



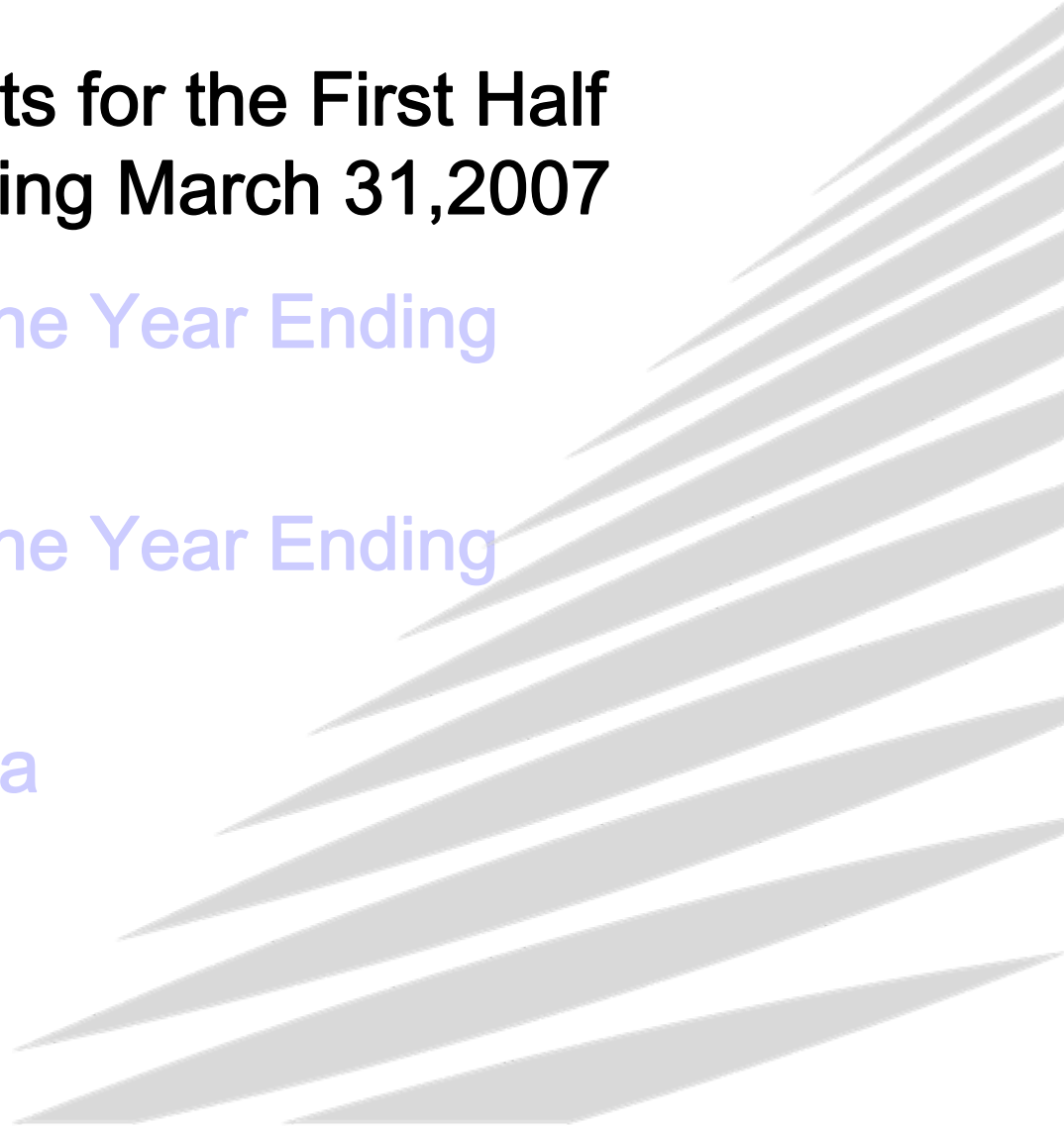
# NIKON CORPORATION

Conference in Tokyo (Nov. 9,2006)

For the Financial Results for the  
First Half of the Year Ending March 31, 2007

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 Half  
of the Year Ending March 31,2007**
  - II . Estimation for the Year Ending  
March 31,2007
  - III . Forecasts for the Year Ending  
March 31,2008
  - IV . Reference Data
- 
- A decorative graphic on the right side of the slide, consisting of several overlapping, diagonal, grey and white stripes that create a sense of motion and depth.

# Financial Highlights for the First Half of the Year Ending March 31, 2007

Billions of Yen	05/9 (A)	Previous Forecast (B)	06/9 Result( C )	Change (C-A)	Change (C-B)
Net Sales	342.9	360.0	377.3	+ 34.4 +10.0%	+ 17.3 +4.8%
Operating Income	28.4 8.3%	30.0 8.3%	44.0 11.7%	+ 15.6 +54.9%	+ 14.0 +46.7%
Ordinary Income	20.1 5.9%	25.0 6.9%	37.1 9.8%	+ 17.0 +84.6%	+ 12.1 +48.4%
Net Income	9.4 2.7%	15.0 4.2%	23.2 6.1%	+ 13.8 147%	+ 8.2 +54.7%
Cash dividend / share (yen)	4.0	5.0	6.5	+ 2.5	+ 1.5

Achieved record high Net Sales, Operating Income, Ordinary Income and Net Income by substantial increase in revenue and income over the previous mid-term results.

Increased interim cash dividend per share of common stock: 6.5 yen

\* The Previous Forecast is our estimation announced on May 15, 2006

# Precision Equipment Company

	05/9 (A)	Previous Forecast (B)	06/9 Result( C )	Change (C-A)	Change (C-B)
Net Sales (Billions of yen)	116.2	135.0	135.9	+ 19.7 +17.0%	+ 0.9 +0.7%
Operating Income (Billions of yen)	12.4 10.7%	14.0 10.4%	23.3 17.1%	+ 10.9 +87.9%	+ 9.3 +66.4%
New IC Steppers & Scanners (Refurbished)	79 ( 12 )	78 ( 17 )	77 ( 8 )	-2(-4)	-1(-9)
LCD Steppers & Scanners	37	45	46	+9	+1

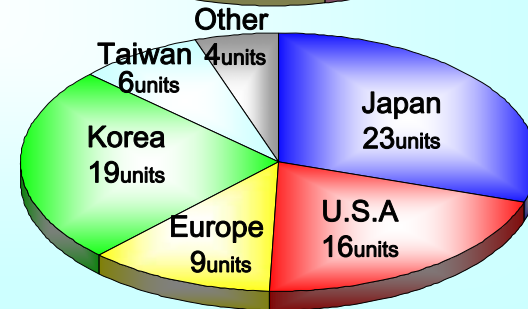
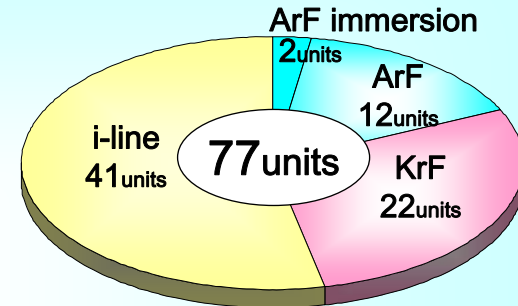
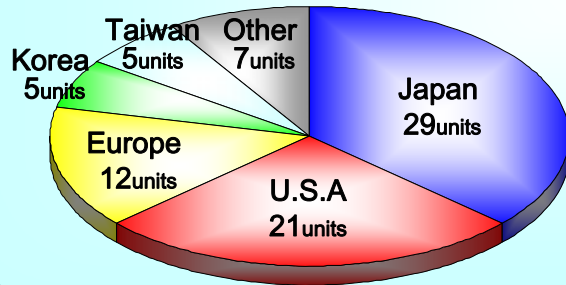
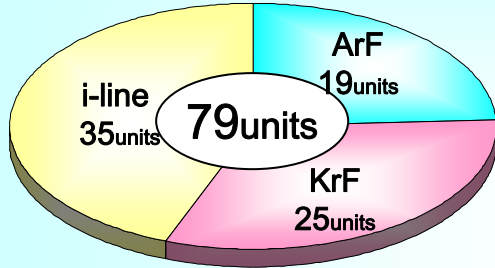
Steppers (units sold)

**Achieved record high Net Sales and Operating Income through enhanced competitiveness and accelerated cost reduction.**

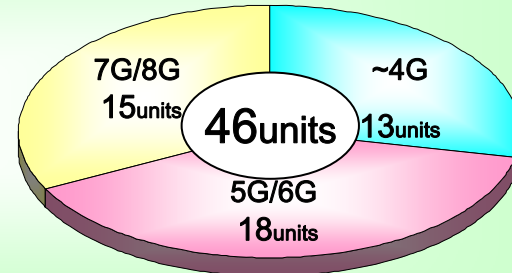
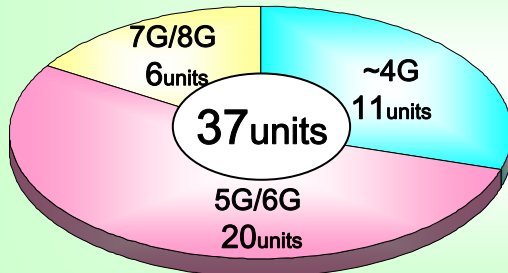
05/9

06/9

## IC Steppers & Scanners Sales by Technology / Region



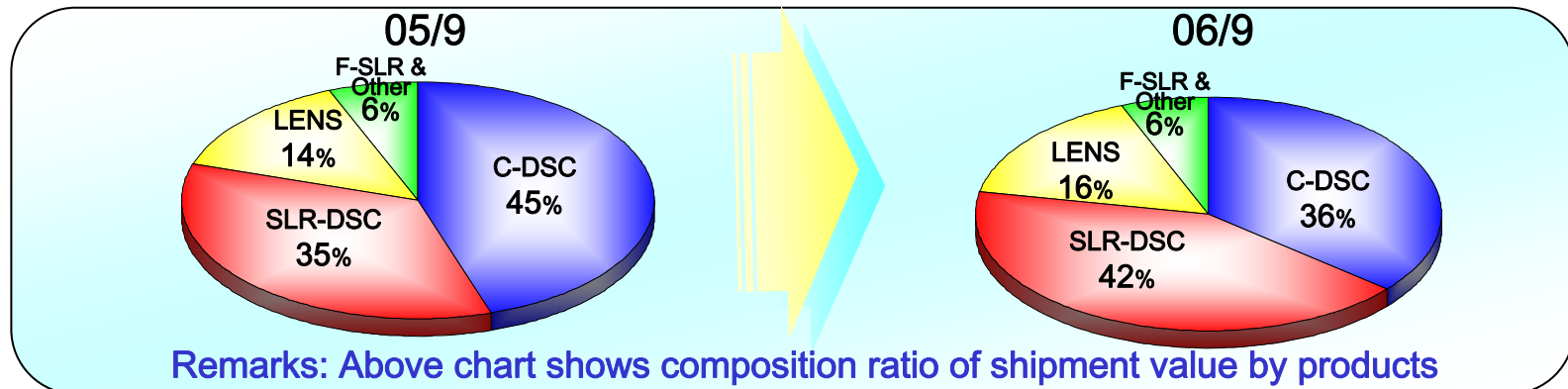
## LCD Steppers & Scanners Sales by Generation



# Imaging Company

Cameras & Lenses (1,000 of units solid)	05/9 (A)	Previous Forecast(B)	06/9 Result( C )	Change (C-A)	Change (C-B)
Net Sales (Billions of yen)	196.4	190.0	206.3	+ 9.9 +5.0%	+ 16.3 +8.6%
Operating Income (Billions of yen)	15.5 7.9%	14.0 7.4%	18.9 9.2%	+ 3.4 +21.9%	+ 4.9 +35.0%
Single-Lens Reflex DSC	790	850	860	+ 70	+ 10
Compact DSC	3,410	3,500	3,400	- 10	- 100
Interchangeable Lenses	1,180	1,000	900	- 280	- 100

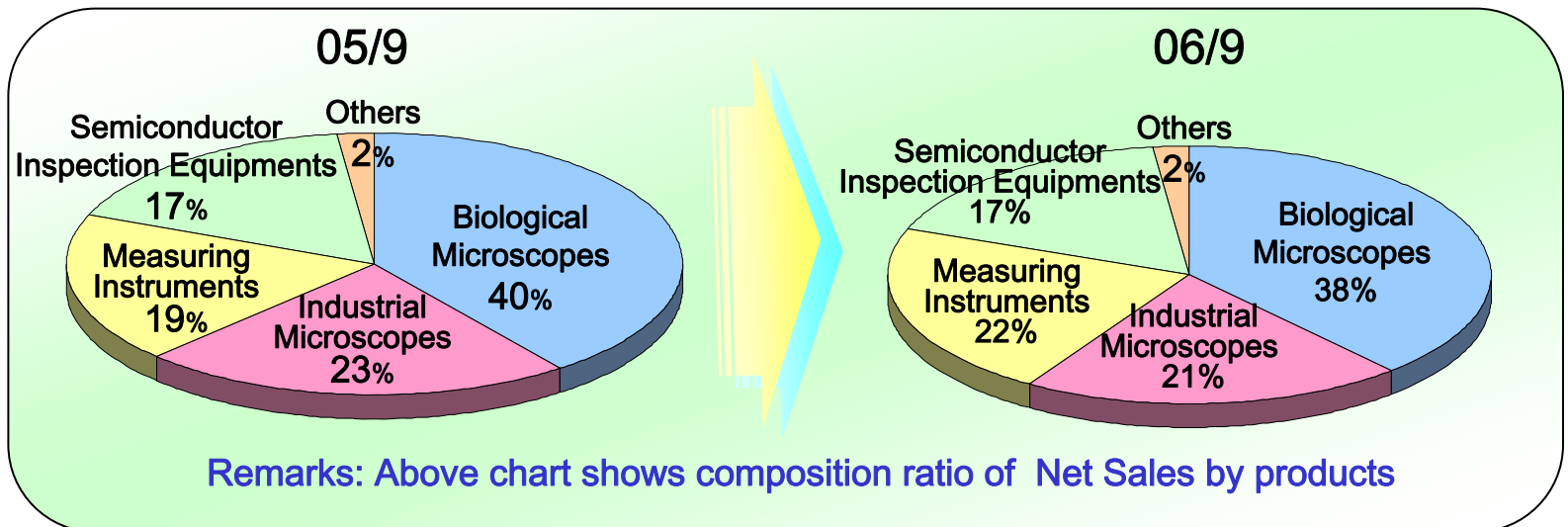
Achieved record high Net Sales and Operating Income through strong sales of Single-Lens Reflex DSC.



# Instruments Company

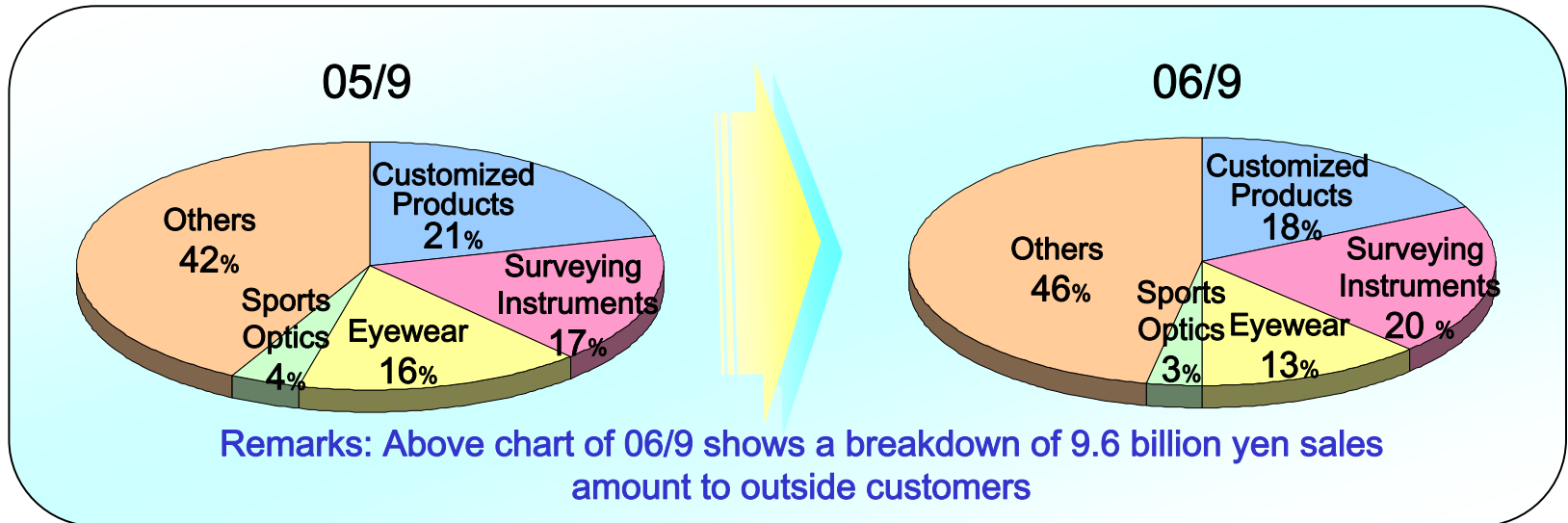
	05/9 (A)	Previous Forecast(B)	06/9 Result( C )	Change (C-A)	Change (C-B)
Net Sales (Billions of yen)	24.3	27.0	27.3	+ 3.0 +12.3%	+ 0.3 +1.1%
Operating Income (Billions of yen)	0.7 2.9%	1.0 3.7%	1.0 3.7%	+ 0.3 +42.9%	-

Achieved record high Net Sales through sales extension of Biological Microscopes and Measuring Instruments.



# Other Businesses

	05/9 (A)	Previous Forecast(B)	06/9 Result( C )	Change (C-A)	Change (C-B)
Net Sales (Billions of yen)	22.8	25.0	26.3	+ 3.5 +15.4%	+ 1.3 +5.2%
Operating Income (Billions of yen)	0.1 0.4%	1.0 4.0%	1.1 4.2%	+ 1.0	+ 0.1 +10.0%

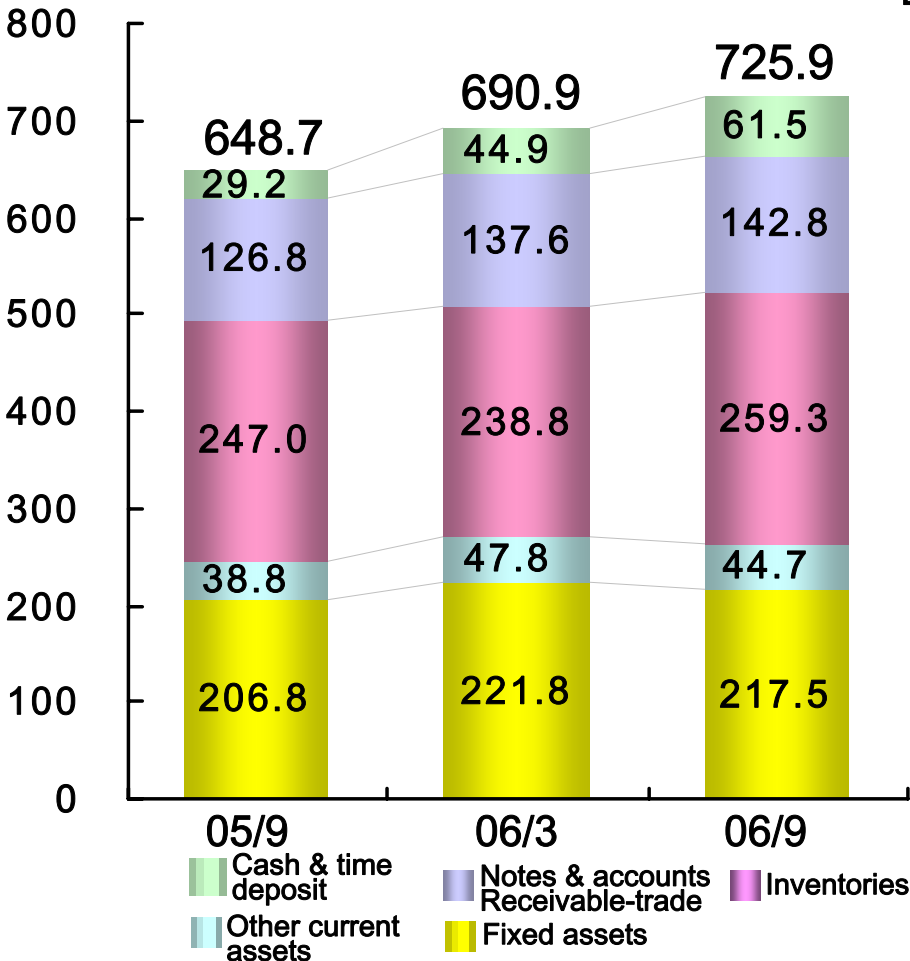




# Balance Sheet

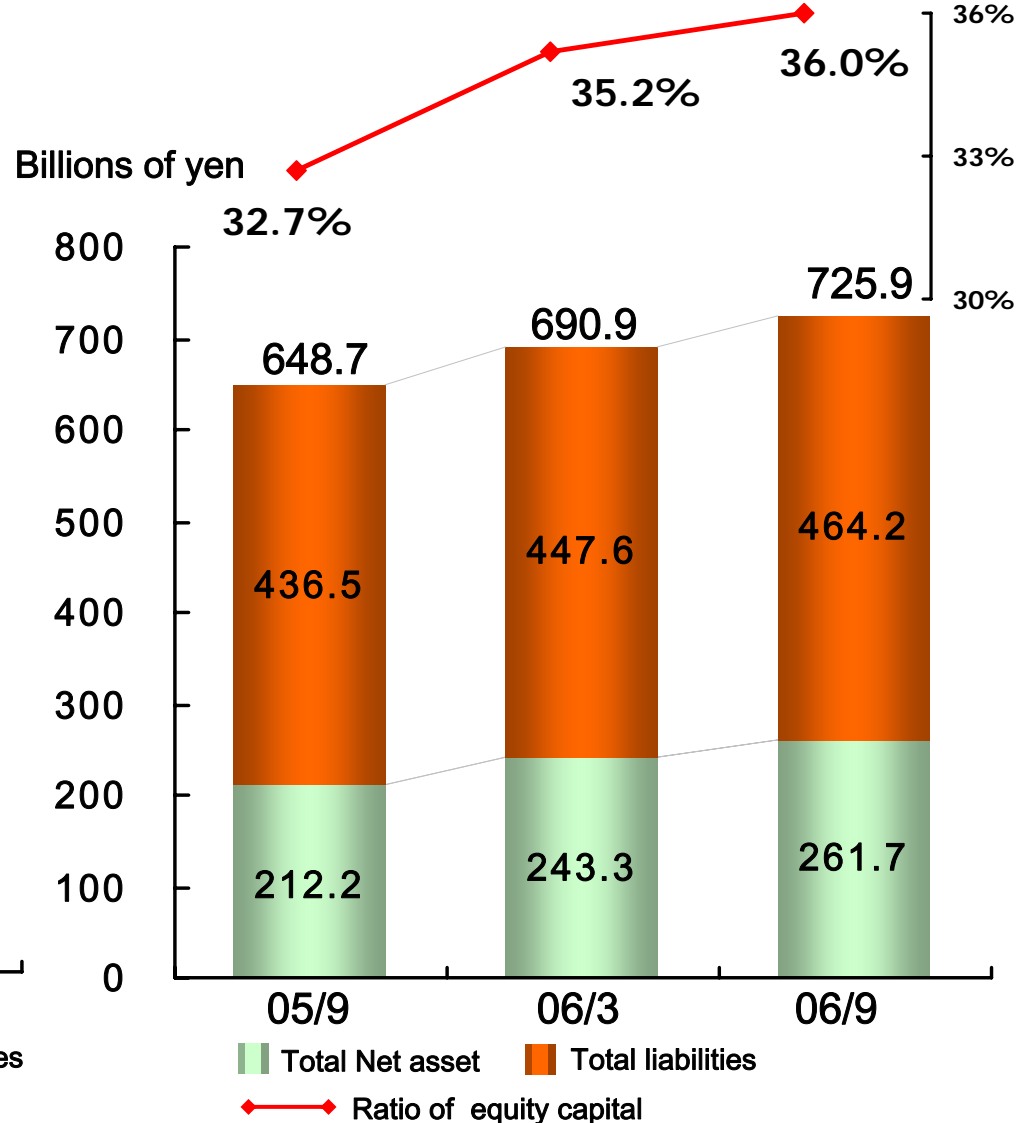
## Assets

Billions of yen



## Liabilities & Net asset

Billions of yen

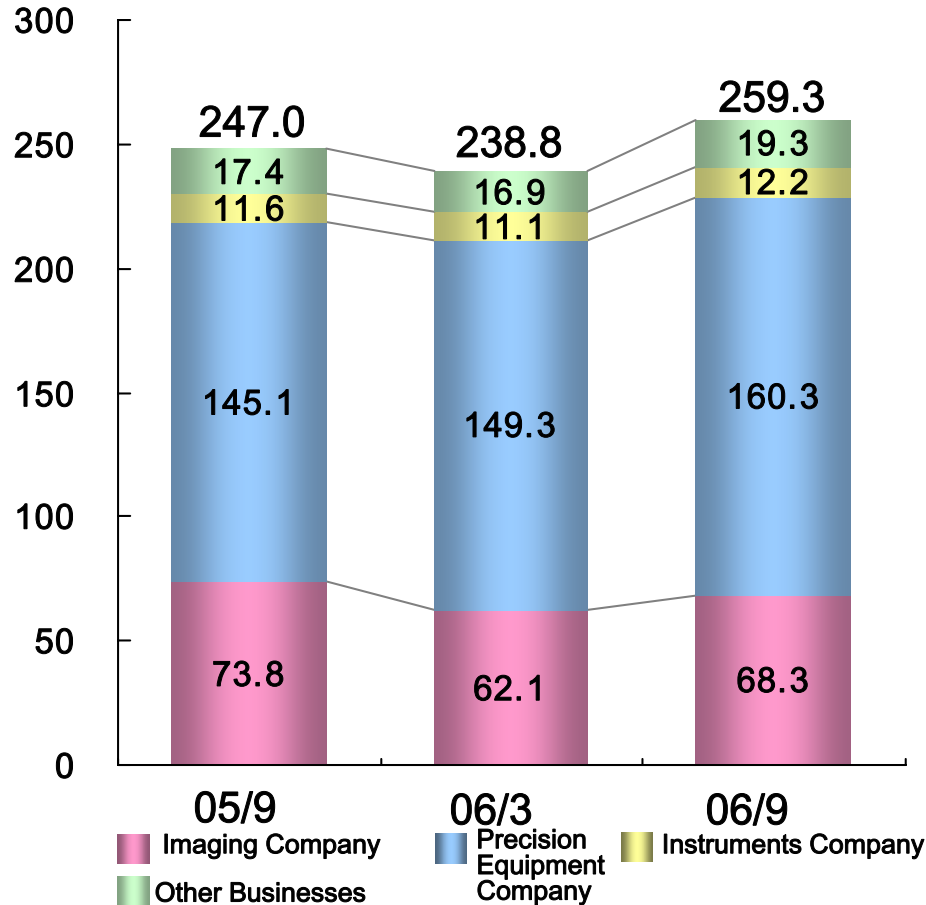


# Inventories

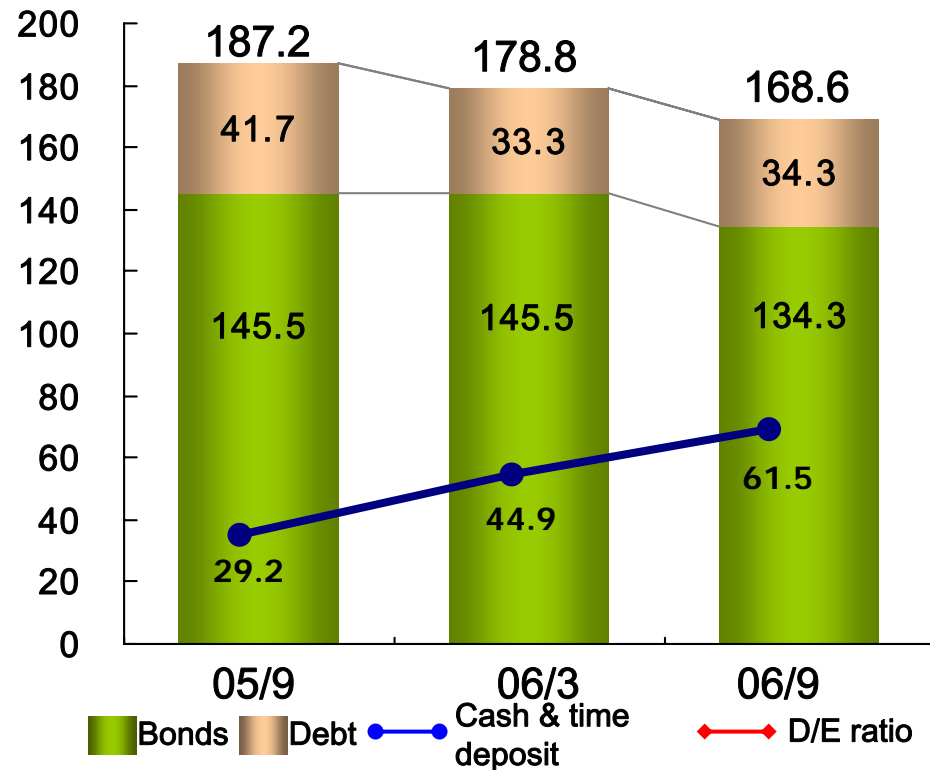
# Interest-bearing debt , Cash & time deposit and D/E ratio

Unit:  
double  
0.9  
0.6

Billions of yen



Billions of yen



## Summary for the First Half of the Year Ending March 31,2007

**Net sales, Operating Income, Ordinary Income and Net Income increased to their highest-ever mid-term results 2 years in a row.**

### **Precision Equipment Company:**

**Enhanced competitiveness of the cutting-edge equipment and accelerated cost reduction through simplified design, etc. in both of IC and LCD steppers and scanners .**

### **Imaging Company:**

**Strong sales of Single-Lens Reflex DSC, steady cost reduction and positive impact of foreign currency exchange rate.**

**Increased interim cash dividend per share of common stock: 6.5 yen**



# Agenda

- I . Financial Results for the First Half  
of the Year Ending March 31,2007
- II . Estimation for the Year Ending  
March 31,2007
- III . Forecasts for the Year Ending  
March 31,2008
- IV . Reference Data

# Performance Estimation for the Year Ending March 31, 2007

Billions of yen	06/3 (A)	Previous Estimation(B)	New Estimation(C)	Change (C-A)	Change (C-B)
Net Sales	730.9	780.0	797.0	+ 66.1 +9.0%	+ 17.0 +2.2%
Operating Income	66.6 9.1%	73.0 9.4%	87.0 10.9%	+ 20.4 +30.6%	+ 14.0 +19.2%
Ordinary Income	43.5 6.0%	62.0 7.9%	74.0 9.3%	+ 30.5 +70.1%	+ 12.0 +19.4%
Net Income	28.9 4.0%	37.0 4.7%	45.0 5.6%	+ 16.1 +55.7%	+ 8.0 +21.6%
Cash dividend / share (yen)	10.0	10.0	13.0	+ 3.0	+3.0

Estimating record high Net Sales, Operating Income, Ordinary Income and Net Income 2 years in a row.

Planning to increase annual cash dividend per share of common stock: 13 yen

# Estimation for Precision Equipment Company

Steppers (units sold)		06/3	1st Half	Previous Estimation	1st Half	New Estimation	1st Half
			2nd Half		2nd Half		2nd Half
Net Sales (Billions of yen)		243.2	116.2	290.0	135.0	290.0	135.9
			127.0		155.0		154.1
Operating Income (Billions of yen)		26.4 10.9%	12.4	36.0 12.4%	14.0	45.0 15.5%	23.3
			14.0		22.0		21.7
New IC Steppers & Scanners (Refurbished)		159 ( 29 )	79 ( 12 )	170 ( 47 )	78 ( 17 )	170 ( 30 )	77 ( 8 )
			80 ( 17 )		92 ( 30 )		93 ( 22 )
LCD Steppers & Scanners		67	37	82	45	82	46
			30		37		36
Market Scale CY05/06	New IC Steppers & Scanners	464		460 ~ 470		approx.520	
	LCD Steppers & Scanners (TFT-array Only)	147		approx.130		approx.130	

## 2<sup>nd</sup> Half:

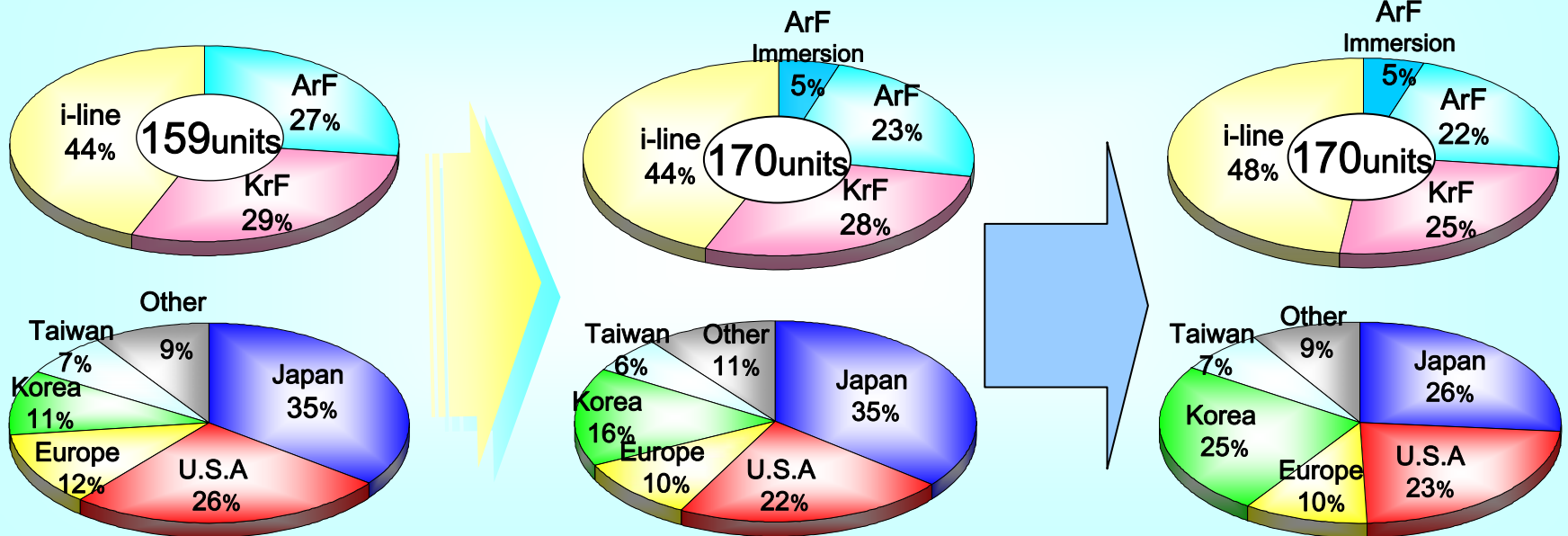
- Full scale sales of ArF immersion scanner, the S609B contributing to Net Sales.
- Industry first shipment of ArF immersion scanner with NA1.30, the S610C.

06/3

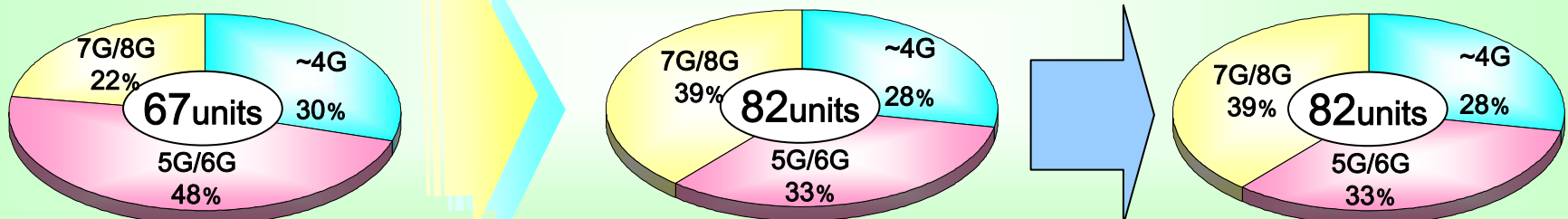
Previous Estimation of  
May 15, 2006

New Estimation

## IC Steppers & Scanners Sales by Technology / Region



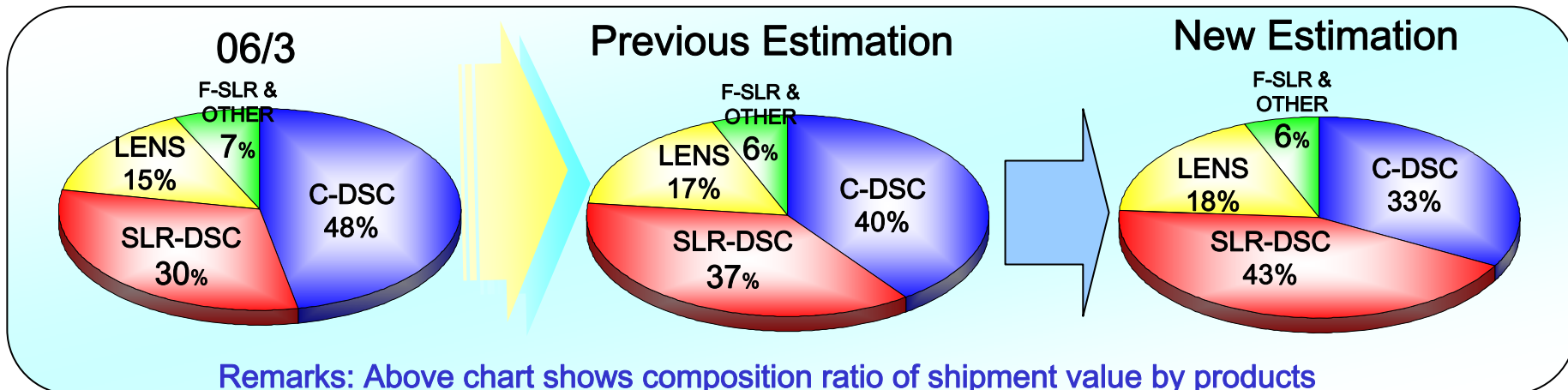
## LCD Steppers & Scanners Sales by Generation



# Estimation for Imaging Company

Cameras & Lenses (1,000 of units solid)		06/3	1st Half		Previous Estimation	1st Half		New Estimation	1st Half	
			2nd Half			2nd Half			2nd Half	
Net Sales (Billions of yen)		416.6	196.4	220.2	410.0	190.0	220.0	426.0	206.3	219.7
Operating Income (Billions of yen)			34.4 8.3%			15.5			18.9	31.0 7.6%
Single-Lens Reflex DSC		1,340	790	550	1,750	850	900	2,000	860	1,140
Compact DSC			7,110			3,410			3,700	7,100
Interchangeable Lenses		2,020	1,180	840	2,100	1,000	1,100	2,200	900	1,300
Market Scale F Y	C-DSC SLR-DSC		63,230 3,940			66,000 5,000			69,000 5,000	

Increasing shipment forecast of SLR-DSC to 2 Million units.

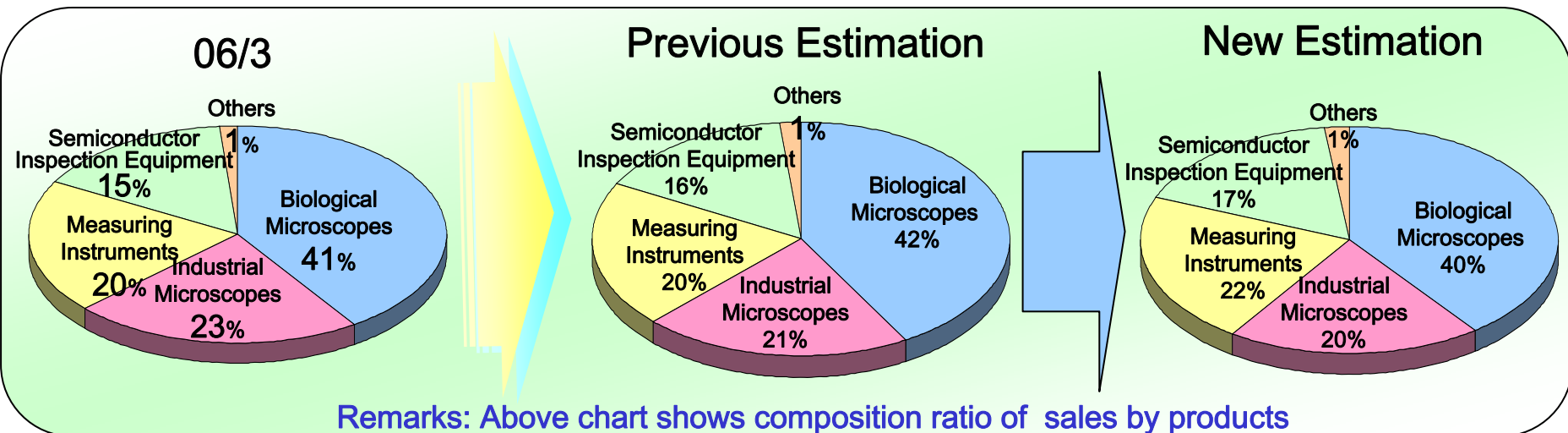




# Estimation for Instruments Company

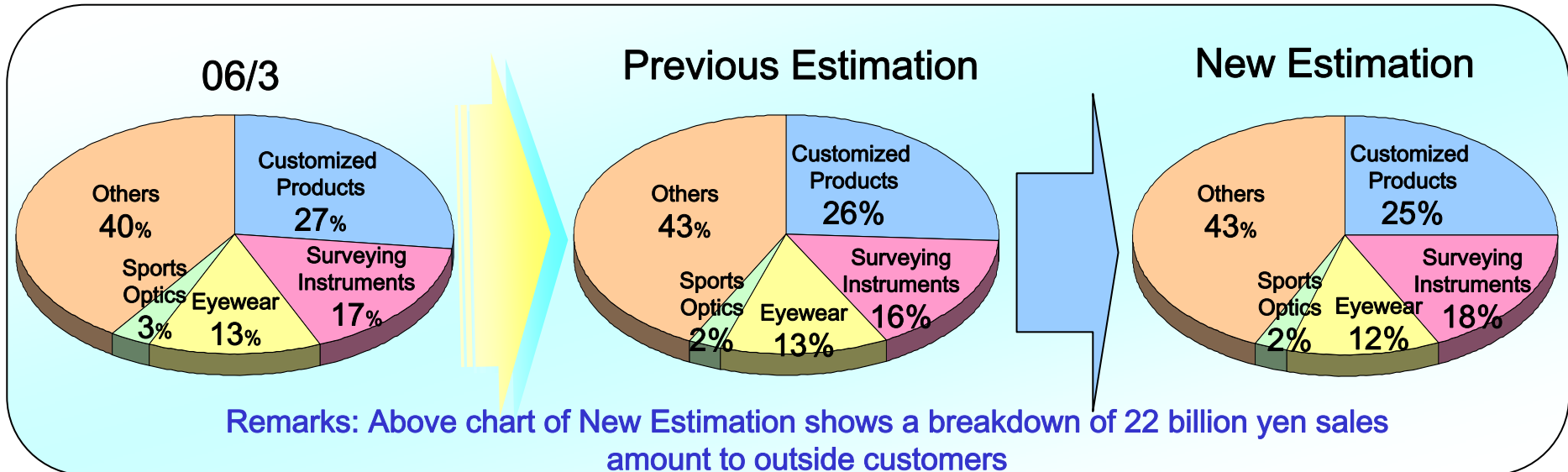
	06/3	1st Half	Previous Estimation	1st Half	New Estimation	1st Half
		2nd Half		2nd Half		2nd Half
Net Sales (Billions of yen)	54.9	24.3	60.0	27.0	60.0	27.3
		30.6		33.0		32.7
Operating Income (Billions of yen)	4.1 7.5%	0.7	5.0 8.3%	1.0	5.0 8.3%	1.0
		3.4		4.0		4.0

Estimating record high Net Sales through sales extension of Biological Microscopes and Measuring Instruments.

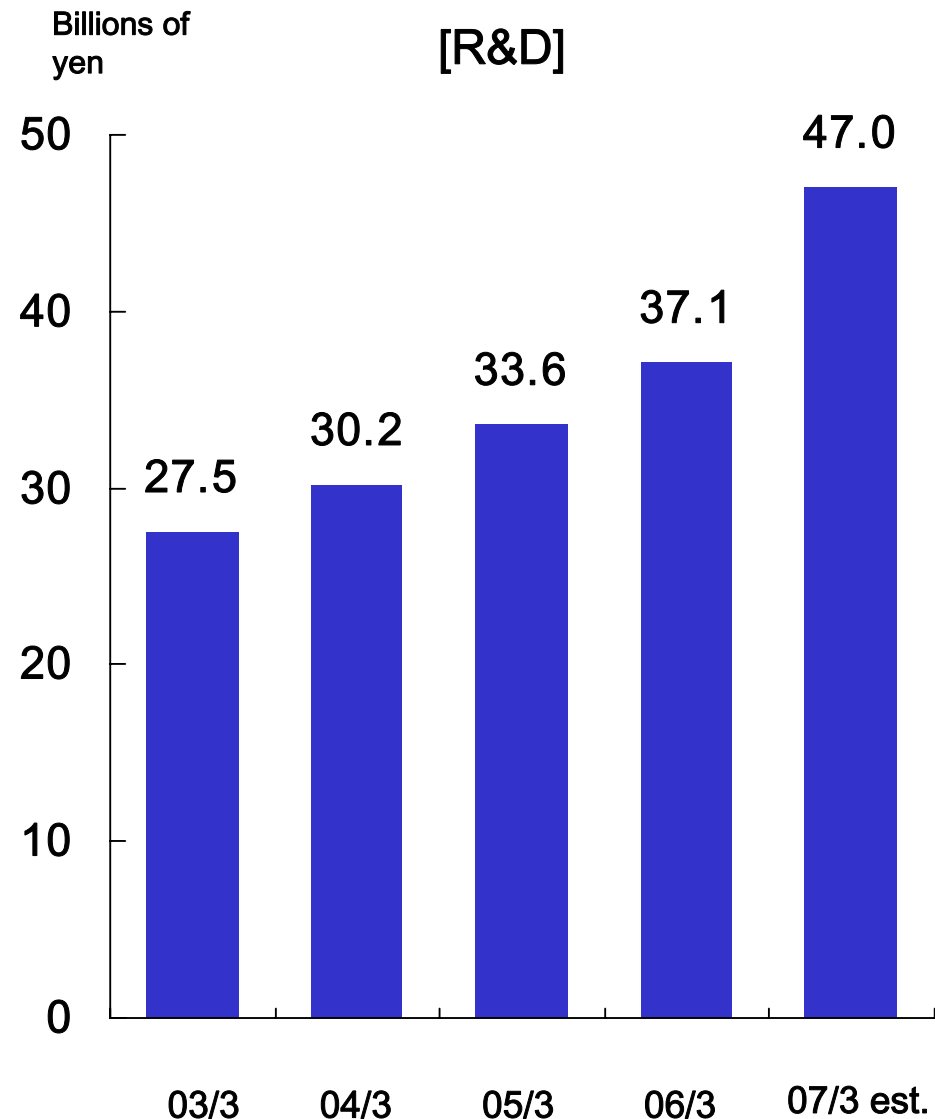
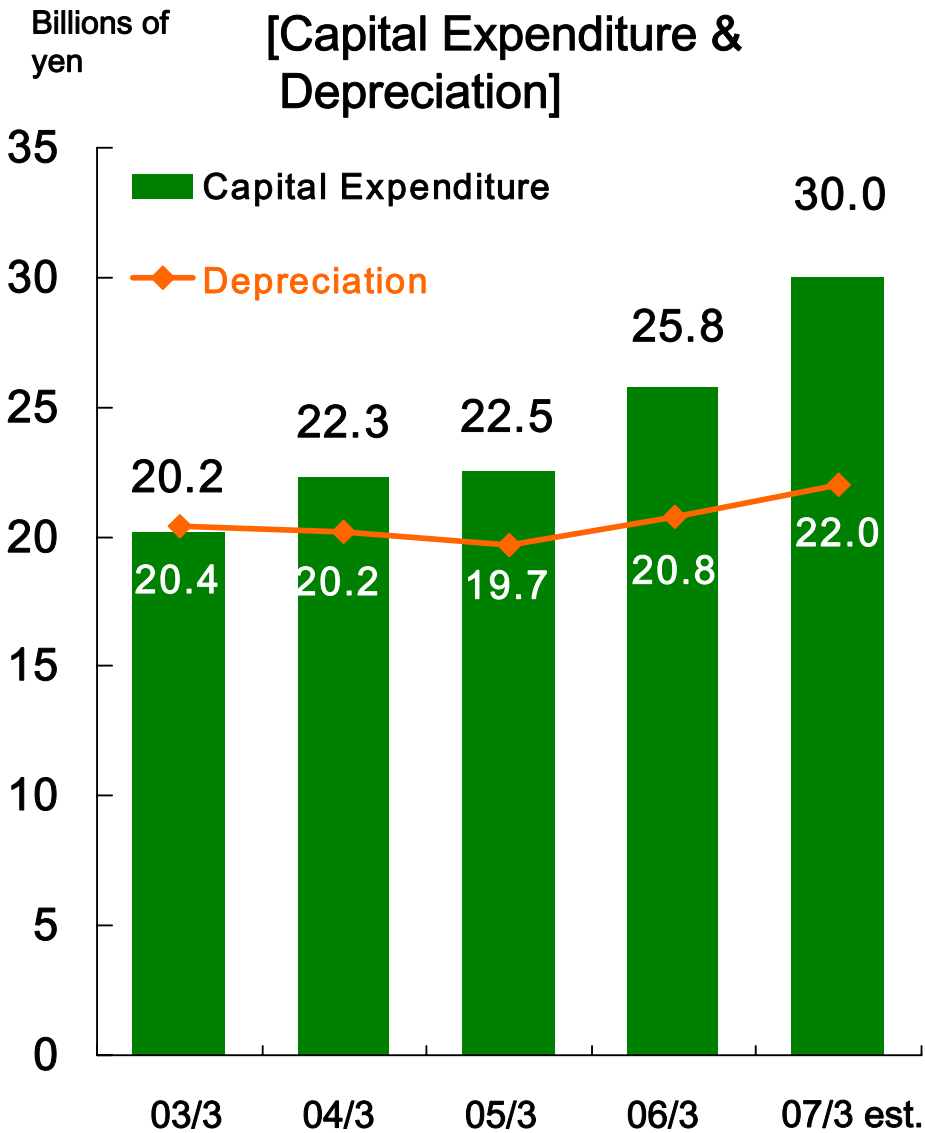


# Estimation for Other Businesses

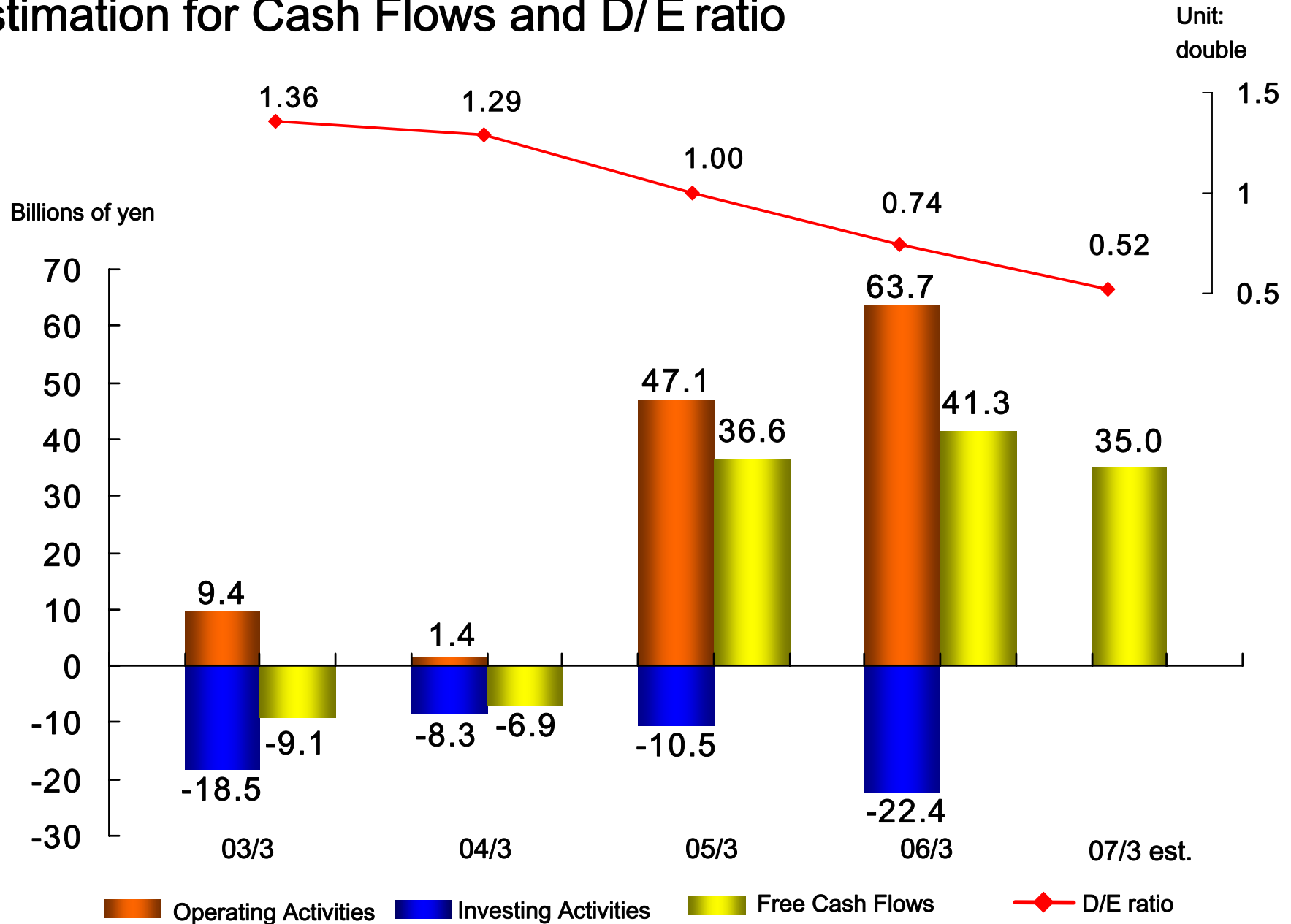
	06/3	1st Half	Previous Estimation	1st Half	New Estimation	1st Half
		2nd Half		2nd Half		2nd Half
Net Sales (Billions of yen)	49.8	22.8	53.0	25.0	54.0	26.3
		27.0		28.0		27.7
Operating Income (Billions of yen)	1.9 3.8%	0.1	1.0 1.9%	1.0	1.0 1.9%	1.1
		1.8		0		-0.1



# Estimation for Capital Expenditure, Depreciation and R&D



# Estimation for Cash Flows and D/E ratio



## Summary of Estimation for the Year Ending March 31,2007

**Estimating record high Net Sales, Operating Income, Ordinary Income and Net Income 2 years in a row .**

**Precision Equipment Company:**

**Estimating record high Net Sales and Operating Income through shifting to the cutting-edge equipment, enhancing competitiveness and accelerating cost reduction in both of IC and LCD steppers and scanners.**

**Imaging Company:**

**Estimating record high Net Sales and Operating Income through strong sales of Single-Lens Reflex DSC and Interchangeable Lenses and achieving further cost reduction.**

**Reducing Interest-bearing debt under 145 Billions of yen.**

**Planning to increase annual cash dividend per share of common stock : 13 yen**

# Agenda

- I . Financial Results for the First Half  
of the Year Ending March 31,2007
- II . Estimation for the Year Ending  
March 31,2007
- III . **Forecasts for the Year Ending  
March 31,2008**
- IV . Reference Data

# Forecasts for the Year Ending March 31,2008

## Keeping up growth in revenue and income of Nikon group

### Precision Equipment Company:

- IC stepper market : Steady growth
- LCD stepper market : Slowdown in the 1st half due to Capex adjustment
- Shift to the cutting-edge equipment in both IC and LCD tools, which is a good opportunity to demonstrate our technology advantage
- Driving further cost reduction through promoting “Bolstering manufacturing innovation” project
- Targeted Net Sales and operating income equivalent to or higher than our estimated performance of the current year

### Imaging Company

- Market forecast
  - # SLR-DSC : 5.6 million units (shipment basis)
  - # C-DSC : 72 million units (shipment basis)
- Reinforcement of both SLR-DSC and C-DSC product lineup with leading-edge technology incorporated and more emphasis on customer satisfaction
- Enhancement of cost competitiveness through promoting “Bolstering manufacturing innovation” project
- Forecast to expand both Net Sales and Operating Income over the current year’s estimated performance by two digits shipment increase of SLR-DSC and C-DSC

### Instrument Company

- Expansion in both Net Sales and Operating Income for achievement of targets in the Medium Term Management Plan



# Agenda

- I . Financial Results for the First Half of the Year Ending March 31,2007
- II . Estimation for the Year Ending March 31,2007
- III . Forecasts for the Year Ending March 31,2008
- IV . Reference Data**



# Exchange Rate

06/9 Actual Result	Exchange Rate		Financial Impact*	
	06/9 Forecast	06/9 Result	Net Sales (Billions of yen)	Operating Income (Billions of yen)
US\$	110	117.90	+ 10.0	+ 1.0
EURO	135	149.77	+ 7.0	+ 2.5
Total			approx. 17.0	approx. 3.5

\*Impact from the previous forecast announced on May 15, 2006

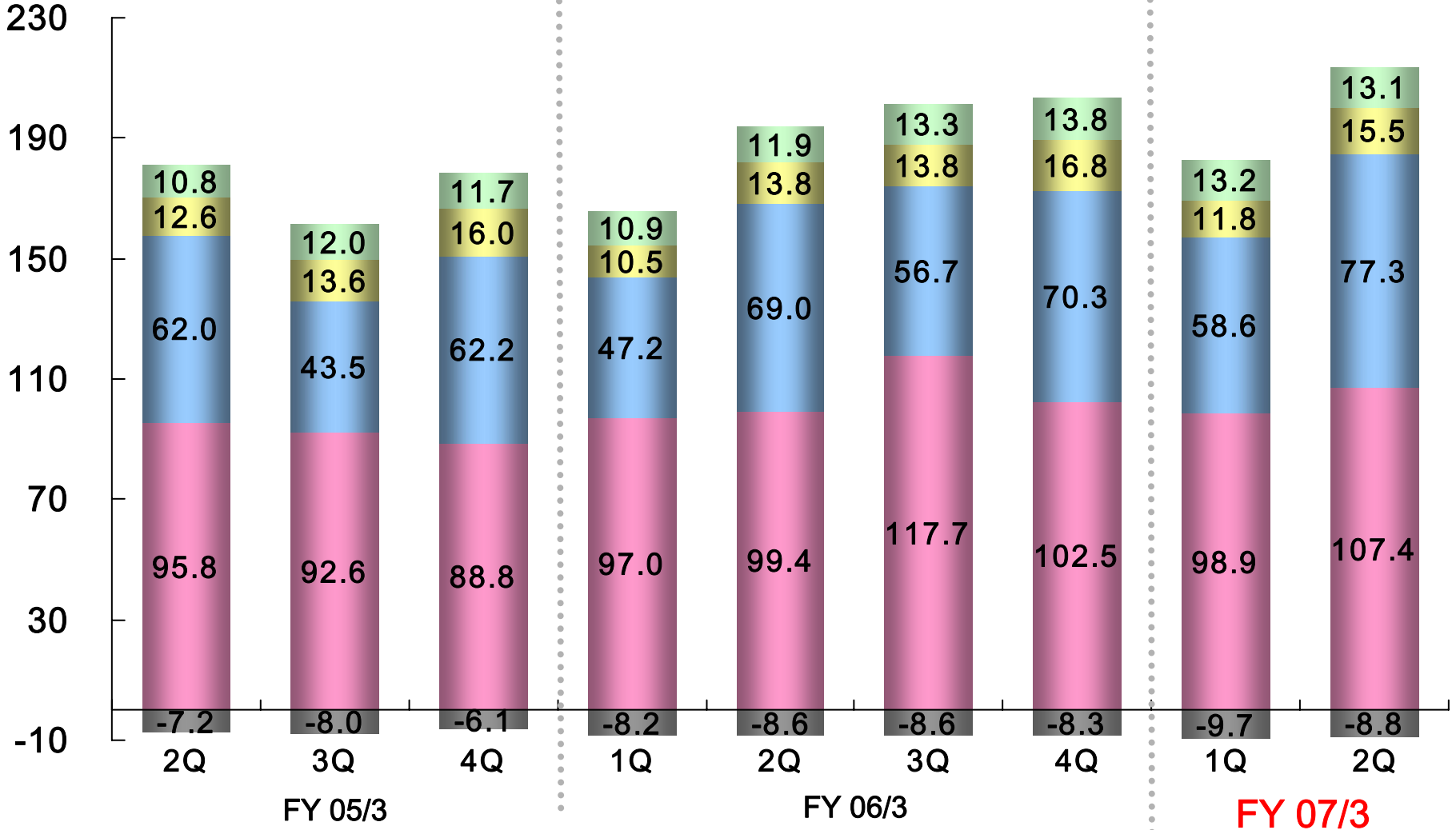
07/3 Estimation	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	07/3 Forecast	Net Sales (Full financial year )	Operating Income (2nd Half)
US\$	110	approx. 1.8 billions of yen	approx. 0.5 billions of yen
EURO	135	approx. 1.0 billions of yen	approx. 0.4 billions of yen

# Earning Estimation for the Year Ending March 31, 2007

Billions of yen		06/3		Previous Estimation		New Estimation	
Operating Income	1st Half	66.6	28.4	73.0	30.0	87.0	44.0
	2nd Half		38.2		43.0		43.0
Non-operating Income		5.2		4.0		5.0	
Non-operating Expenses		28.2		15.0		18.0	
Ordinary Income	1st Half	43.5	20.1	62.0	25.0	74.0	37.1
	2nd Half		23.4		37.0		36.9
Special gain and loss		- 2.6		0		0	
Income Taxes		12.0		25.0		29.0	
Net Income	1st Half	28.9	9.4	37.0	15.0	45.0	23.2
	2nd Half		19.5		22.0		21.8

# Quarterly Net sales by segments

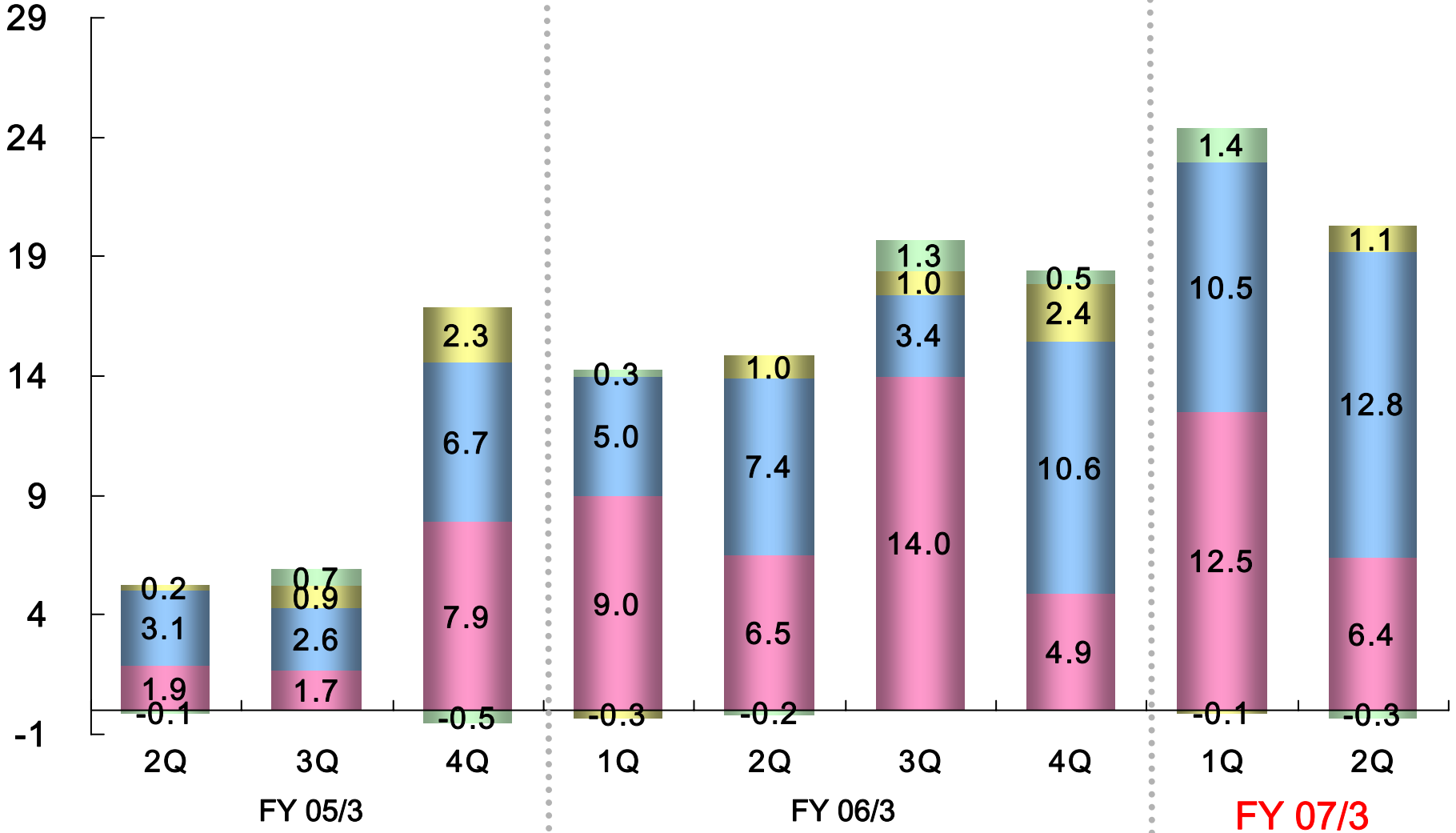
Billions of yen



Imaging Company
  Precision Equipment Company
  Instruments Company
  Other Businesses
  Eliminations or corporate

# Quarterly Operating Income by segments

Billions of yen



Imaging Company
  Precision Equipment Company
  Instruments Company
  Other Businesses