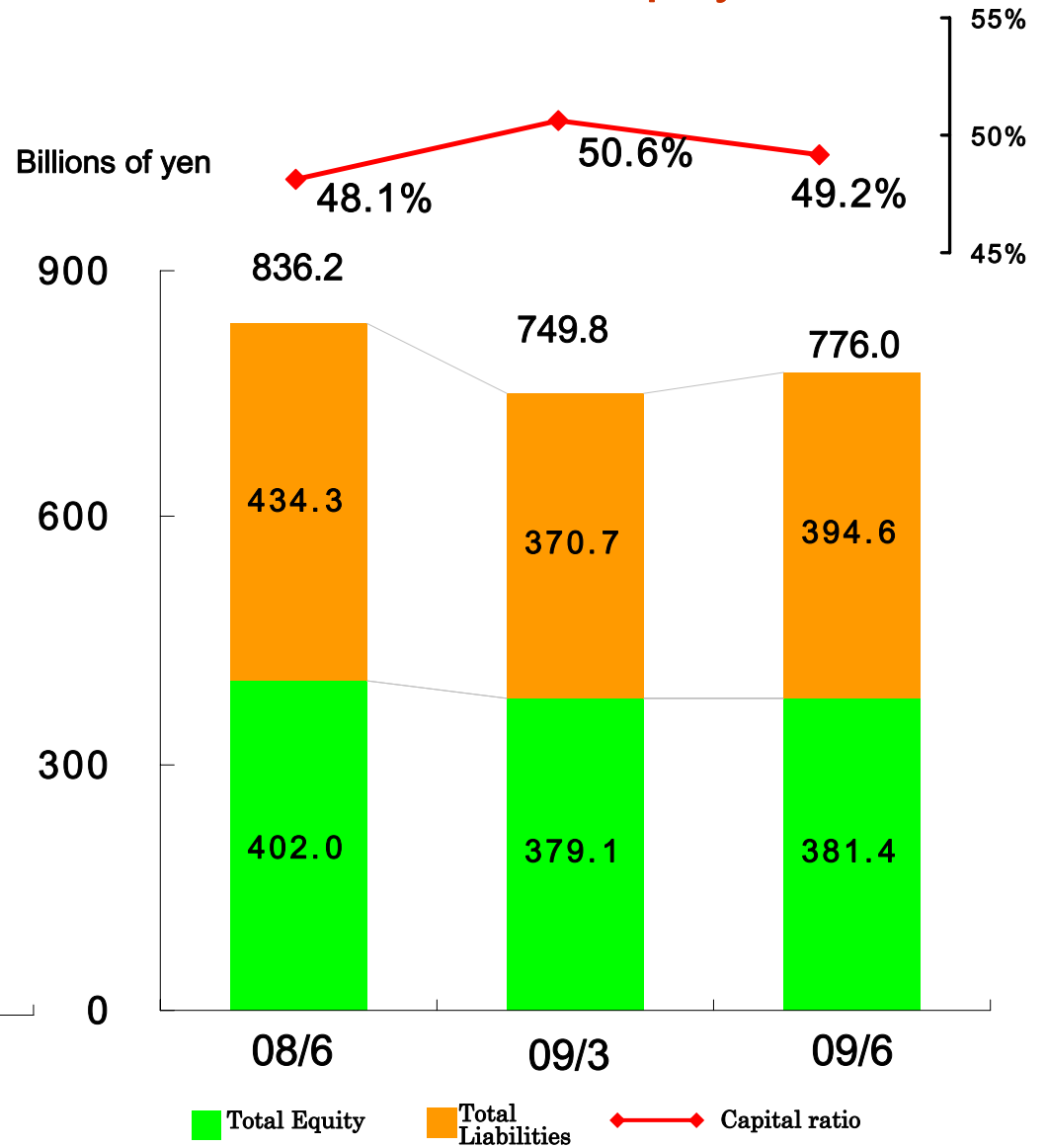
# Balance Sheet



## Assets



## Liabilities & Equity





# Summary for the First Quarter of the year Ending March 31, 2010



Net sales and Operating income recorded sharp reduction compared to 1Q of the previous year mainly due to economical environment and exchange rate. Operating income achieved turnaround from 6.6 billion yen loss of the previous quarter.

- Precision Equipment Company and Instruments Company:  
Slow sales due to capital investment slowdown of the industries.

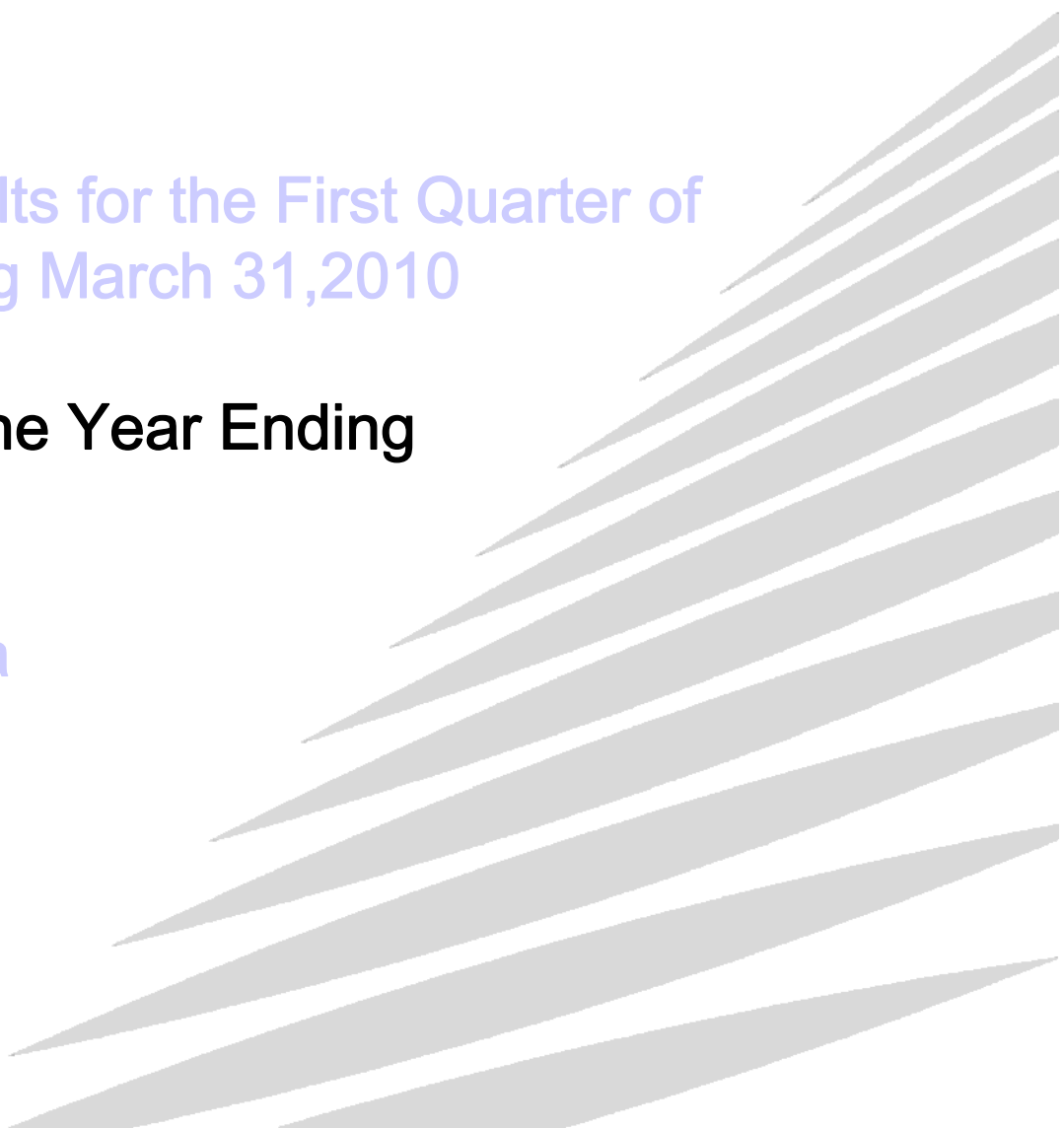
- Imaging Company:

Achieved remarkable improvement in profit from the previous quarter (+18.5 billion yen) with completion of production and inventory adjustment in the previous quarter.

Implementation of manufacturing locations reorganization and structural reform of servicing in the Precision Equipment Company.

Takeover of a Belgium measuring instrument manufacturer, Metris NV by Instruments Company (under process of TOB).

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- A decorative graphic consisting of several parallel, diagonal lines of varying lengths, creating a sense of movement and depth. The lines are light gray and extend from the bottom right towards the top right of the slide.

# Estimation for the year ending March 31, 2010



(Billions of yen)	09/3 Actual (A)	1H 2H	Previous est. (B) ( 5/13 )	1H 2H	New est. (C)	1H 2H	Change (C) – (A)	Change (C) – (B)
<b>Net Sales</b>	<b>879.7</b>	<u>487.1</u> 392.6	<b>680.0</b>	<u>320.0</u> 360.0	<b>710.0</b>	<u>340.0</u> 370.0	<b>-169.7</b>	<b>+30.0</b>
<b>Operating Income</b> % vs Net Sales	<b>48.2</b> 5.5%	<u>54.1</u> -5.9	<b>-12.0</b> -%	<u>-14.0</u> 2.0	<b>-30.0</b> -%	<u>-32.0</u> 2.0	<b>-78.2</b>	<b>-18.0</b>
<b>Ordinary Income</b> % vs Net Sales	<b>47.7</b> 5.4%	<u>53.1</u> -5.4	<b>-16.0</b> -%	<u>-16.0</u> 0	<b>-36.0</b> -%	<u>-36.0</u> 0	<b>-83.7</b>	<b>-20.0</b>
<b>Net Income</b> % vs Net Sales	<b>28.1</b> 3.2%	<u>33.6</u> -5.5	<b>-17.0</b> -%	<u>-15.0</u> - 2.0	<b>-28.0</b> -%	<u>-29.0</u> 1.0	<b>-56.1</b>	<b>-11.0</b>
<b>Exchange Rate</b>								
<b>US\$</b>	<b>101</b>	<u>106</u> 95	<b>95</b>		<b>96</b>			
<b>EURO</b>	<b>144</b>	<u>163</u> 125	<b>125</b>		<b>127</b>			

Net sales is revised to increase reflecting better performance of Imaging business. Pursuing structural reform and inventory rationalization to achieve performance turnaround in the FYE 11/3. Estimated operating income is lowered due to thorough inventory review of Precision equipment business.

# Estimation for Precision Equipment Company



(Billions of yen)	09/3 Actual (A)	1H 2H	Previous est. (B) ( 5/13 )	1H 2H	New est. (C)	1H 2H
Net Sales	219.9	$\frac{117.2}{102.7}$	140.0	$\frac{60.0}{80.0}$	140.0	$\frac{64.0}{76.0}$
Operating Income % vs Net Sales	8.0 3.6%	$\frac{12.2}{-4.2}$	-33.0 -%	$\frac{-18.0}{-15.0}$	-59.0 -%	$\frac{-45.5}{-13.5}$
IC Steppers & Scanners New / Refurbished	61/17 units	$\frac{32/10}{29/ 7}$	40/13 units	$\frac{17/5}{23/8}$	36/13 units	$\frac{18/ 3}{18/10}$
LCD Steppers & Scanners	65 units	$\frac{37}{28}$	36 units	$\frac{14}{22}$	41 units	$\frac{15}{26}$
IC Steppers & Scanners Market Scale C Y 08/09	296 units		Approx.90 units		Approx.90 units	
LCD Steppers & Scanners (TFT-array Only) Market Scale C Y 08/09	Approx.110 units		Approx.70 units		Approx.70 units	

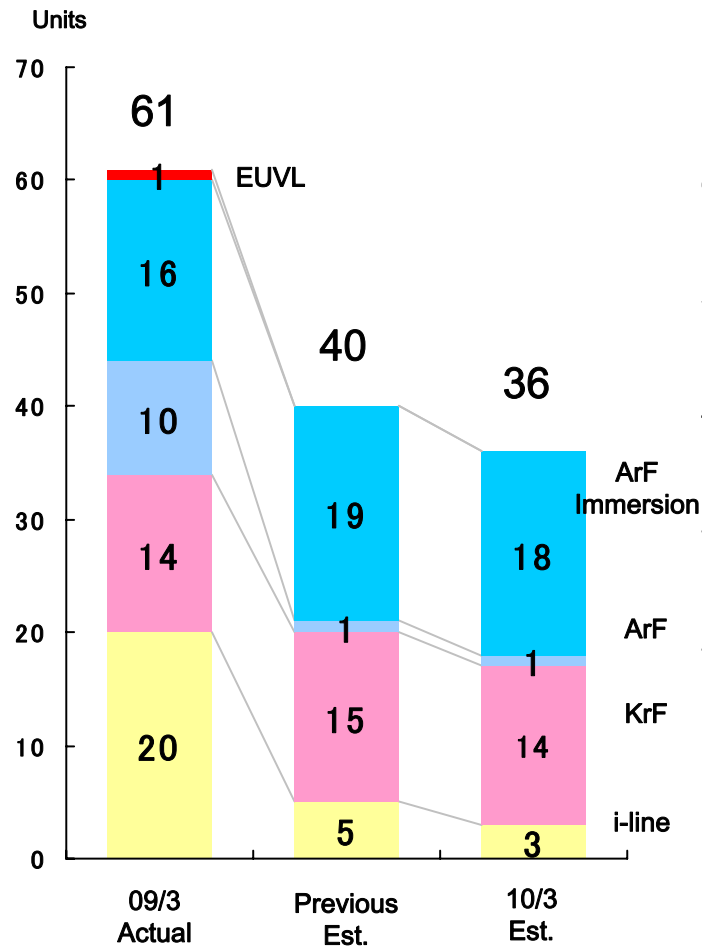
Foreseeing market recovery conservatively, drastic review of inventory will be implemented in 2Q. Estimated OP of 1H is lowered by 27.5 billion yen.

Sales estimation of LCD Steppers & Scanners increases by 5 units, mainly tools for small panels.

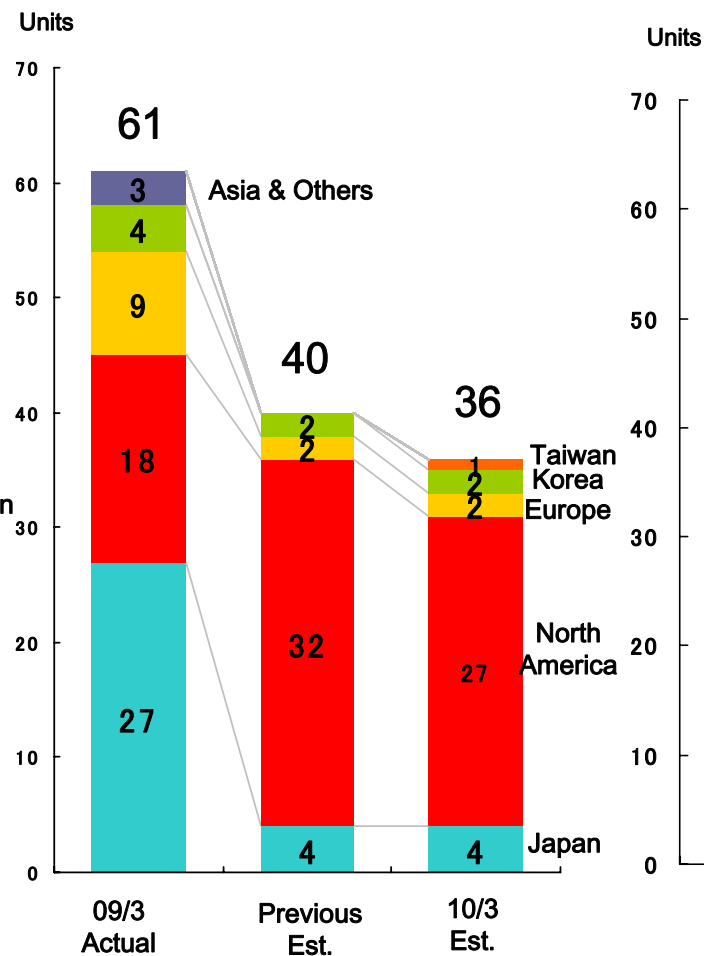
# Estimation for Precision Equipment Company



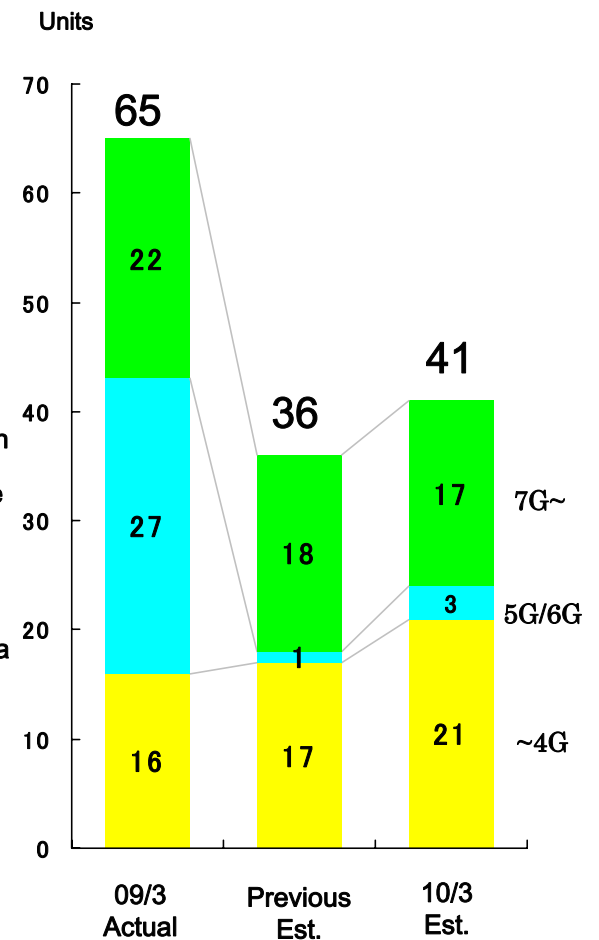
## IC Steppers & Scanners Sales by Technology



## IC Steppers & Scanners Sales by Region



## LCD Steppers & Scanners Sales by Generation



# Estimation for Imaging Company



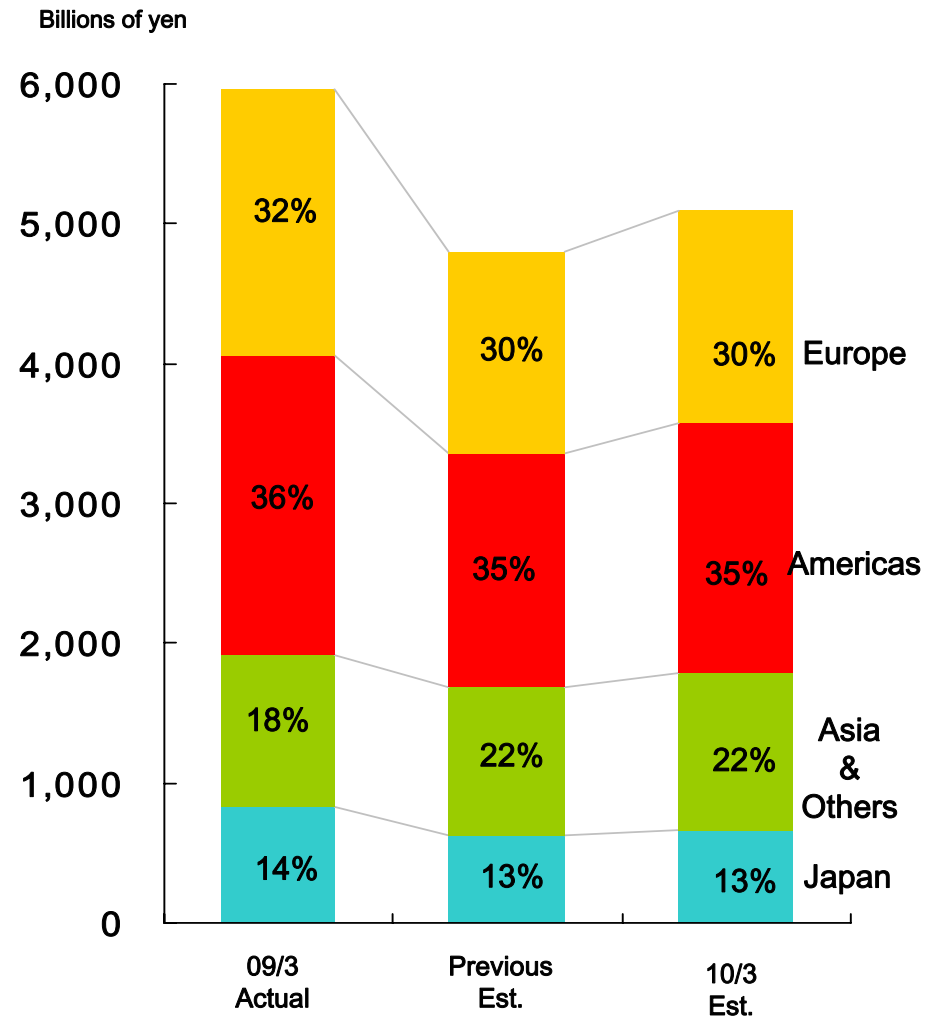
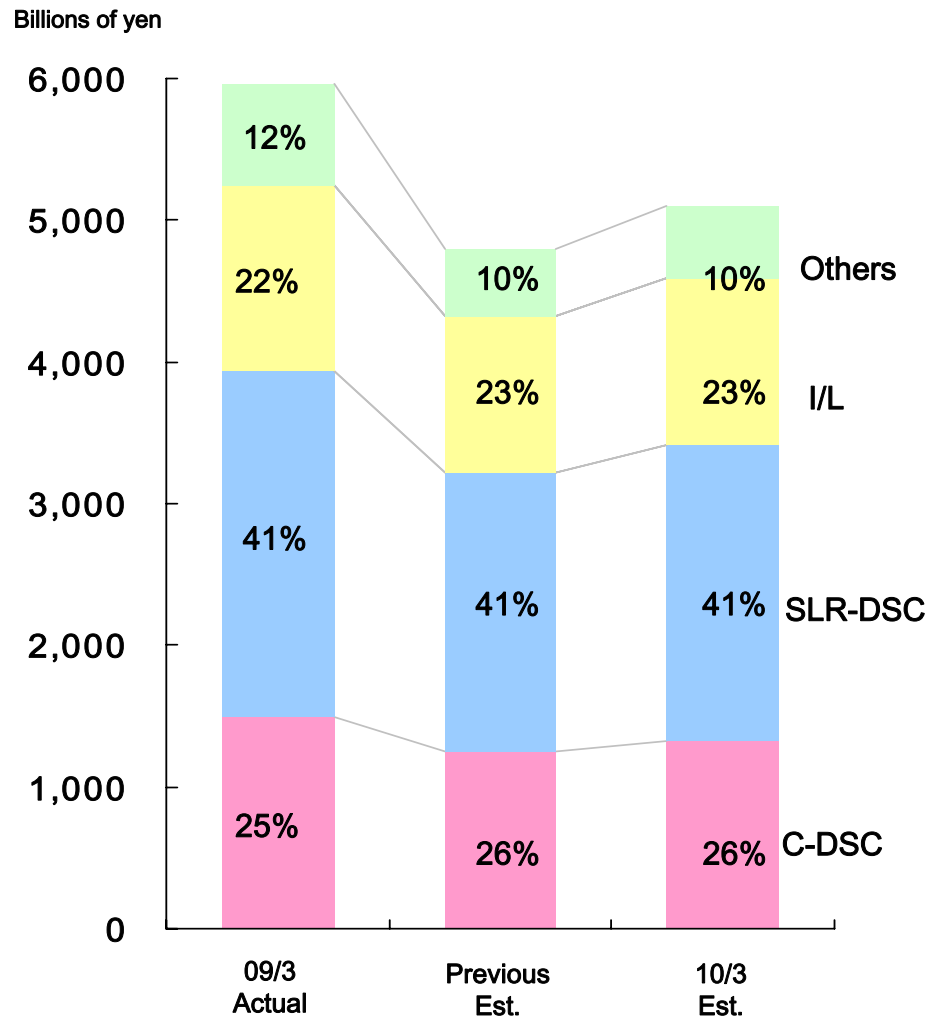
Billions of yen Cameras & Lenses (1,000 of units sold)	09/3 Actual (A)	1H 2H	Previous est. (B) ( 5/13 )	1H 2H	New est. (C)	1H 2H
<b>Net Sales</b>	<b>596.5</b>	<u>337.2</u> 259.3	<b>480.0</b>	<u>230.0</u> 250.0	<b>510.0</b>	<u>250.0</u> 260.0
<b>Operating Income</b> % vs Net Sales	<b>40.0</b> 6.7%	<u>42.0</u> -2.0	<b>25.0</b> 5.2%	<u>8.0</u> 17.0	<b>35.0</b> 6.9%	<u>18.0</u> 17.0
<b>Single-lens Reflex DSC</b>	<b>3,420</b>		<b>3,400</b>	<u>1,700</u> 1,700	<b>3,450</b>	<u>1,650</u> 1,800
<b>Interchangeable Lenses</b>	<b>4,870</b>		<b>4,800</b>	<u>2,400</u> 2,400	<b>4,900</b>	<u>2,400</u> 2,500
<b>Compact DSC</b>	<b>10,330</b>		<b>10,000</b>	<u>4,700</u> 5,300	<b>10,500</b>	<u>5,000</u> 5,500
<b>SLR-DSC Market Scale</b>	<b>9,130</b>		<b>9,200</b>		<b>9,200</b>	
<b>IL Market Scale</b>	<b>14,800</b>		<b>15,000</b>		<b>15,000</b>	
<b>C-DSC Market Scale</b>	<b>103,690</b>		<b>103,000</b>		<b>103,000</b>	

Net sales and operating income are revised to increase reflecting good performance of 1Q. Operating income of 2H remains unchanged due to low visibility of year-end market and sales conditions.

# Estimation for Precision Equipment Company



## Sales value ratio by Product & Region

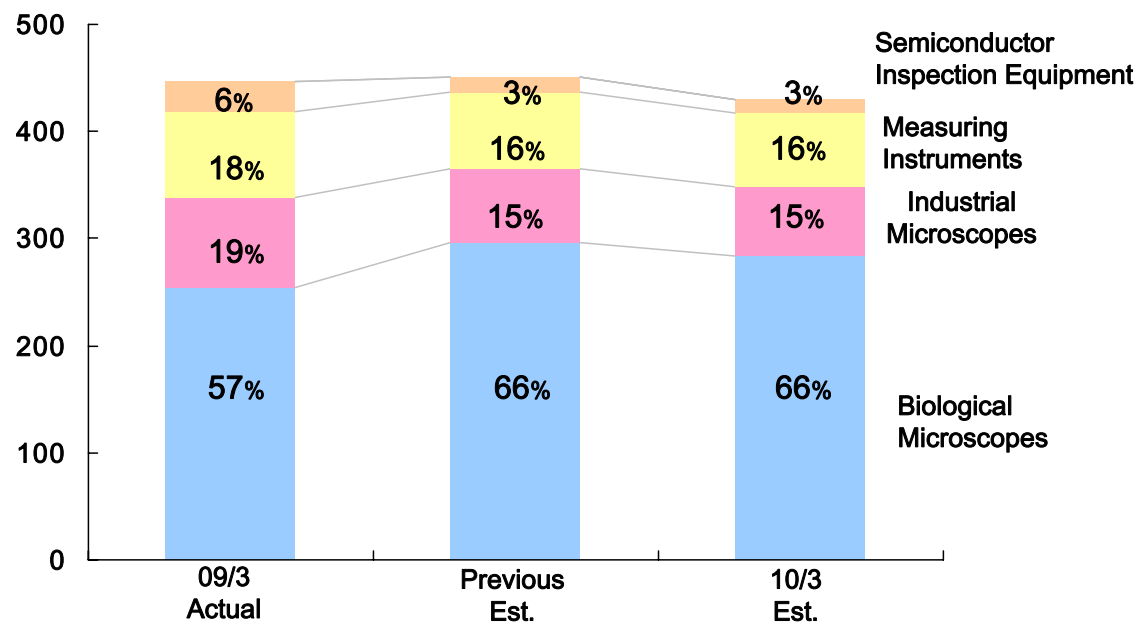


# Estimation for Instruments Company



	09/3 Actual (A)	1H 2H	Previous est. (B) ( 5/13 )	1H 2H	New est. (C)	1H 2H
<b>Net Income</b>	<b>44.6</b>	<u>23.2</u> 21.4	<b>45.0</b>	<u>19.0</u> 26.0	<b>43.0</b>	<u>18.0</u> 25.0
<b>Operating Income</b> % vs Net Sales	<b>- 2.7</b> -%	<u>-1.3</u> - 1.4	<b>- 3.0</b> -%	<u>-3.0</u> 0	<b>- 4.0</b> -%	<u>- 3.5</u> - 0.5

Billions of yen



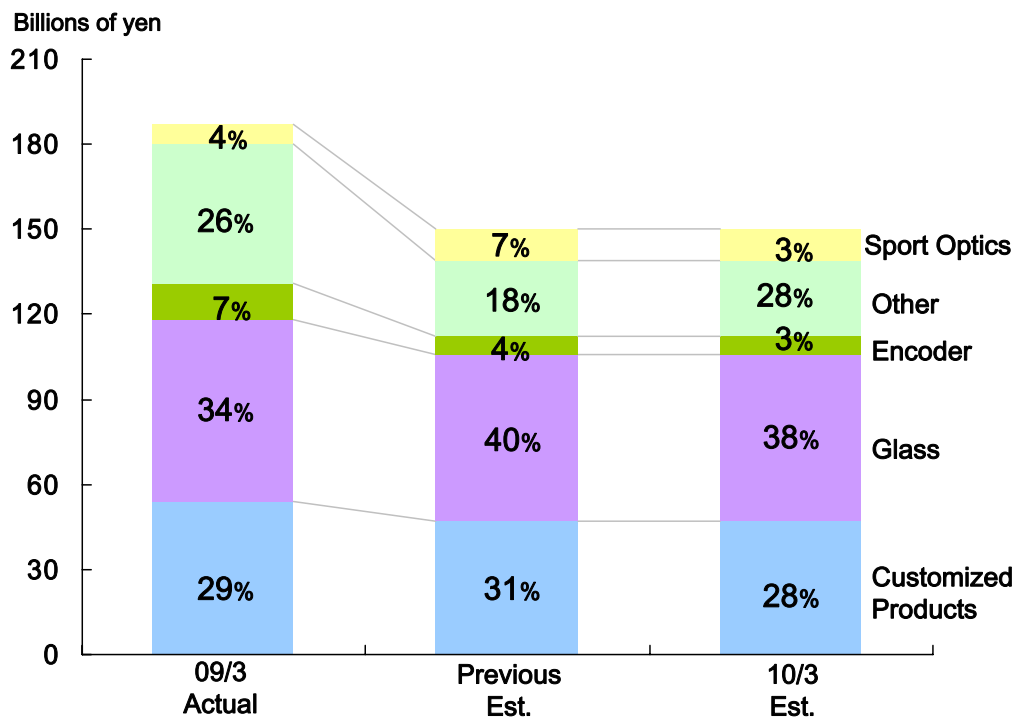
Biological microscope sales will be steady with live-cell related products. Industrial equipment business continue suffering from depression of capital investment.



# Estimation for Other Business



	09/3 Actual (A)	1H 2H	Previous est. (B) ( 5/13 )	1H 2H	New est. (C)	1H 2H
<b>Net Income</b>	<b>18.7</b>	<u>9.6</u> 9.1	<b>15.0</b>	<u>11.0</u> 4.0	<b>17.0</b>	<u>8.0</u> 9.0
<b>Operating Income</b> % vs Net Sales	<b>2.9</b> 15.5%	<u>1.5</u> 1.4	<b>- 1.0</b> -%	<u>-1.0</u> 0	<b>- 2.0</b> -%	<u>-1.0</u> - 1.0



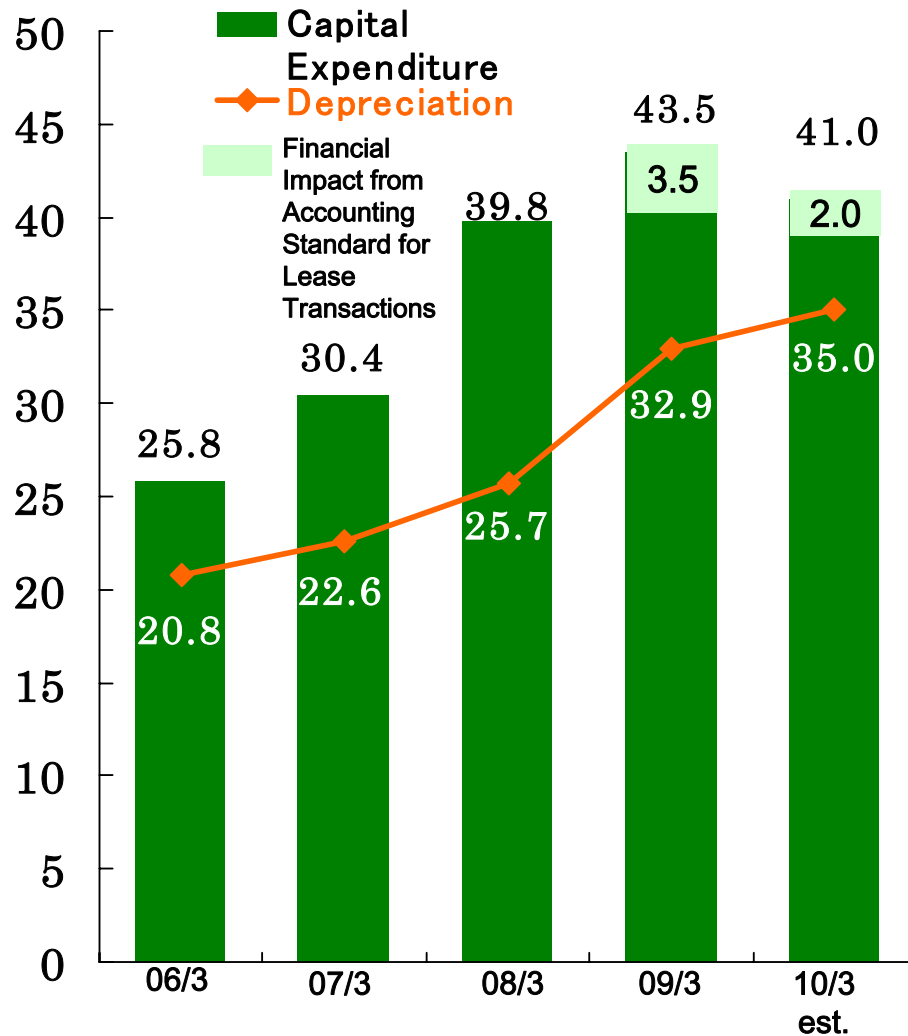
Steady and good sales of Photomask substrates for LCD in Glass business is expected.

# Estimation for Capital Expenditure, Depreciation and R&D



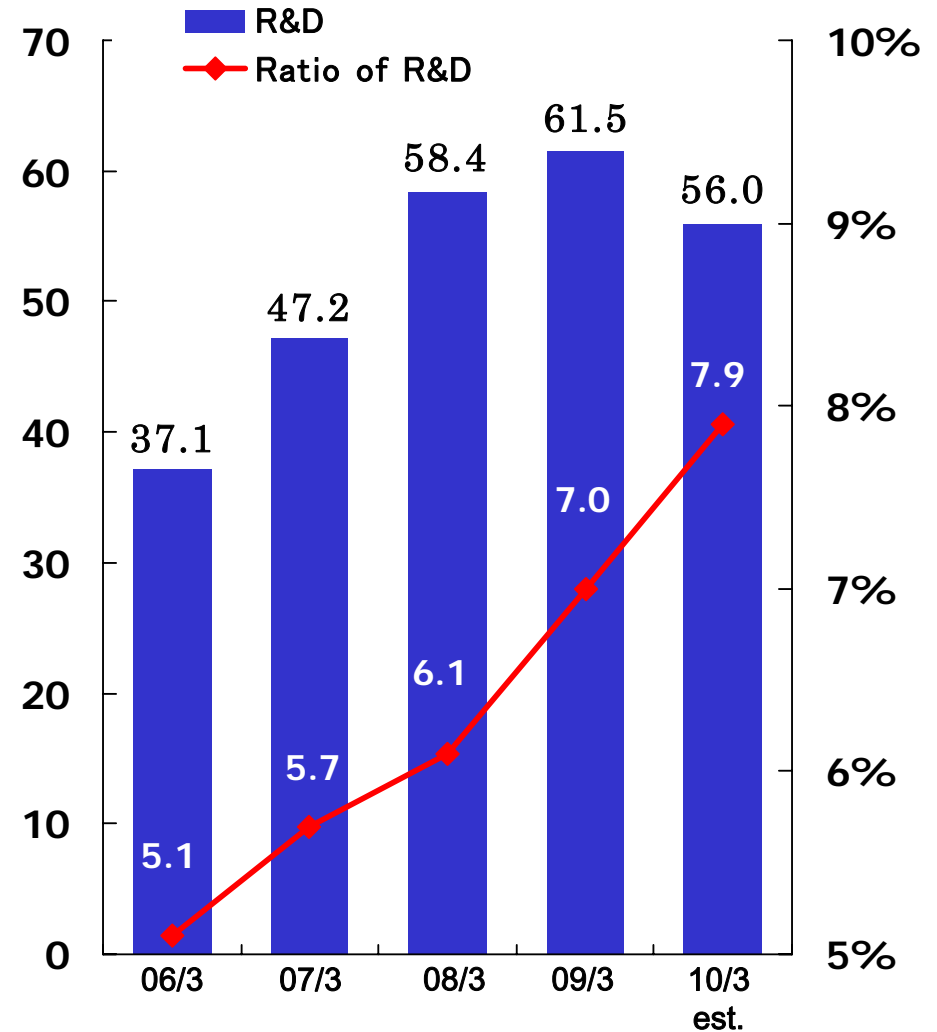
## [Capital Expenditure & Depreciation]

Billions of yen



## [R&D]

Billions of yen

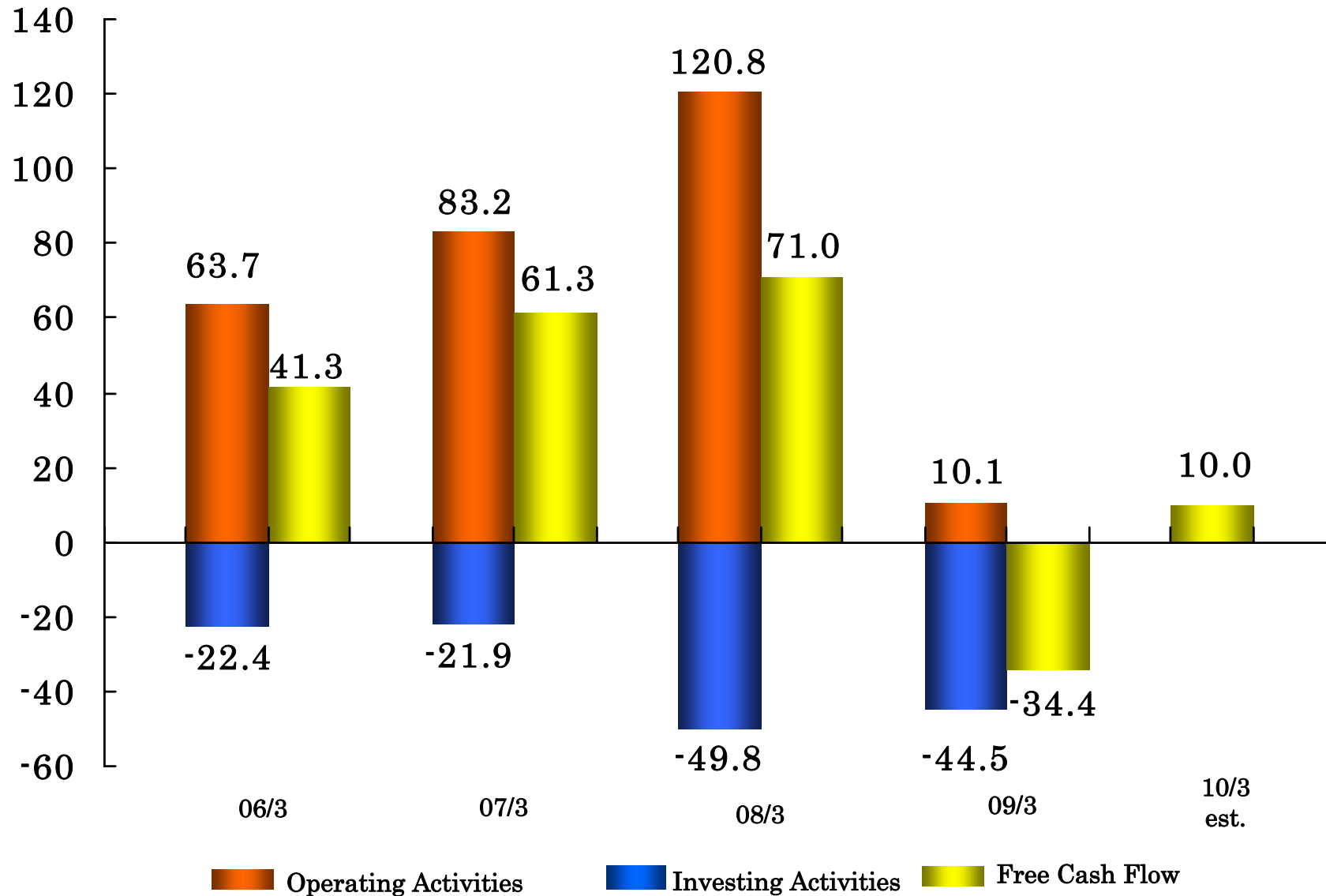


\* 09/3 & 10/3: Include the amount of acquisition of Lease asset by change of Accounting Standard for Lease Transactions  
 09/3: Capital Expenditure 3.5 / Depreciation 3.0  
 10/3: Capital Expenditure 2.0 / Depreciation 3.0 (Billions of yen)

# Estimation for Cash Flows



Billions of yen

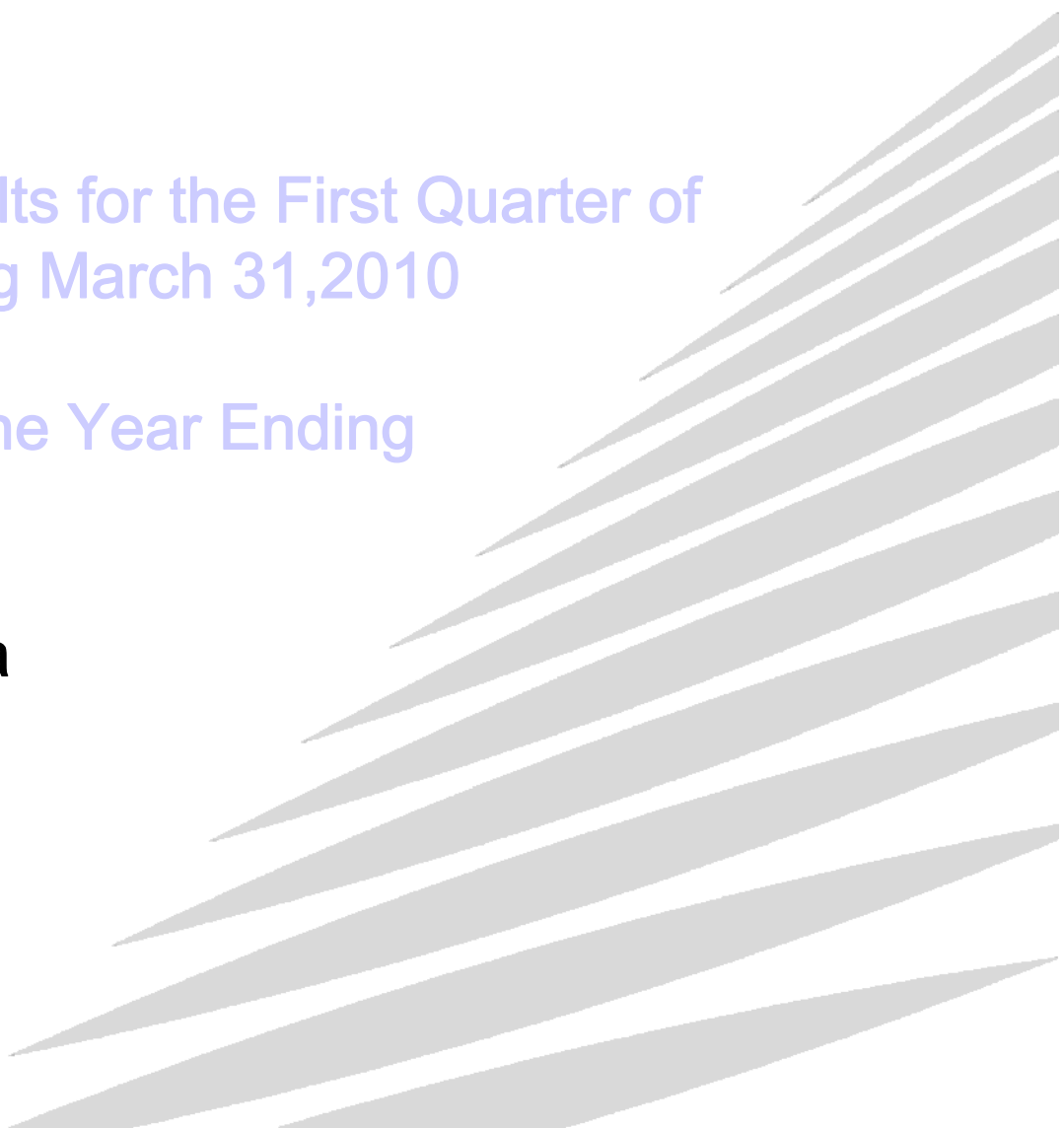


Under the continuing harsh business environment, pursuing structural reform and thorough review of inventory to achieve performance turnaround in the FYE 11/3.

Sure and steady implementation of following measures for immediate business acceleration at upcoming economic upturn and future growth.

- Concentration on development of new products exceeding customers expectation such as ArF immersion Scanner NSR-S620 and next generation digital cameras.
- Promotion of new business such as non-contact measuring instruments, photomask substrates for LCD, encoder, etc.

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## 10/3 Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	10/3 Forecast for 2-4Q	Net Sales Forecast for 2-4Q	Operating Income Forecast for 2-4Q
US\$	95 yen	Approx. 1.9 Billions of yen	Approx. 0.9 Billions of yen
EURO	125 yen	Approx. 0.8 Billions of yen	Approx. 0.6 Billions of yen

# Estimation for the Year Ending March 31, 2010

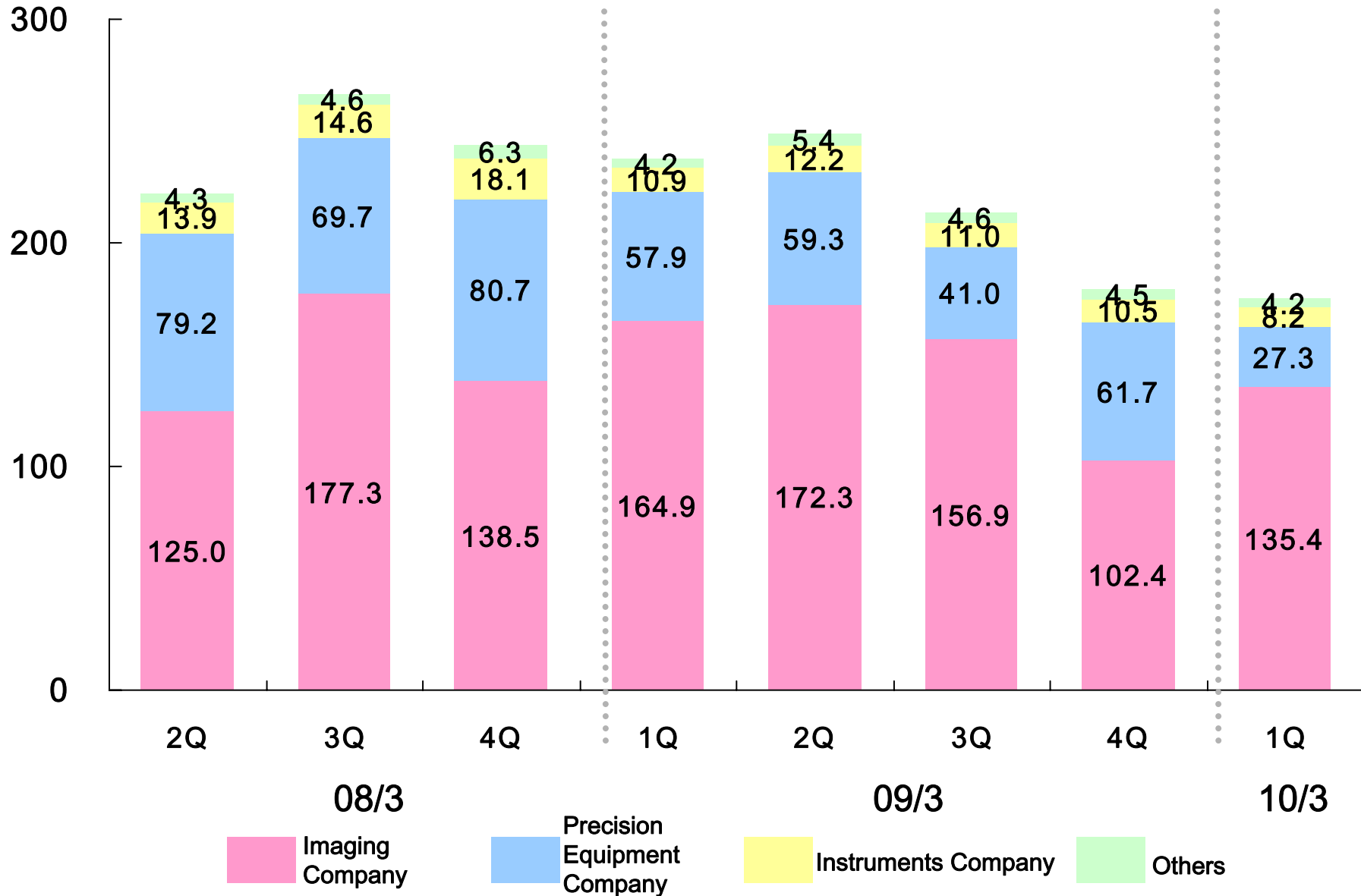


Billions of yen		09/3 Actual		Previous est. ( 5/13 )		10/3 Estimation	
Operating Income	1H	48.2	54.1	-12.0	-14.0	-30.0	-32.0
	2H		-5.9		2.0		2.0
Non-operating Income		8.0		10.0		10.0	
Non-operating Expenses		8.5		14.0		16.0	
Ordinary Income	1H	47.7	53.1	-16.0	-16.0	-36.0	-36.0
	2H		-5.4		0.0		0.0
Extra ordinary gain & loss		-8.5		-6.0		-6.0	
Income Taxes		11.1		-5.0		-14.0	
Net Income	1H	28.1	33.6	-17.0	-15.0	-28.0	-29.0
	2H		-5.5		-2.0		1.0

# Quarterly Net Sales by segment



Billions of yen





# Quarterly Operating Income by segment



Billions of yen

