



# Financial Results for the Year Ended March 31, 2008

Conference in Tokyo (May 12, 2008)

## 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 Year Ended March 31,2008**
- II . **Estimation for the Year Ending March 31,2009**
- III . **Reference Data**

## Financial Highlights for the Year Ended March 31, 2008

Billions of yen	07/3 (A)	Previous Forecast (B)	08/3 Actual (C)	Change (C-B)	Change (C-A)
<b>Net Sales</b>	822.8	970.0	<b>955.8</b>	-14.2	+133.0
<b>Operating Income</b> % vs Net Sales	102.0 12.4%	133.0 13.7%	<b>135.2</b> 14.1%	+2.2	+33.2
<b>Ordinary Income</b> % vs Net Sales	89.6 10.9%	121.0 12.5%	<b>120.1</b> 12.6%	-0.9	+30.5
<b>Net Income</b> % vs Net Sales	54.8 6.7%	74.0 7.6%	<b>75.5</b> 7.9%	+1.5	+20.7
<b>Exchange Rate</b>	118	114	<b>114</b> (rate on March 31,08 : 100)		
<b>US\$/Euro</b>	157	161	<b>162</b> (rate on March 31,08 : 158)		

Achieved record high in all of Net Sales, Operating Income, Ordinary Income and Net Income.

\*The Previous Forecast is our estimation announced on Feb. 5, 2008

\* Average exchange rate during the period is applied in the FYE 08/3 while the exchange rate on the period's last date has been applied up until the FYE07/3.



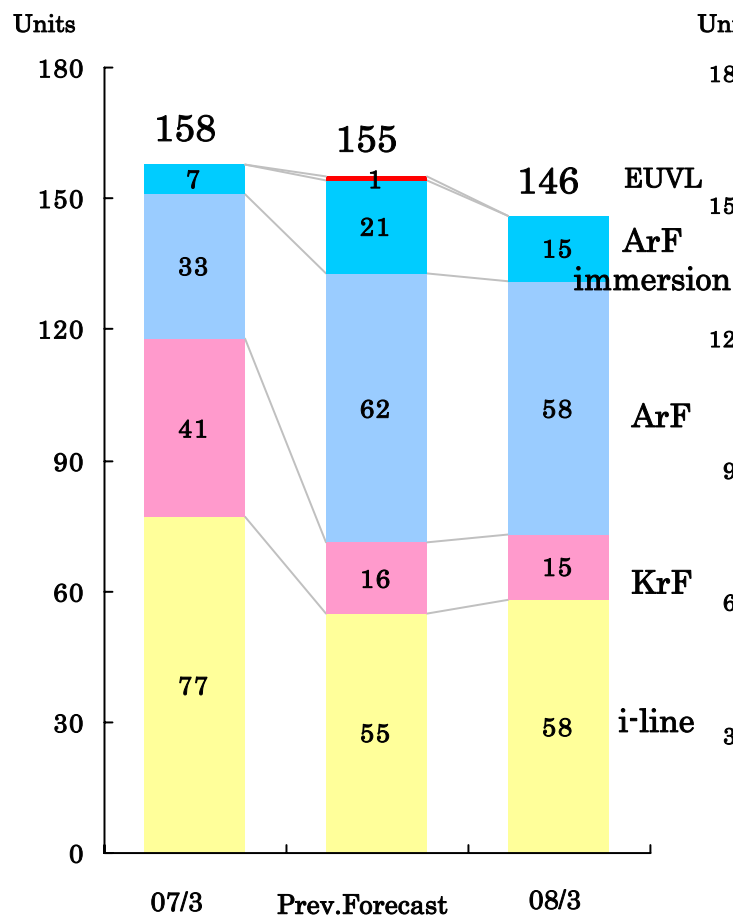
# Precision Equipment Company

	07/3 Actual Result	<u>1st Half</u> 2nd Half	Previous Forecast	<u>1st Half</u> 2nd Half	08/3 Actual Result	<u>1st Half</u> 2nd Half
<b>Net Sales</b> Outside Customers	<b>291.9</b>	<u>135.5</u> 156.4	<b>315.0</b>	<u>140.4</u> 174.6	<b>290.8</b>	<u>140.4</u> 150.4
<b>Operating Income</b> % vs Net Sales	<b>49.3</b> 16.9%	<u>23.3</u> 26.0	<b>45.0</b> 14.3%	<u>21.3</u> 23.7	<b>43.3</b> 14.9%	<u>21.3</u> 22.0
<b>IC Steppers &amp; Scanners</b> New / Refurbished	158/22 units	<u>77/ 8</u> 81/14	155/25 units	<u>68/10</u> 87/15	146/18 units	<u>68/10</u> 78/ 8
<b>LCD</b> Steppers & Scanners	80 units	<u>46</u> 34	42 units	<u>24</u> 18	45 units	<u>24</u> 21
<b>IC Steppers &amp; Scanners</b> Market Scale CY06/07	571 units		564 units		564 units	
<b>LCD</b> Steppers & Scanners (TFT-array Only) Market Scale C Y06/07	est.125 units		est.70 units		est.70 units	

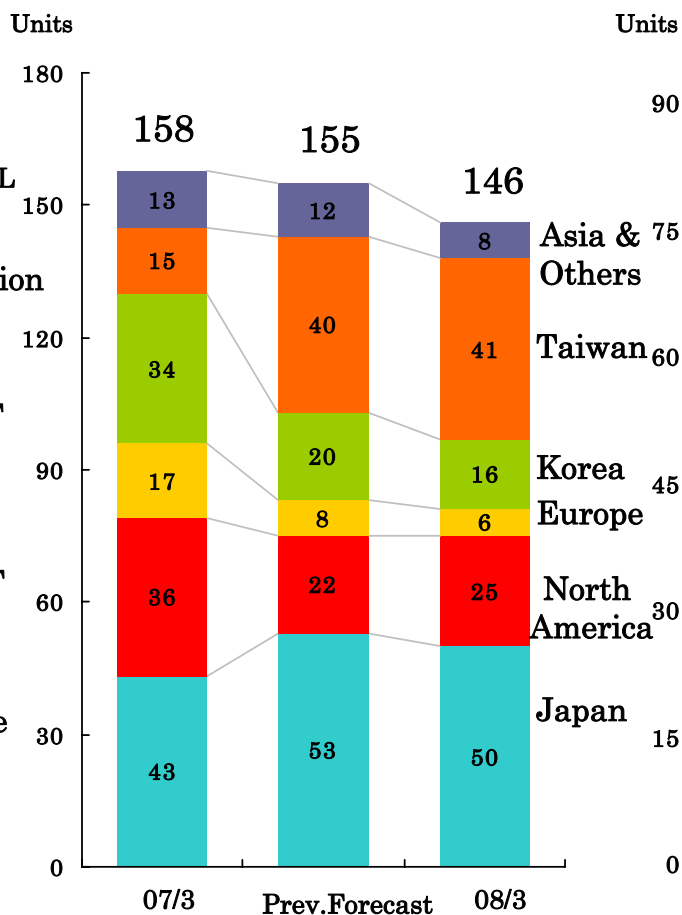
Net Sales even/Operating Income slight decline vs.07/3 result, through sales growth of ArF dry and immersion scanner despite sales reduction of LCD steppers & scanners due to capex 6

# Precision Equipment Company

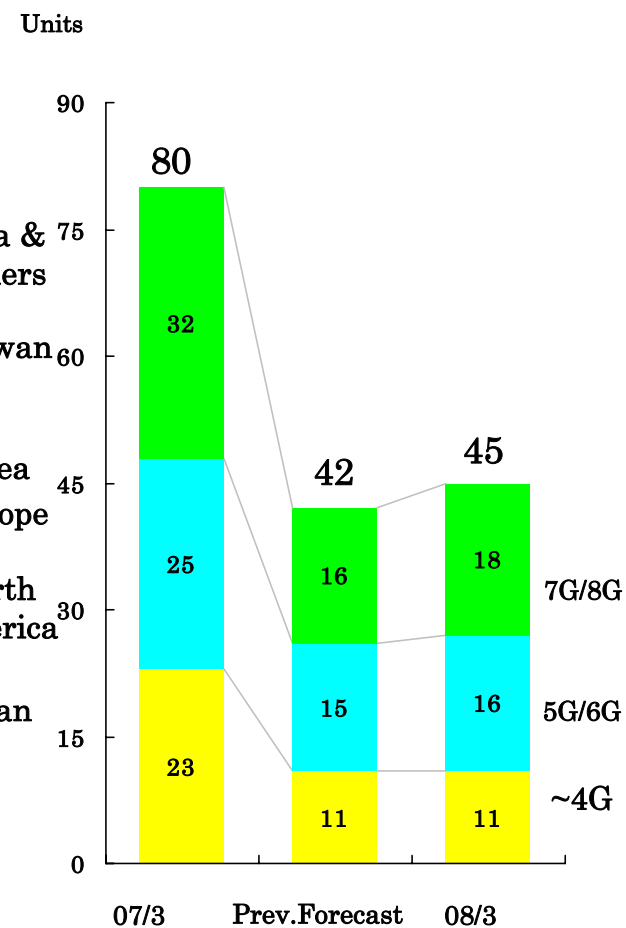
## IC Steppers & Scanners Sales by Technology



## IC Steppers & Scanners Sales by Region



## LCD Steppers & Scanners Sales by Generation





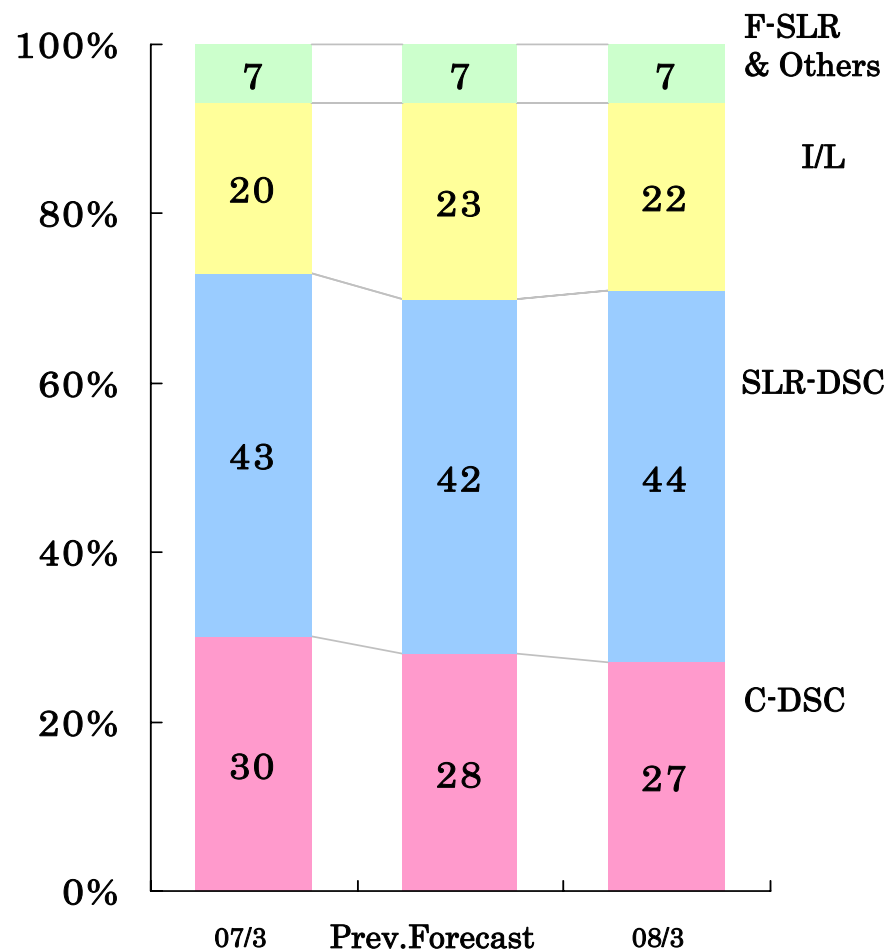
# Imaging Company

Cameras & Lenses (1,000 of units sold)	07/3	1st Half 2nd Half	Previous Forecast	1st Half 2nd Half	08/3	1st Half 2nd Half
<b>Net Sales</b> Outside Customers	448.8	<u>205.8</u> 243.0	570.0	<u>270.3</u> 299.7	<b>586.1</b>	<u>270.3</u> 315.8
<b>Operating Income</b> % vs Net Sales	45.7 10.2%	<u>18.9</u> 26.8	80.0 14.0%	<u>38.8</u> 41.2	<b>84.0</b> 14.3%	<u>38.8</u> 45.2
<b>Single-lens Reflex DSC</b>	2,090	<u>860</u> 1,230	3,000	<u>1,470</u> 1,530	<b>3,090</b>	<u>1,470</u> 1,620
<b>Interchangeable Lenses</b>	2,640	<u>900</u> 1,740	4,300	<u>2,200</u> 2,100	<b>4,450</b>	<u>2,200</u> 2,250
<b>Compact DSC</b>	5,920	<u>3,400</u> 2,520	8,300	<u>4,030</u> 4,270	<b>8,550</b>	<u>4,030</u> 4,520
<b>SLR-DSC Market Scale (FY)</b>	5,930		7,800		<b>7,720</b>	
<b>I/L Market Scale (FY)</b>	9,750		-		<b>13,070</b>	
<b>C-DSC Market Scale (FY)</b>	75,540		95,000		<b>98,570</b>	

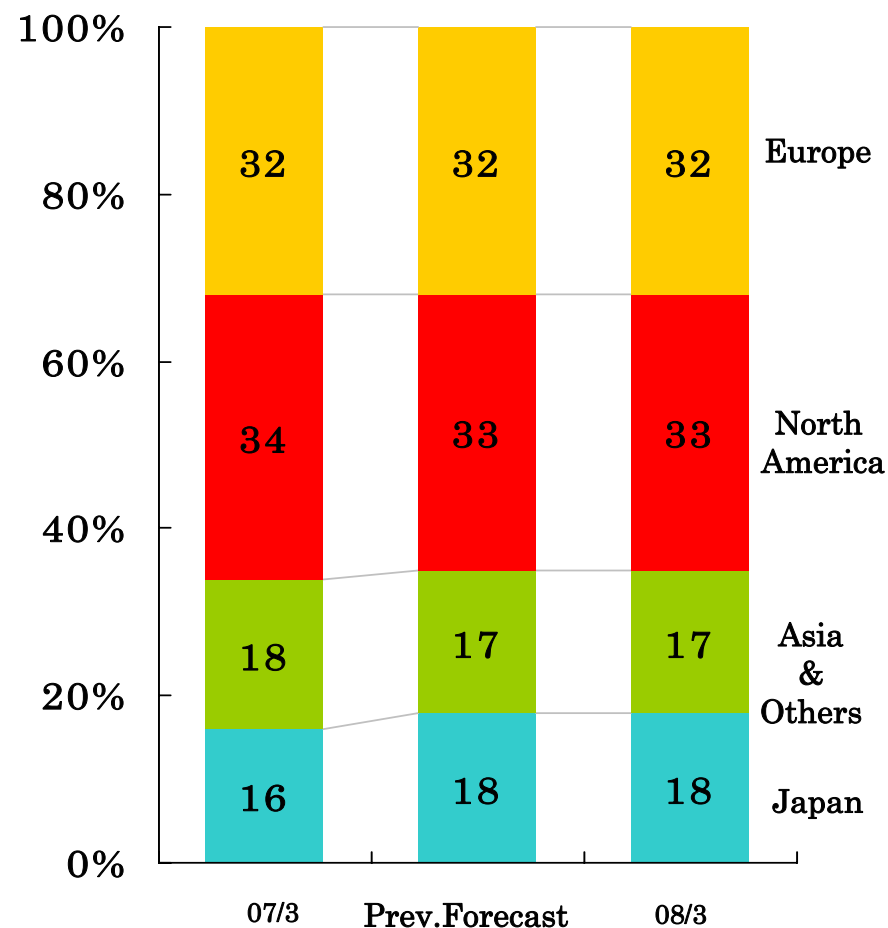
Achieved record high Net Sales and Operating Income through sales expansion of all products group.

# Imaging Company

Shipment value ratio by Product



Shipment value ratio by Region

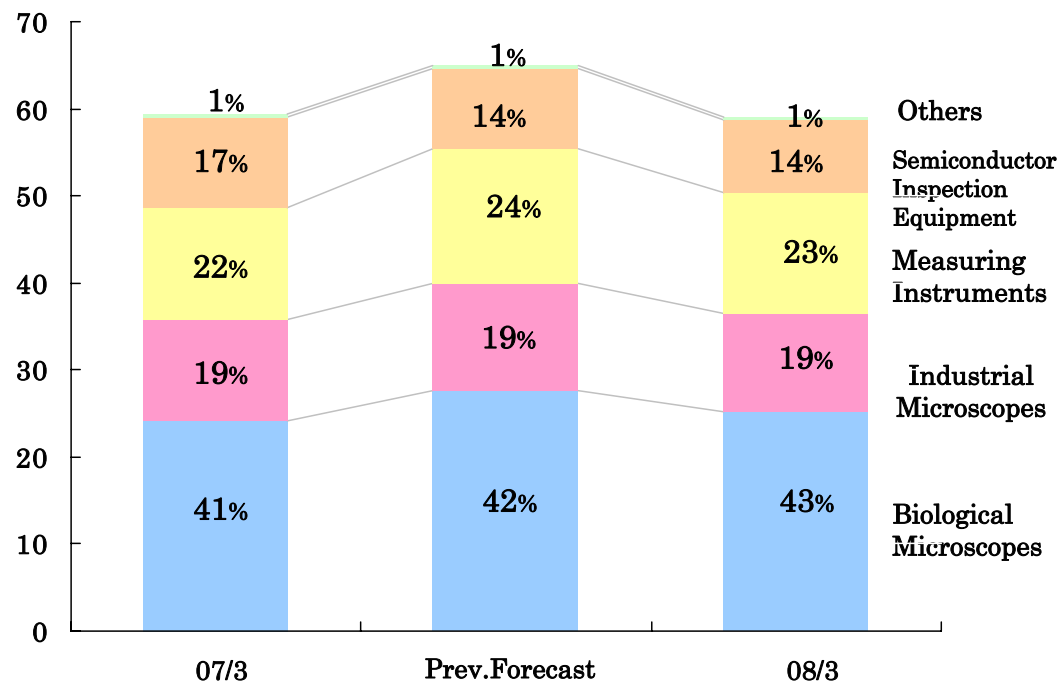




# Instruments Company

	07/3	1st Half 2nd Half	Previous Forecast	1st Half 2nd Half	08/3	1st Half 2nd Half
<b>Net Sales</b> Outside Customers	59.3	<u>26.4</u> 32.9	65.0	<u>26.3</u> 38.7	59.0	<u>26.3</u> 32.7
<b>Operating Income</b> % vs Net Sales	5.1 8.6%	<u>1.0</u> 4.1	6.0 9.2%	<u>0.9</u> 5.1	4.1 6.9%	<u>0.9</u> 3.2

Billions of yen



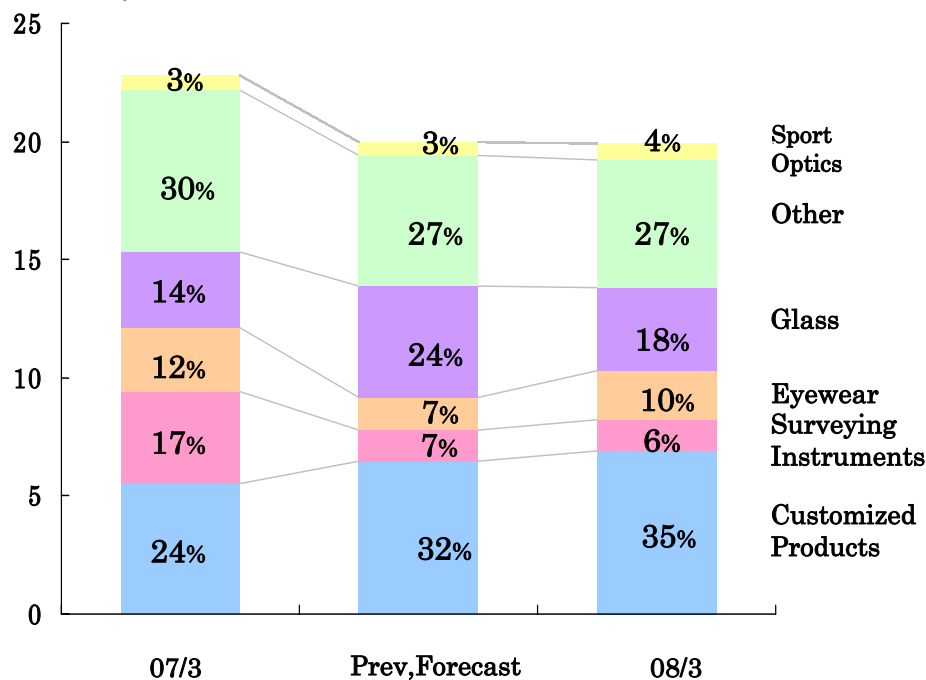
While Biological Microscopes and Measuring Instruments showed growth, Industrial Microscopes and Semiconductor Inspection Equipment suffered from the capex cut.



# Other Businesses

	07/3	<u>1st Half</u> <u>2nd Half</u>	Previous Forecast	<u>1st Half</u> <u>2nd Half</u>	08/3	<u>1st Half</u> <u>2nd Half</u>
<b>Net Sales</b> Outside Customers	22.8	<u>9.6</u> 13.2	20.0	<u>8.9</u> 11.1	19.8	<u>8.9</u> 10.9
<b>Operating Income</b> % vs Net Sales	2.1 9.2%	<u>1.1</u> 1.0	2.0 10.0%	<u>2.5</u> -0.5	3.6 18.2%	<u>2.5</u> 1.1

Billions of yen

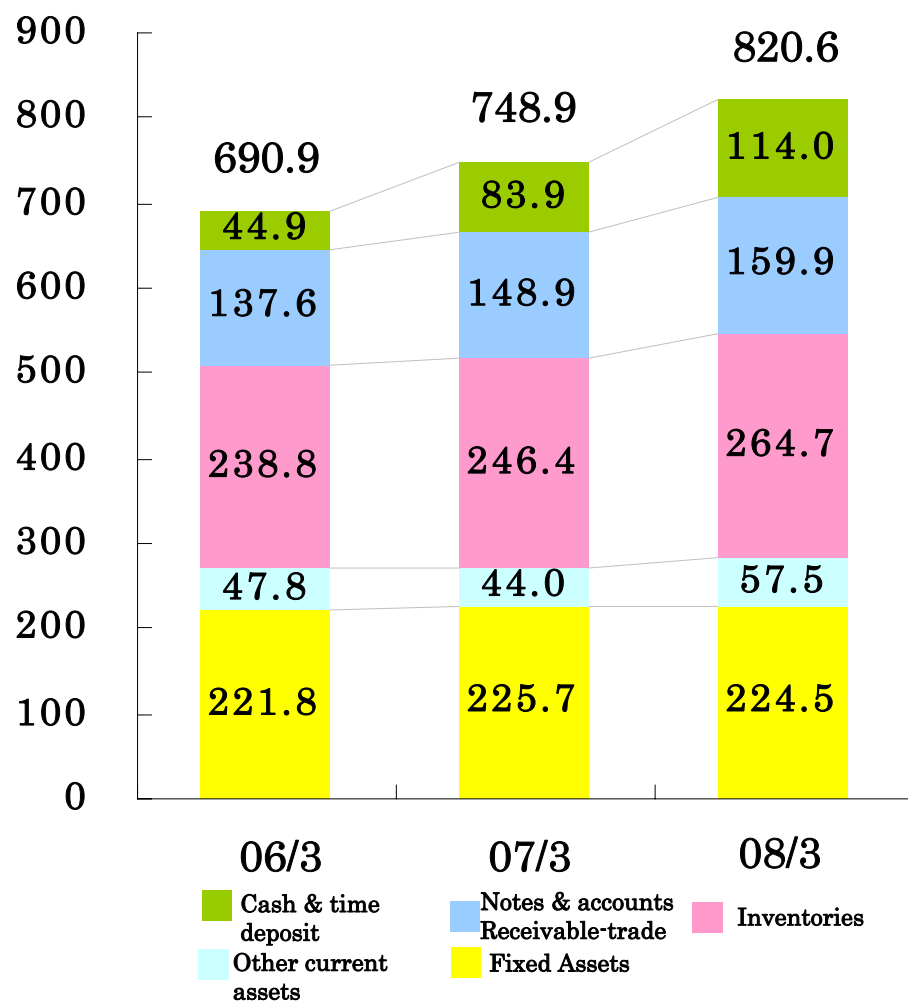


Started sales of own manufacturing Photomask substrates for LCD in Glass business.

# Balance Sheet

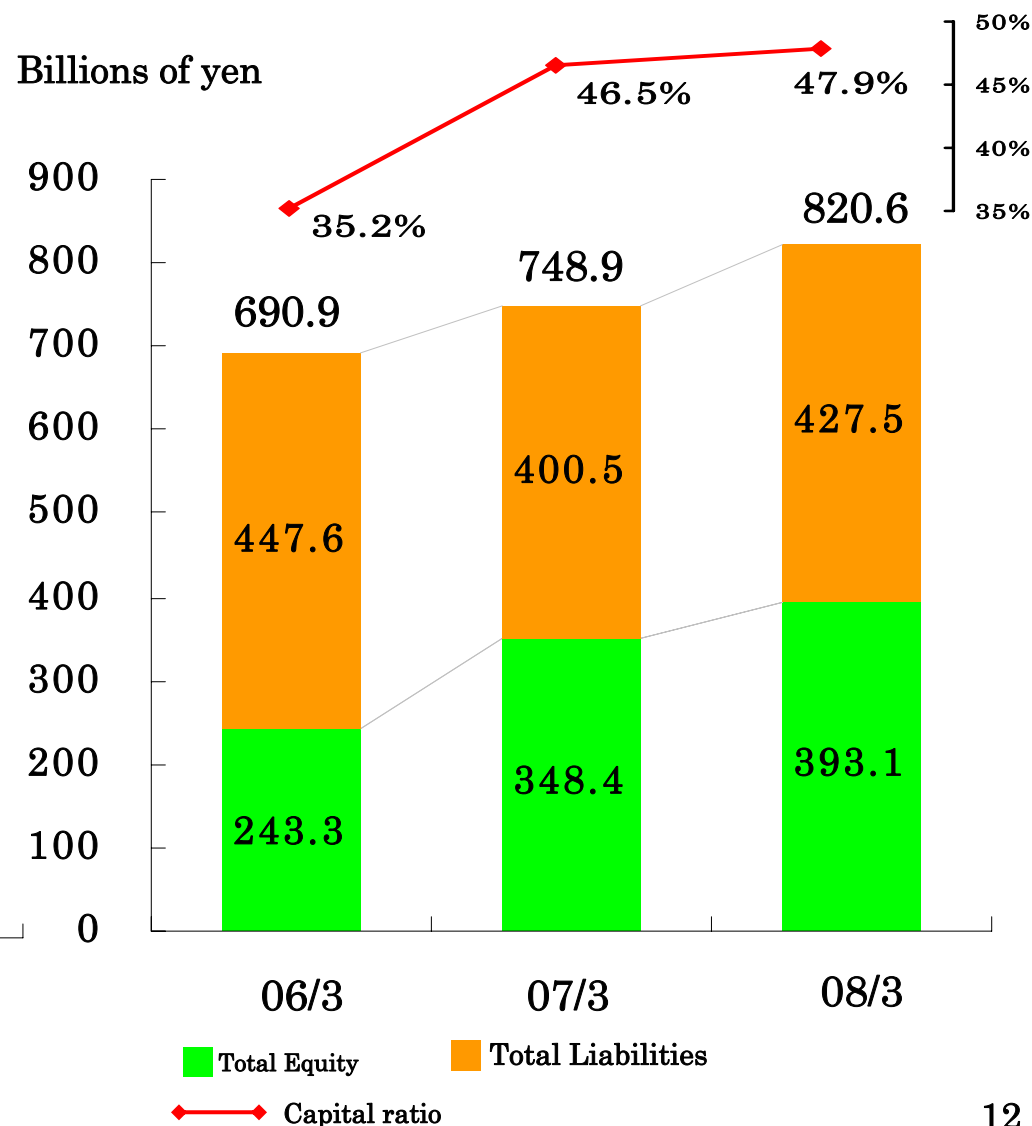
## Assets

Billions of yen



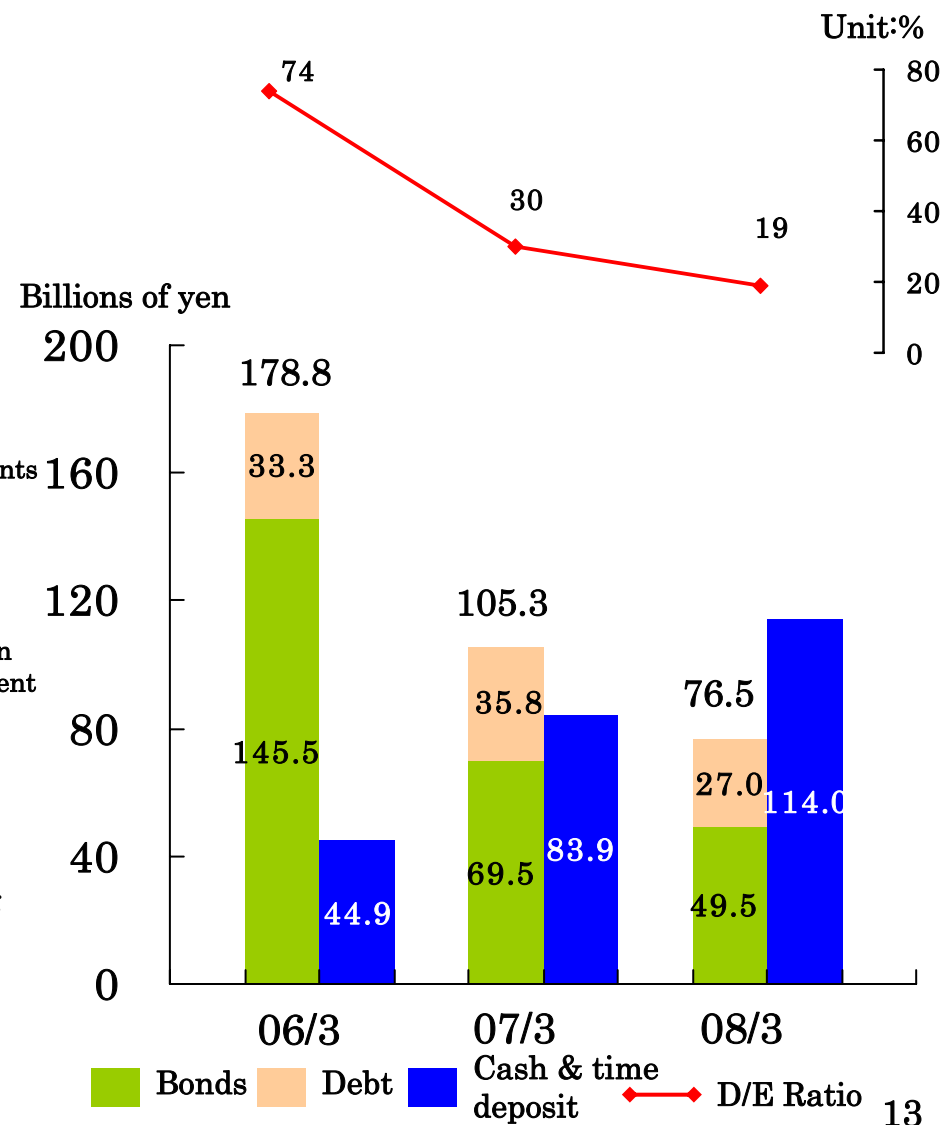
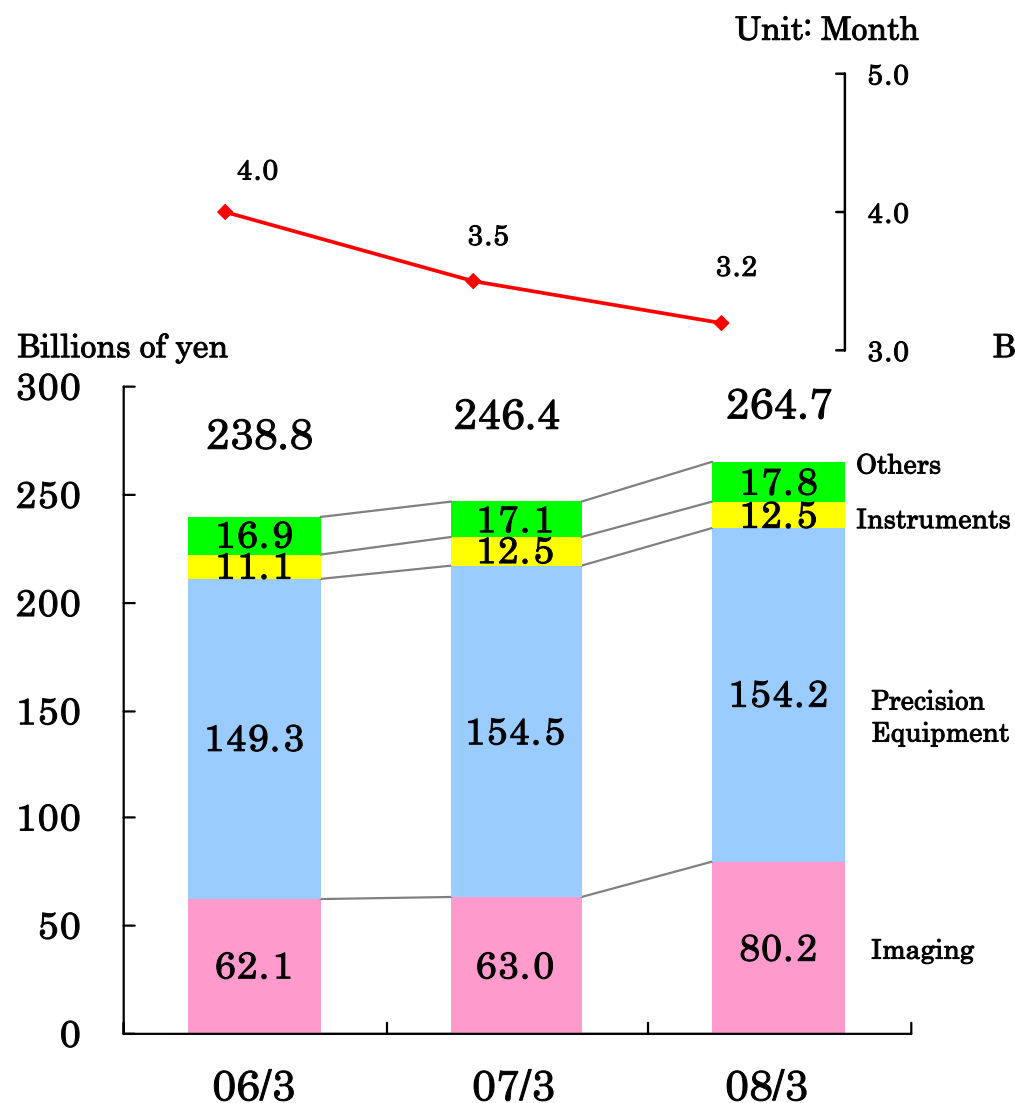
## Liabilities & Equity

Billions of yen



## Inventory & Turnover

## Interest-bearing debt and D/E ratio



## Summary for the Year Ended March 31, 2008

Achieved record high Net Sales 5 years in a row,  
Operating Income and Ordinary Income 3 years in a row,  
and Net Income 4 years in a row.

Improved financial structure by reducing Interest-  
bearing debt to 76.5 Billion yen and securing 37.5  
billion yen for net cash.

Increase Cash dividend per share of common stock

2nd Half :13.5 yen

Entire year : 25.0 yen

(Increase of 7 yen compared to last year)

# Agenda

- I. Financial Results for the Year Ended March 31,2008
- II. Estimation for the Year Ending March 31,2009**
- III. Reference Data

## Estimation of the year ending March 31, 2009

Billions of yen	08/3 Actual	09/3 Estimation	Change
Net Sales	955.8	980.0	+24.2
Operating Income % vs Net Sales	135.2 14.1%	130.0 13.3%	-5.2
Ordinary Income % vs Net Sales	120.1 12.6%	125.0 12.8%	+4.9
Net Income % vs Net Sales	75.5 7.9%	78.0 8.0%	+2.5
Exchange Rate US\$/Euro	114 162	100 155	

Target to achieve growth in both Sales and Income through enhancement of product competitiveness and pursuit of production cost-down in the tougher market environments.

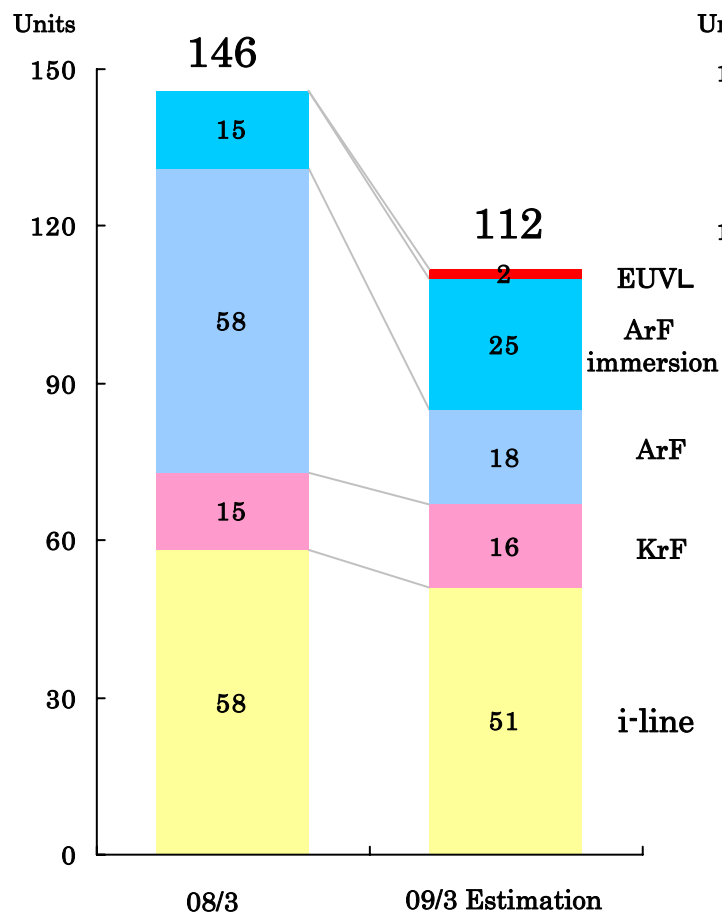
## Estimation for Precision Equipment Company

	08/3 Actual	<u>1st Half</u> <u>2nd Half</u>	09/3 Estimation	<u>1st Half</u> <u>2nd Half</u>
<b>Net Sales</b> Outside Customers	290.8	<u>140.4</u> 150.4	290.0	<u>120.0</u> 170.0
<b>Operating Income</b> % vs Net Sales	43.3 14.9%	<u>21.3</u> 22.0	44.0 15.2%	<u>15.0</u> 29.0
IC Steppers & Scanners New / Refurbished	146/18 units	<u>68/10</u> 78/ 8	112/20 units	<u>38/ 8</u> 74/12
LCD Steppers & Scanners	45 units	<u>24</u> 21	68 units	<u>41</u> 27
IC Steppers & Scanners Market Scale CY07/08	564 units		est.400 units	
LCD Steppers & Scanners (TFT-array Only) Market Scale C Y07/08	est.70 units		est.110 units	

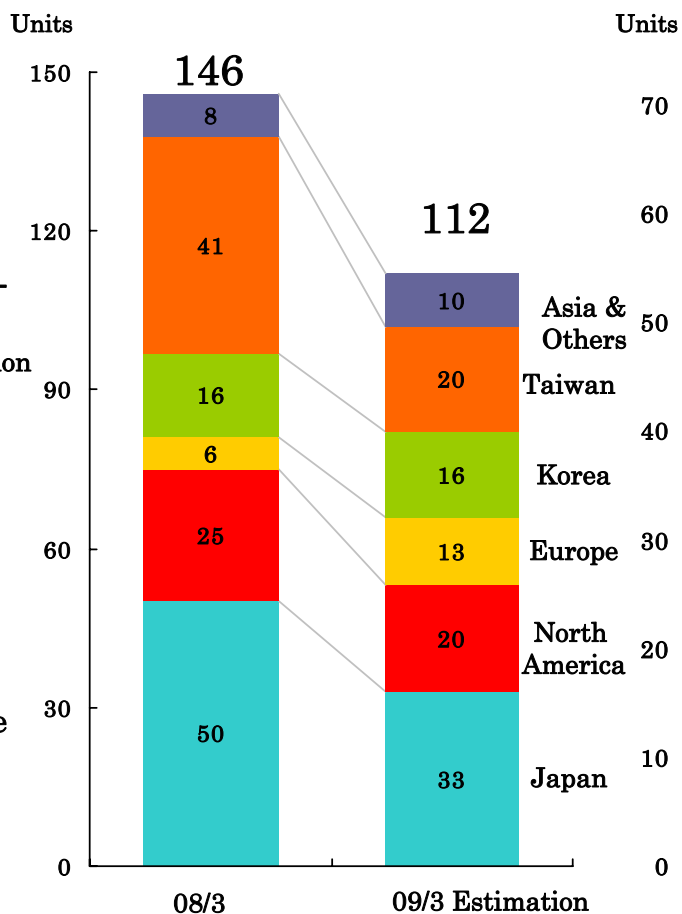
Secure the same level of income as last year with the strong expansion of LCD equipment sales despite decline of IC equipment sales.

# Estimation for Precision Equipment Company

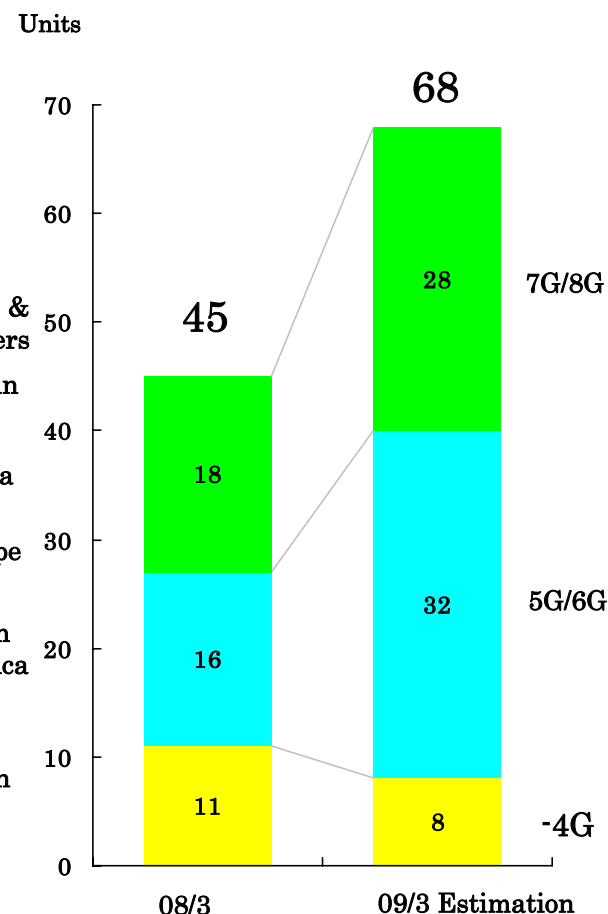
### IC Steppers & Scanners Sales by Technology



### IC Steppers & Scanners Sales by Region



### LCD Steppers & Scanners Sales by Generation







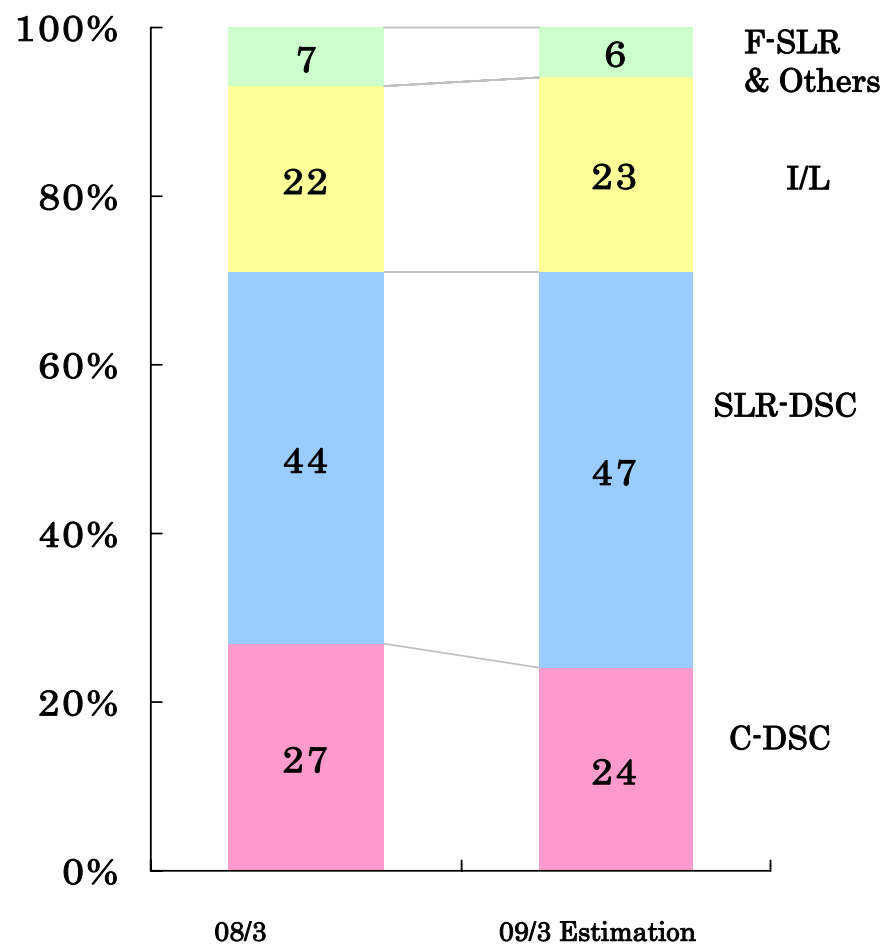
## Estimation for Imaging Company

	08/3 Actual	1st Half 2nd Half	09/3 Estimation	1st Half 2nd Half
Net Sales Outside Customers	586.1	<u>270.3</u> 315.8	620.0	<u>290.0</u> 330.0
Operating Income % vs Net Sales	84.0 14.3%	<u>38.8</u> 45.2	80.0 12.9%	<u>33.0</u> 47.0
Single-lens Reflex DSC	3,090	<u>1,470</u> 1,620	3,300	<u>1,600</u> 1,700
Interchangeable Lenses	4,450	<u>2,200</u> 2,250	4,700	<u>2,300</u> 2,400
Compact DSC	8,550	<u>4,030</u> 4,520	9,300	<u>4,400</u> 4,900
SLR-DSC Market Scale (FY)	7,720		8,800	
I/L Market Scale (FY)	13,070		15,000	
C-DSC Market Scale (FY)	98,570		120,000	

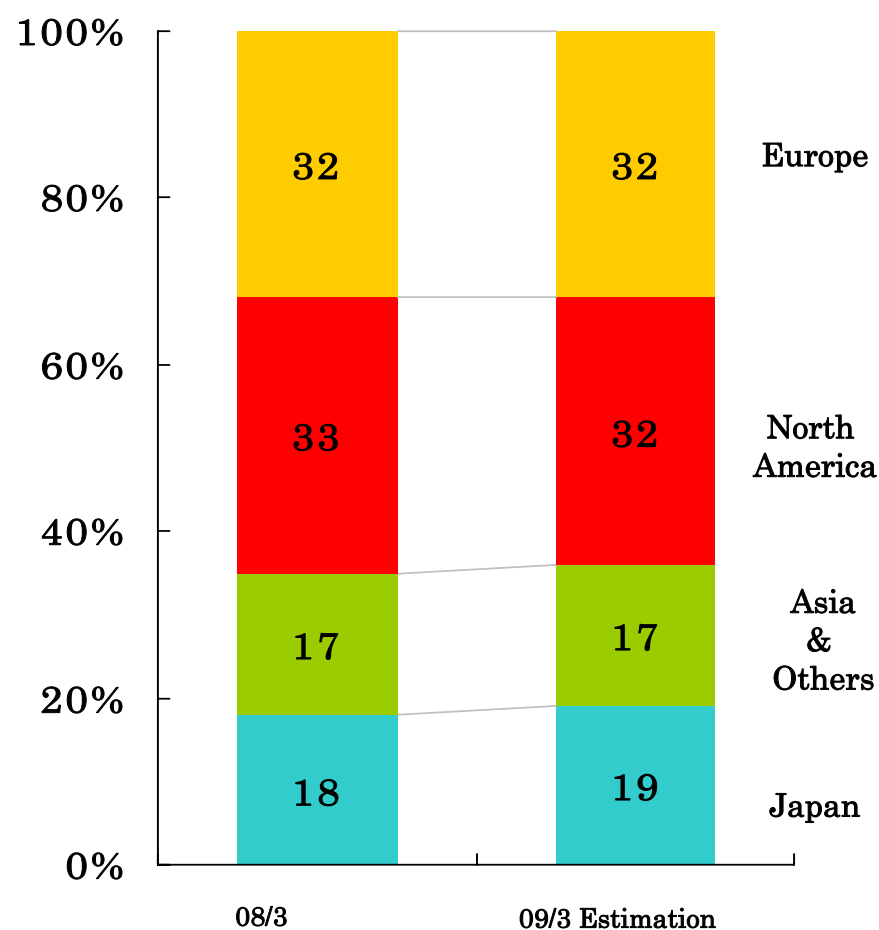
Introduce the attractive products that lead the market, and pursue further production cost-down by strengthening manufacturing competitiveness amid consumer spending slowdown and “yen” appreciation.

# Estimation for Imaging Company

## Shipment value ratio by Product



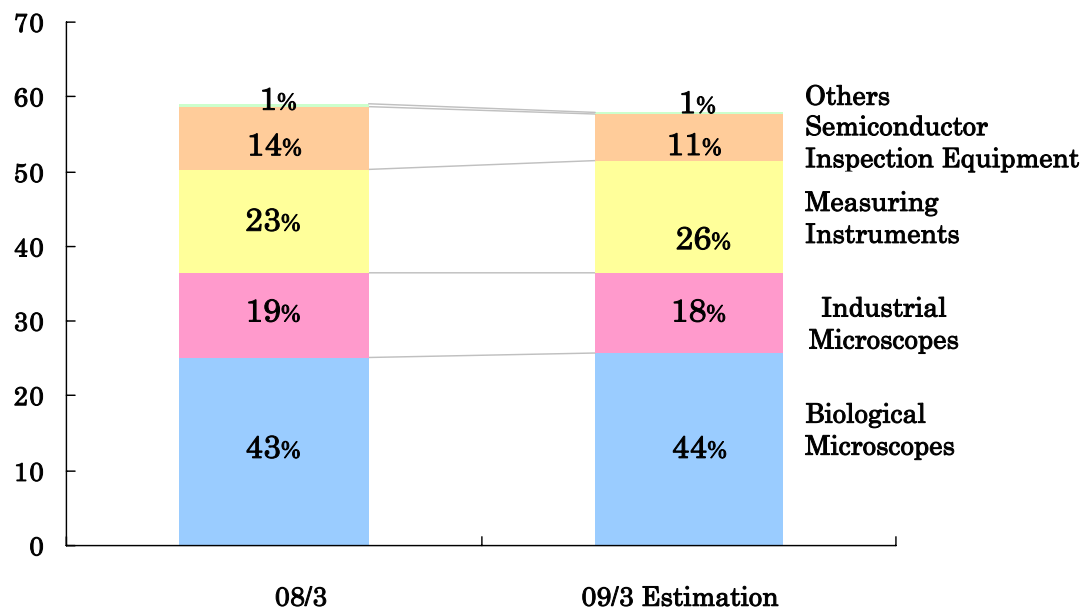
## Shipment value ratio by Region



# Estimation for Instruments Company

	08/3 Actual	1st Half 2nd Half	09/3 Estimation	1st Half 2nd Half
<b>Net Sales</b> Outside Customers	59.0	<u>26.3</u> 32.7	58.0	<u>24.0</u> 34.0
<b>Operating Income</b> % vs Net Sales	4.1 6.9%	<u>0.9</u> 3.2	4.0 6.9%	<u>0.5</u> 3.5

Billions of yen

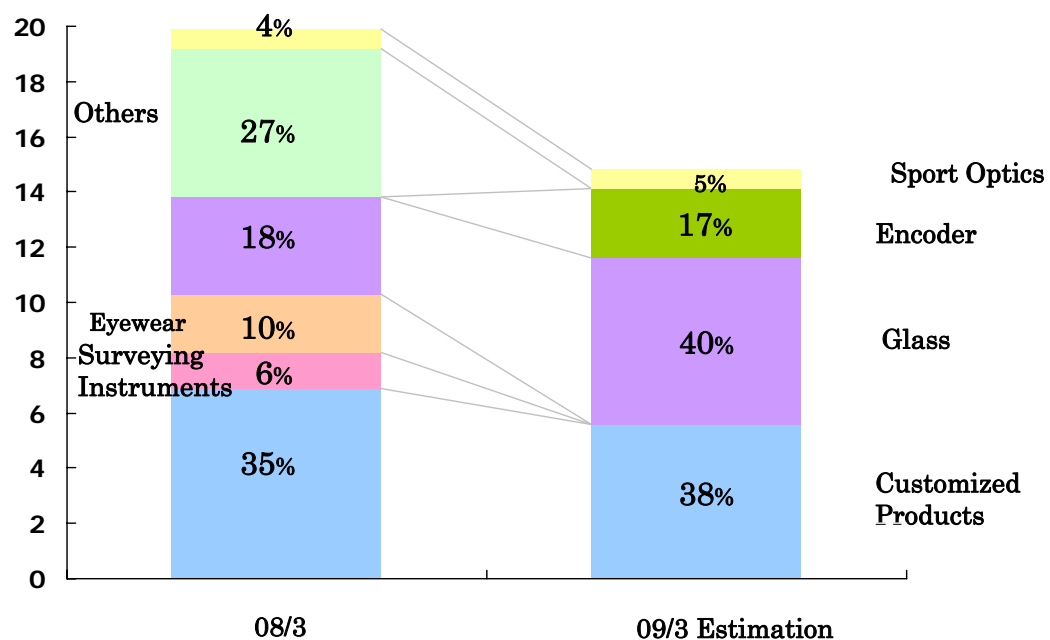


Secure the same level of income as last year with contribution of new products in biological microscopes and measuring instruments despite semiconductor inspection equipment slowdown.

# Estimation for Other Businesses

	08/3 Actual	1st Half 2nd Half	09/3 Estimation	1st Half 2nd Half
<b>Net Sales</b> Outside Customers	19.8	<u>8.9</u> 10.9	12.0	<u>6.0</u> 6.0
<b>Operating Income</b> % vs Net Sales	3.6 18.2%	<u>2.5</u> 1.1	2.0 16.7%	<u>1.5</u> 0.5

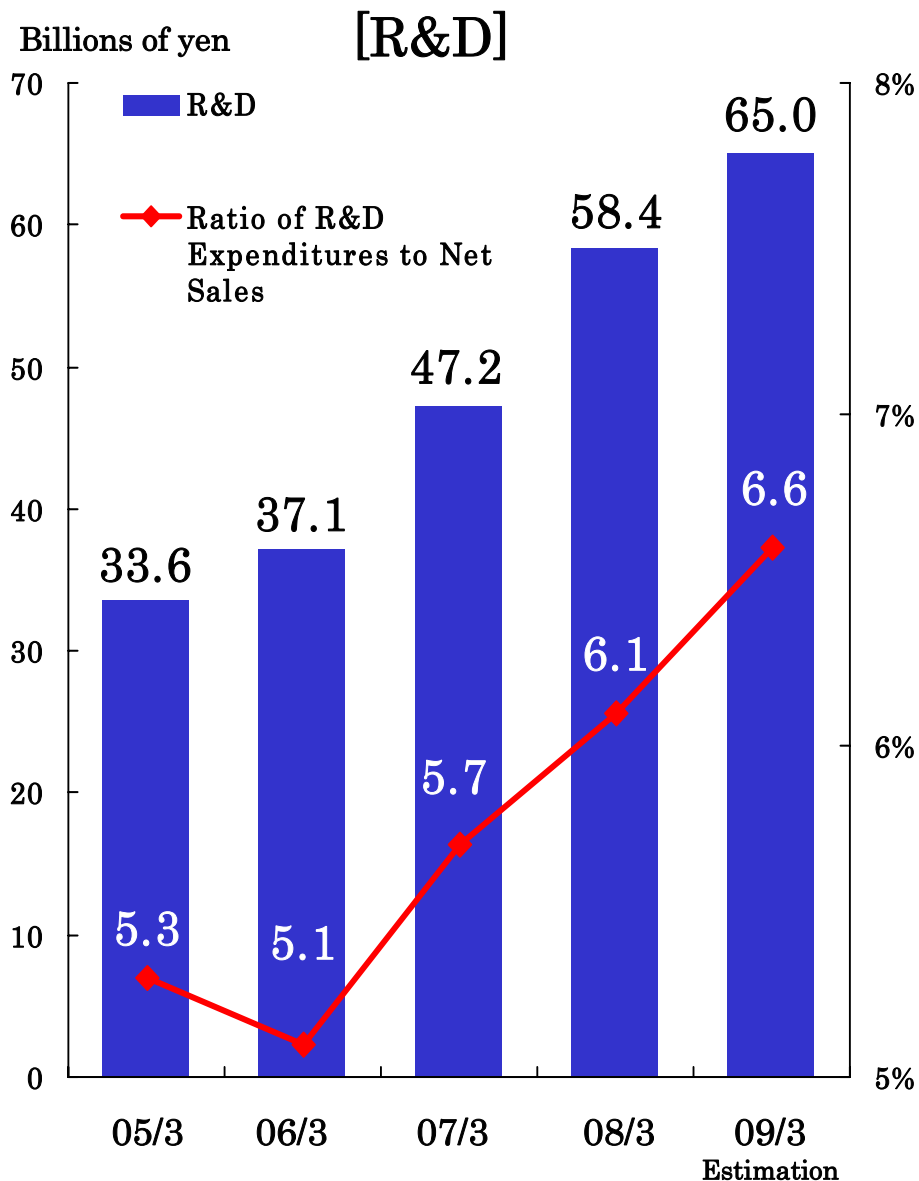
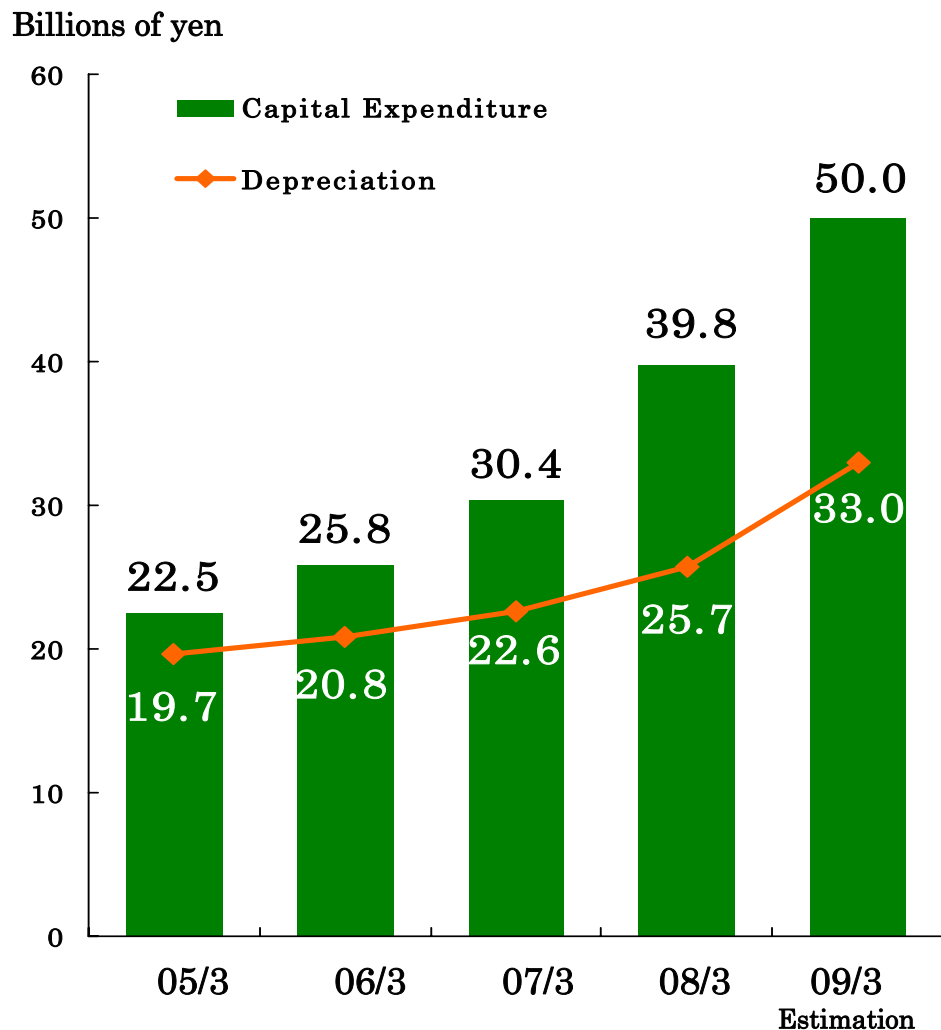
Billions of yen



Expand sales in new business of Glass and Encoder.

# Estimation for Capital Expenditure, Depreciation and R&D

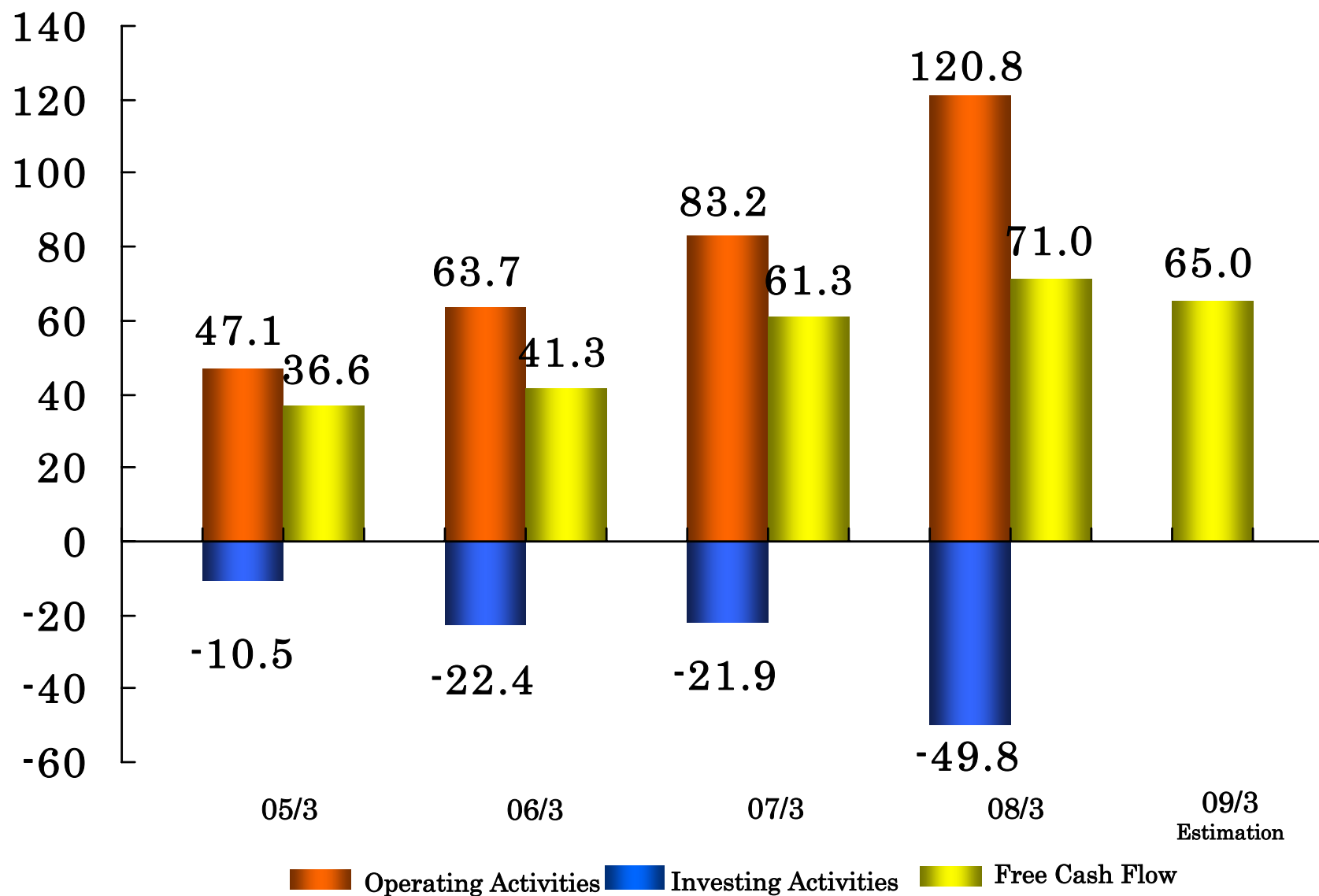
## [Capital Expenditure & Depreciation]



The above include acquisition of lease asset in accordance with accounting rules

# Estimation for Cash Flows

Billions of yen



## Summary of Estimation for the Year Ending March 31, 2009

Target to achieve growth in both revenue and income under the tougher market conditions.

Provide the new products and service to the market that exceed expectation, pursue manufacturing cost reduction by strengthening the manufacturing competitiveness and enhance sales & marketing power.

Enhance business and organizational operation with a sense of further urgency against drastically changing management environments.

Expand the shareholders benefit to target total return ratio equivalent to 25% or more for the moment and execute flexible acquisition of own share.

# Agenda

- I. Financial Results for the Year Ended March 31,2008
- II. Estimation for the Year Ending March 31,2009
- III. Reference Data**



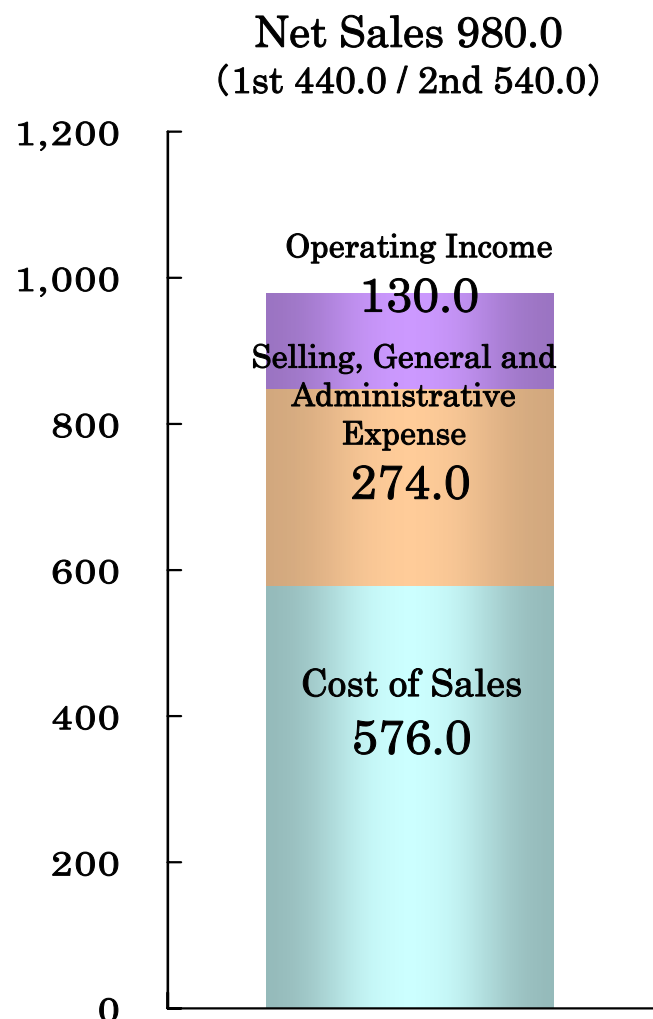
# Exchange Rate

09/3 Estimation

	Exchange Rate	Financial Impact from fluctuation by 1yen	
	09/3 Forecast	Net Sales	Operating Income
US\$	100	approx. 2.4 billions of yen	approx. 0.8 billions of yen
EURO	155	approx. 1.3 billions of yen	approx. 1.0 billions of yen

## Estimation for the Year Ending March 31, 2009

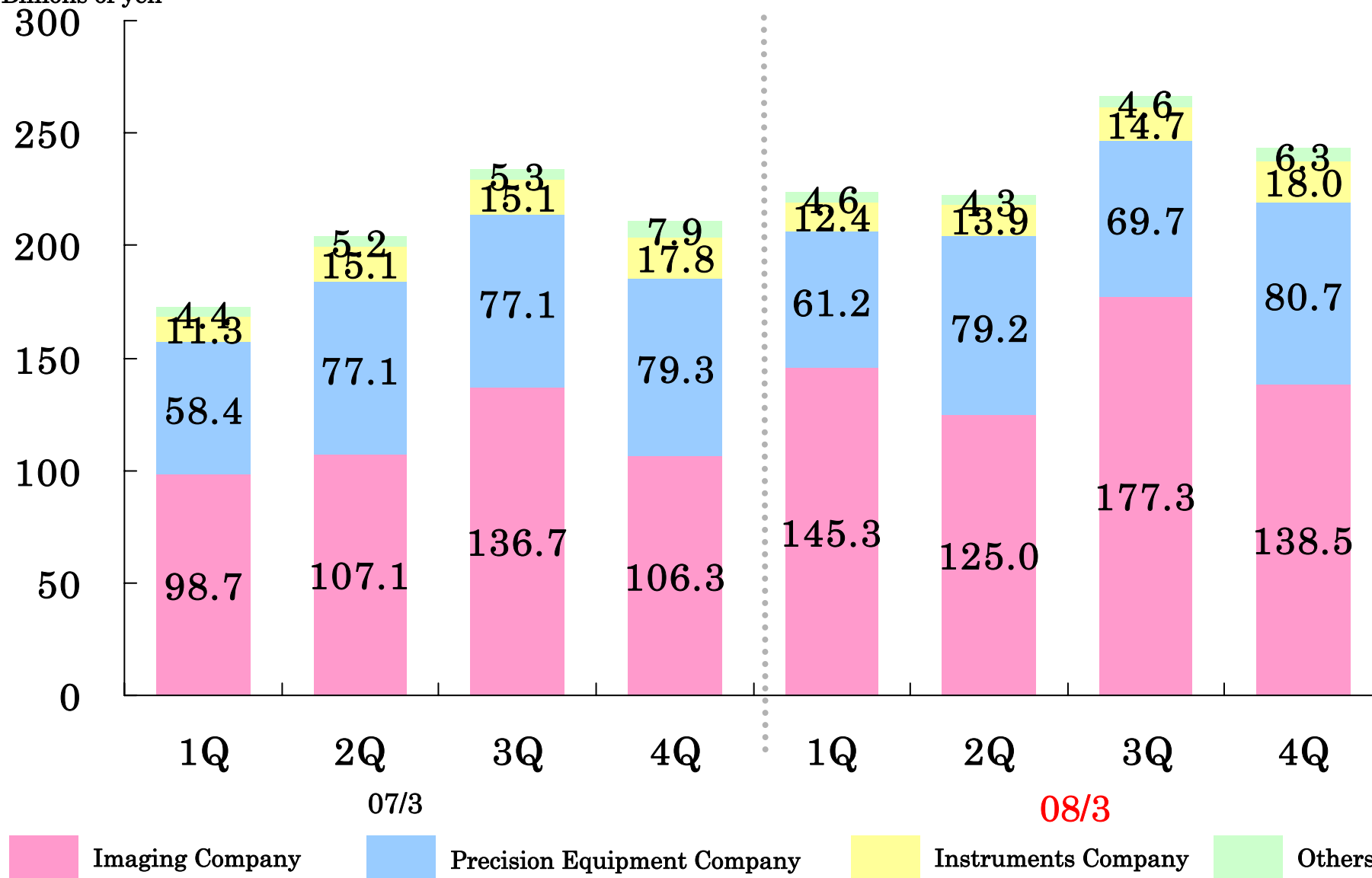
Billions of yen



Billions of yen		08/3 Actual		09/3 Estimation	
Operating Income	1H	135.2	63.3	130.0	50.0
	2H		71.9		80.0
Non-operating Income		8.2		4.0	
Non-operating Expenses		23.2		9.0	
Ordinary Income	1H	120.1	58.9	125.0	48.0
	2H		61.2		77.0
Extra ordinary gain & loss		-3.4		-1.0	
Income Taxes		41.2		46.0	
Net Income	1H	75.5	34.4	78.0	29.0
	2H		41.1		49.0

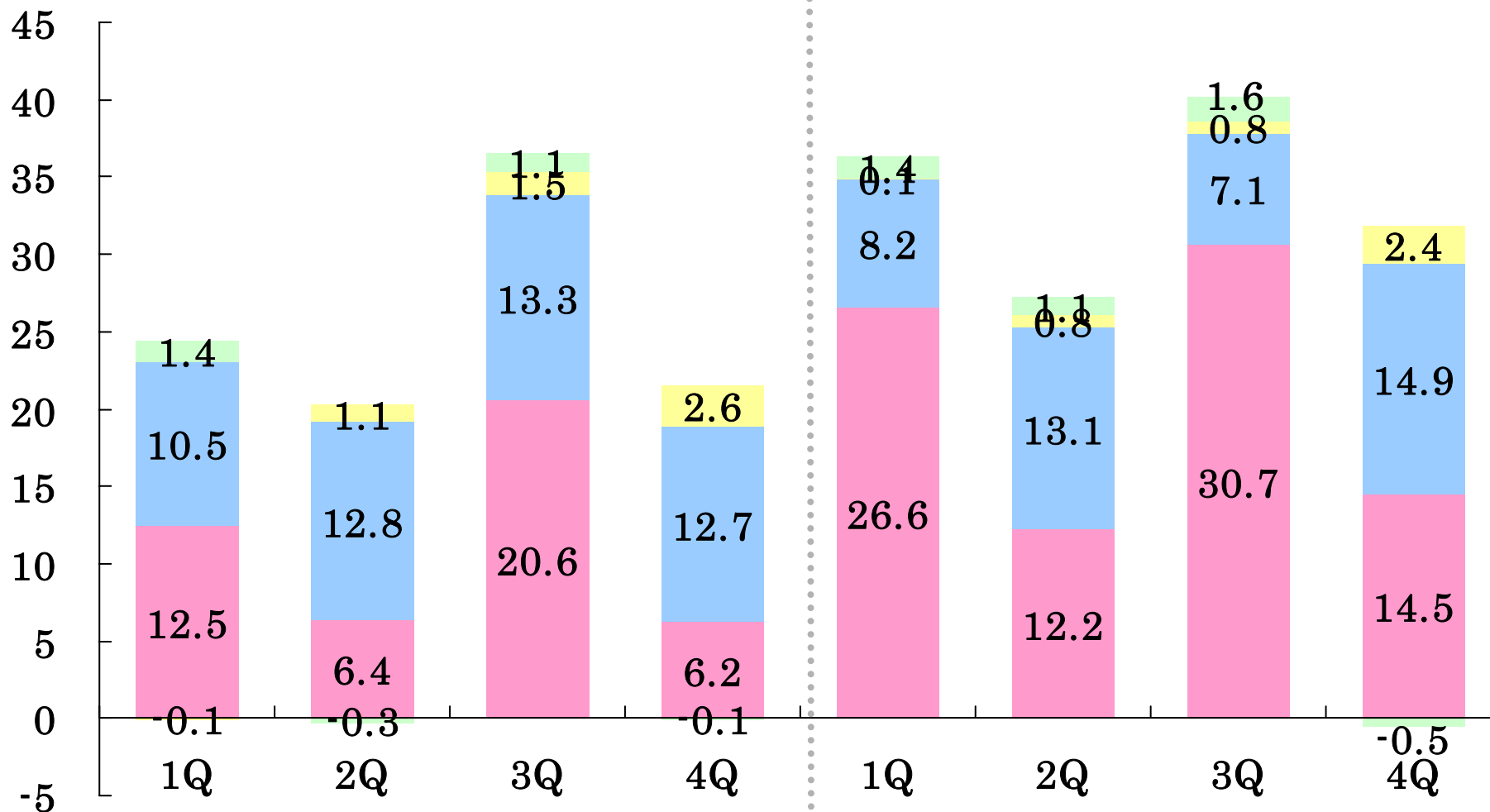
# Quarterly Net Sales by segment

Billions of yen



# Quarterly Operating Income by segment

Billions of yen



07/3

08/3

