



Nikon Corporation

Summary of Conference in Tokyo for the Financial Results for First Half of Year ending March 31, 2005

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.

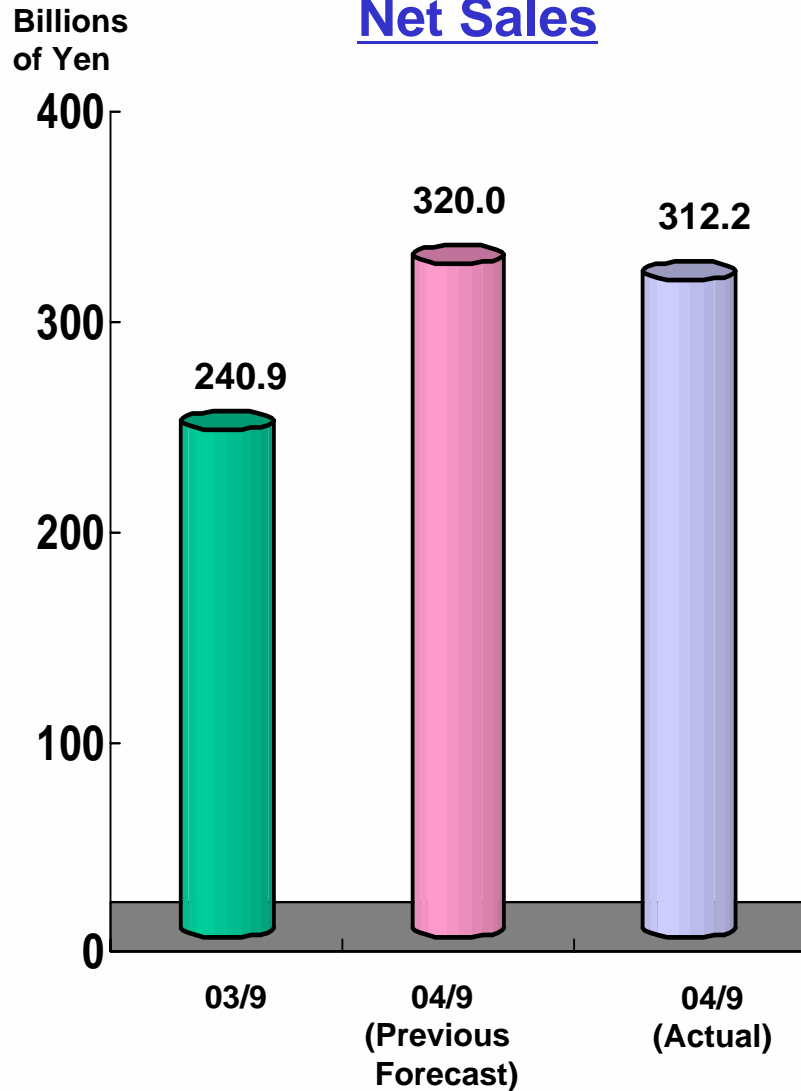


Financial Results for First Half of the Year ending March 31, 2005

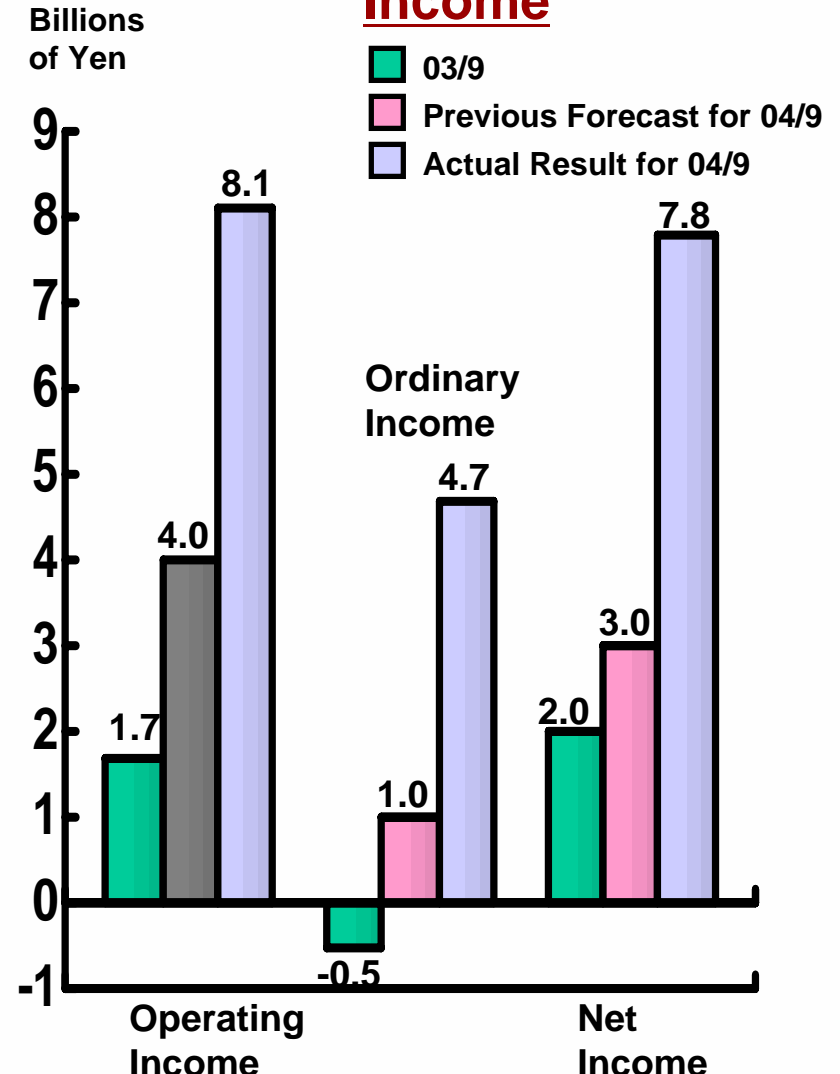


Financial Highlights for First Half of the Year Ending March 31, 2005

Net Sales

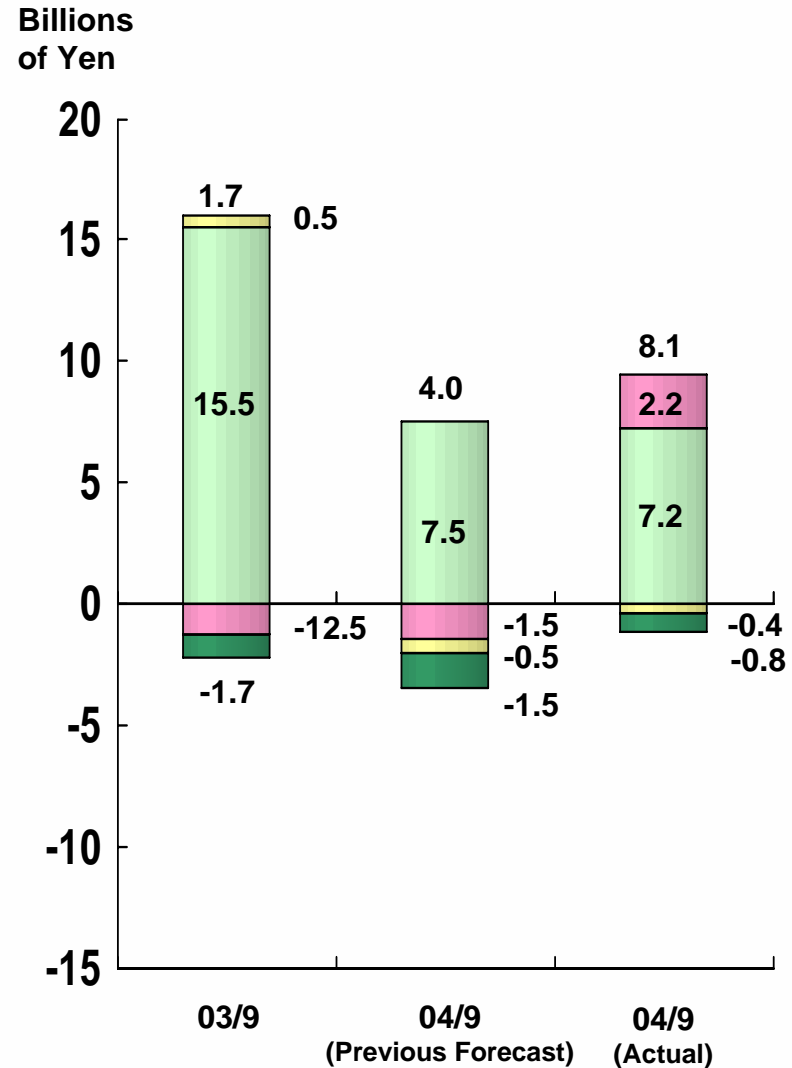
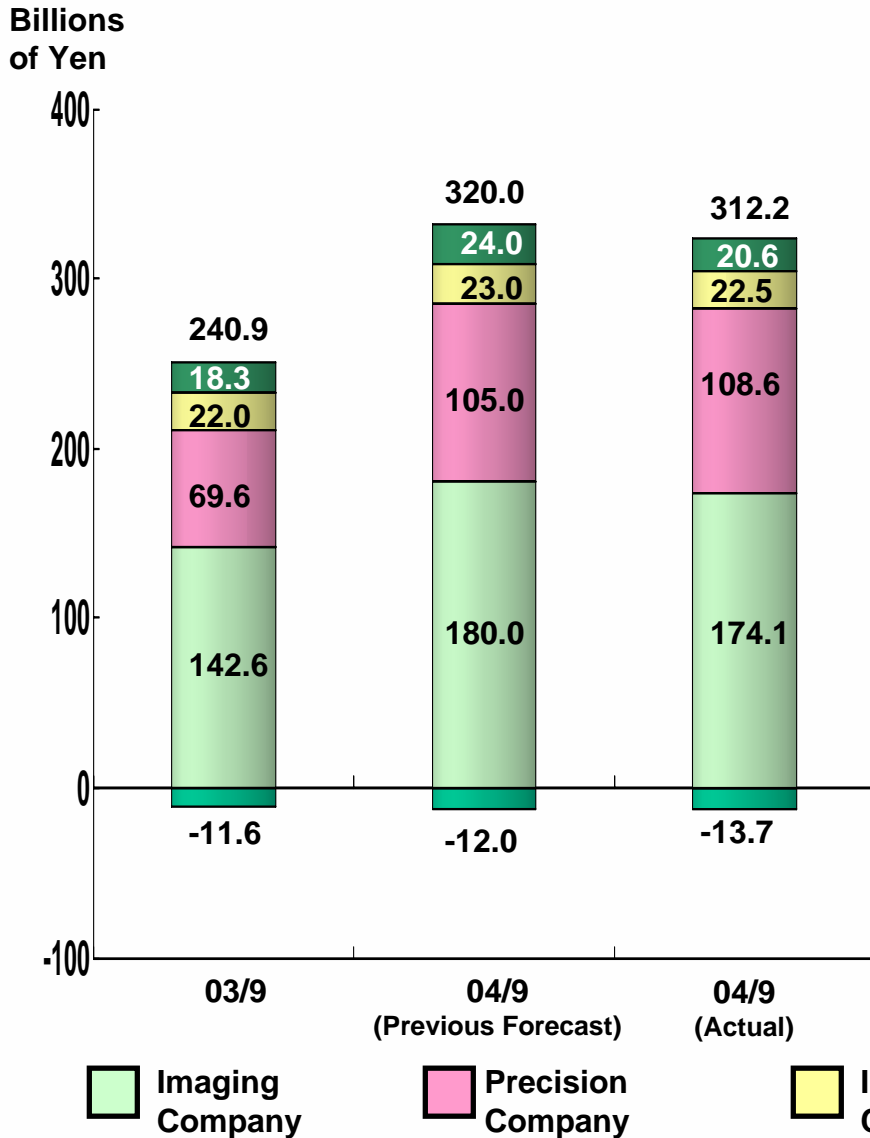


Income





Sales and Operating Income by Segment





Sales Volume of Steppers and Camera Shipments

Steppers (units sold)

	03/9	04/9 Previous Forecast	04/9 Actual Result
New IC Steppers	76	110	109
Refurbished IC Steppers	8	25	34
Total IC Steppers	84	135	143
LCD Steppers	15	40	40
TOTAL	99	175	183

Cameras (10,000 of units sold)

	03/9	04/9 Previous Forecast	04/9 Actual Result
Compact DSC	215	355	300
Single-Lens Reflex DSC	8	55	50
DSC Total	223	410	350
Interchangeable Lenses	61	80	74
Film Single-Lens Reflex Camera	41	19	12
Film Compact Camera	44	4	4



Summary for First Half of the Year ending March 31, 2005

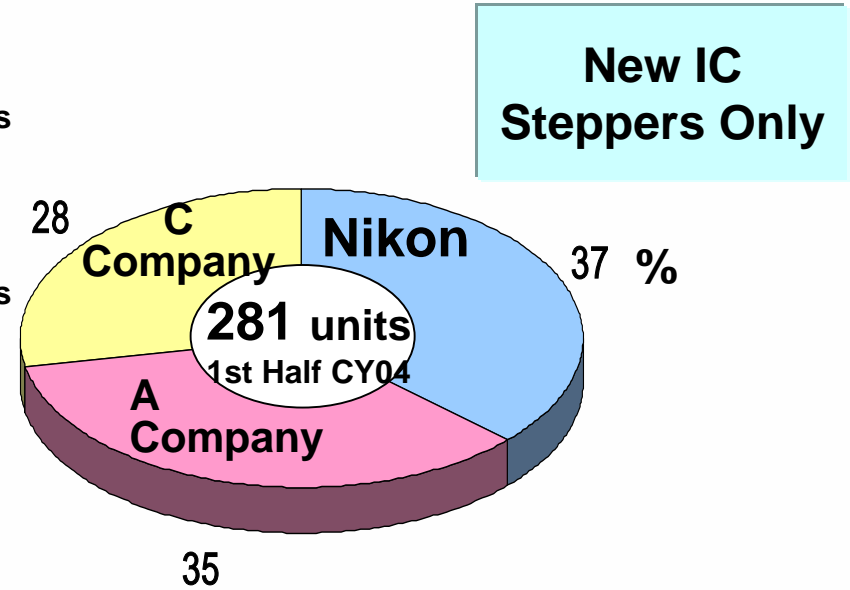
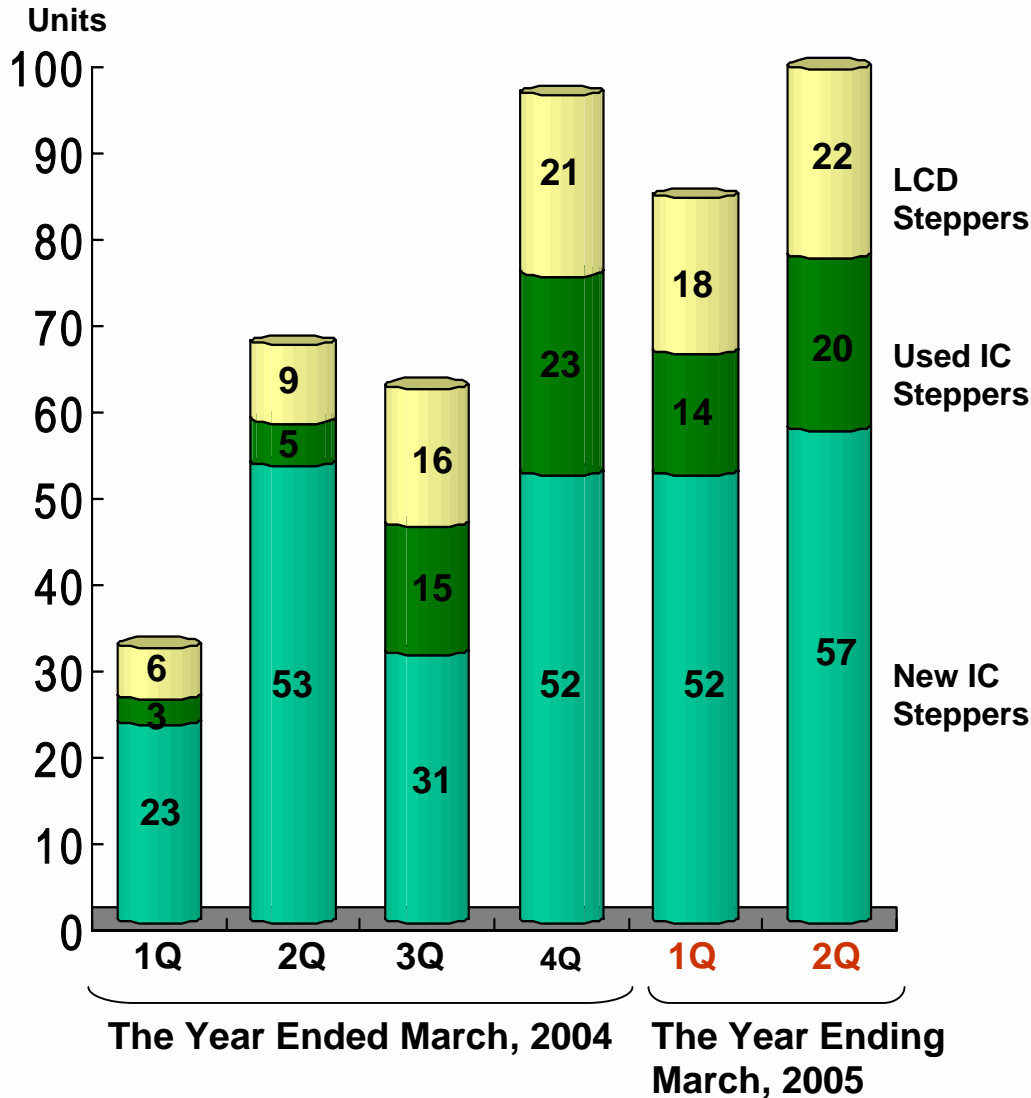
- **Although net sales fell somewhat short of previous forecasts, they still broke all records for interim net sales.**
- **Although the Imaging Company was hit by intensified price competition in Compact DSCs, successful improvements to the Precision Equipment Company offset these losses and, thus, operating income rose above previous forecasts.**
- **The Imaging Company launched production of the Coolpix series in the Chinese factory. The Company increased in-house production of lens units of compact DSCs to 40%. The digital single-lens reflex (SLR) D70 continued its strong performance. Nikon is increasing its production on schedule, and current production of the D70 is roughly 100,000 units per month.**
- **With regard to the Precision Equipment Company, Nikon channeled its efforts to manufacturing of the dry ArF stepper model NSR-S308F (N.A. 0.92 lens) and the development of assessment model for immersion technology to extend the life span of ArF steppers. In addition, Nikon opened the Yokosuka Branch at the Yokohama plant on October 1, as a new development and production site for next-generation LCD steppers.**
- **We reached a basic understanding in September for an amicable settlement with regard to the patent litigation with ASML Holding N.V., which had been ongoing since December 2001, and an official agreement is scheduled to be signed this month. It was determined that Nikon would receive a settlement package of US\$145 million.**



Reference Data for First Half of the Year ending March 31, 2005

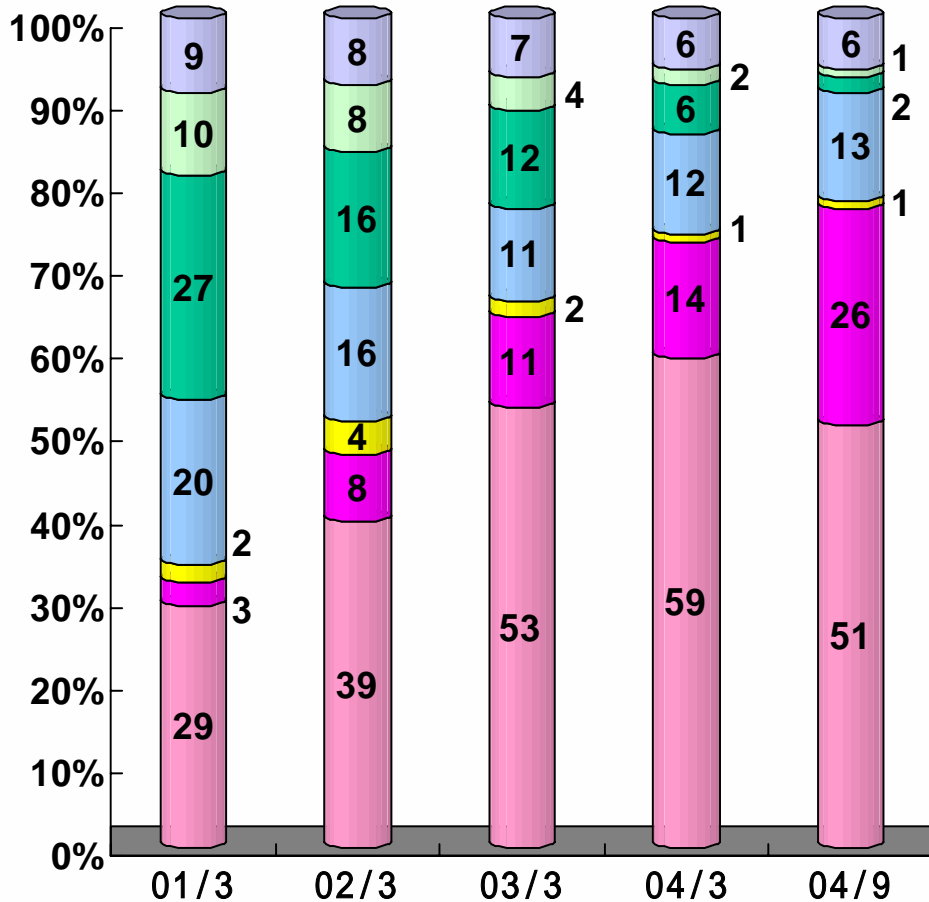


Stepper Sales Volume and Market Share

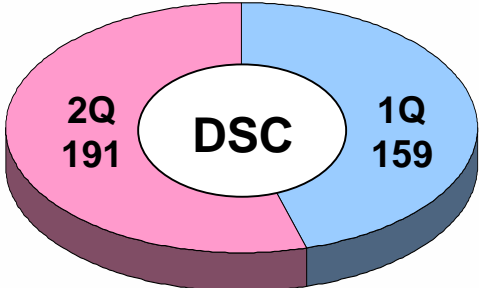




Imaging Company: Sales by Product and DSC Shipments



350 million unit (04/09)



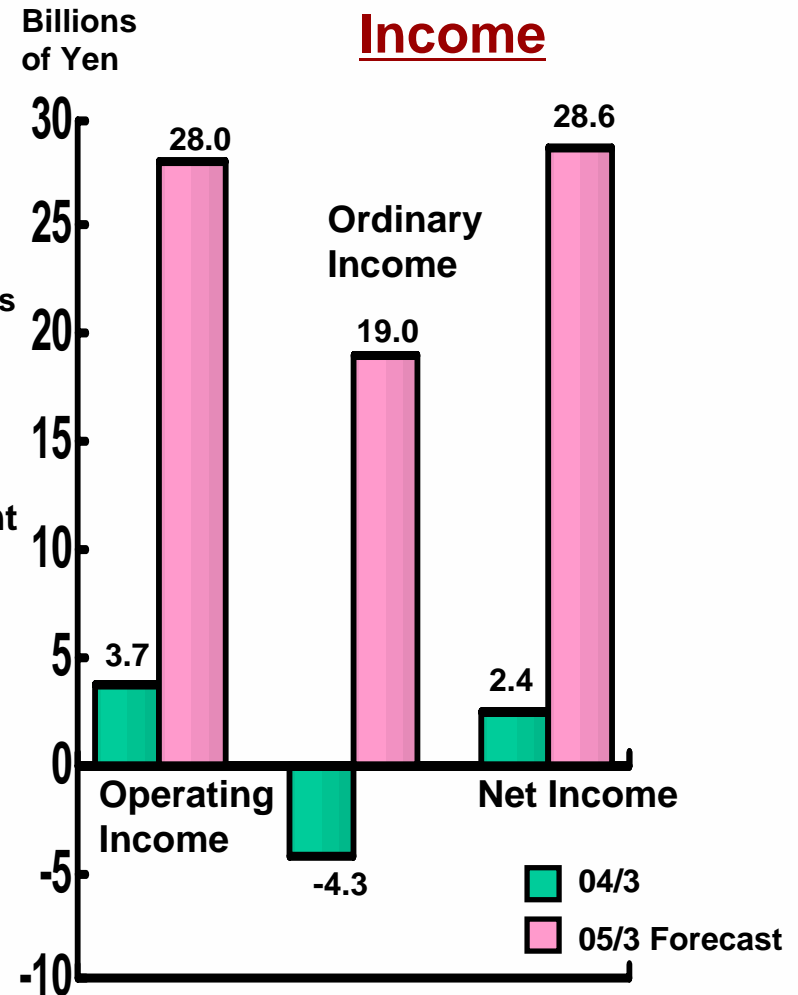
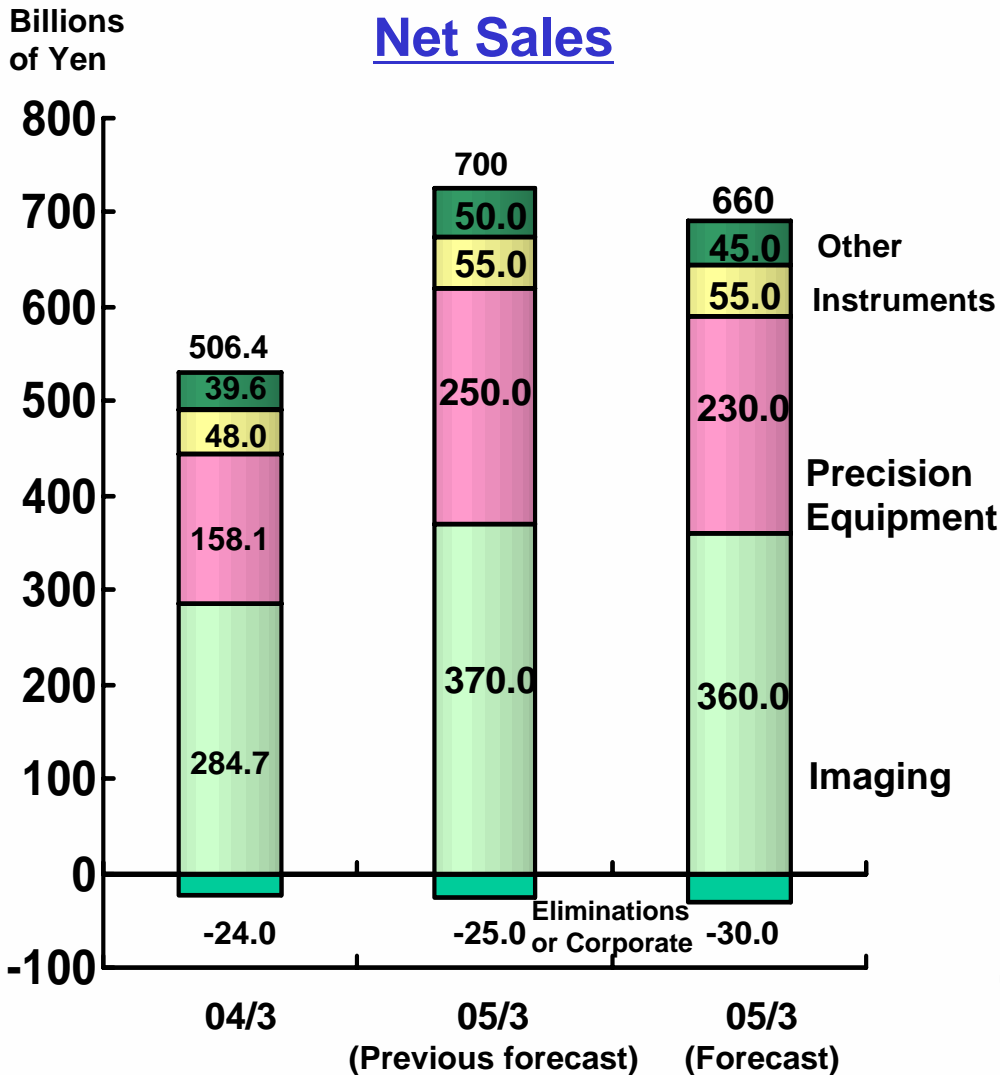
- Digital Compact
- Digital SLR
- Scanner
- Lens
- Film SLR
- Film Compact
- Others



Forecasts for the Year ending March 31, 2005



Performance Forecasts for the Year ending March 31, 2005





Preconditions for Forecasts

(Foreign Exchange Rates, Market Scale, and Other Factors)

Foreign Exchange Rate	Impact Per ¥1 Deviation
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Assumed Rate for the Year Ending March 31, 2005	Net Sales (FY)	Operating Income (2nd Half)
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US\$	¥107	¥1.6 billion	¥300 million
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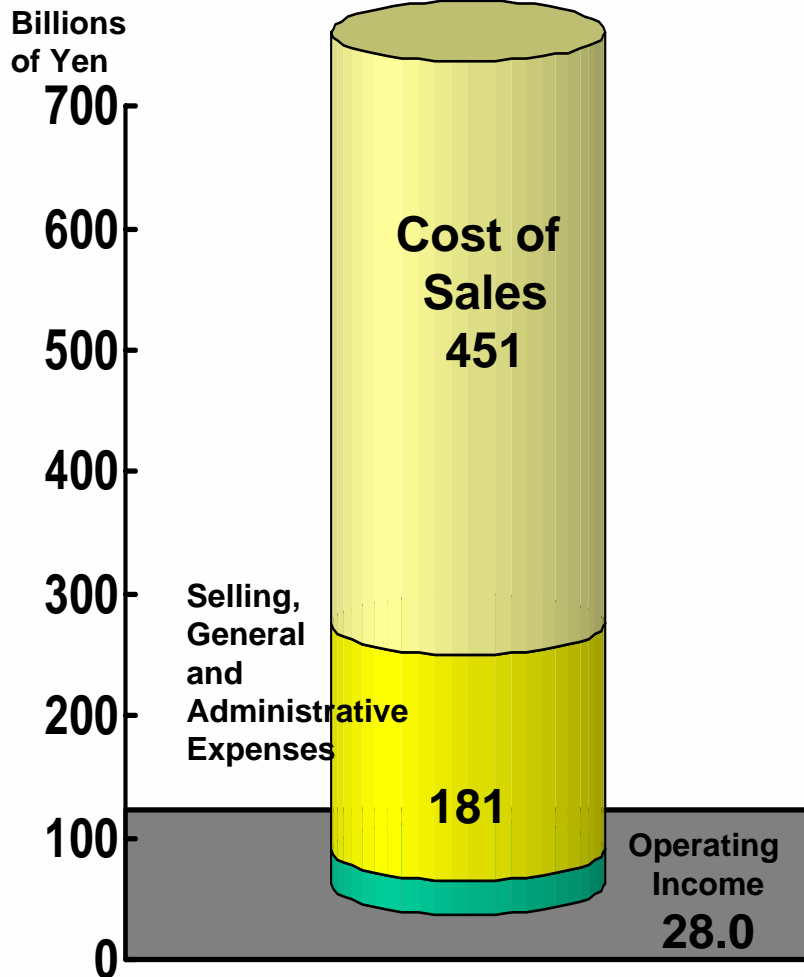
Euro	¥128	¥1.1 billion	¥200 million
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New IC Steppers	LCD Steppers	Compact DSC	Single-Lens Reflex DSC
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Market Scale 04CY	550 Units	160-180 Units	Market Scale 05FY	59.5 million units	2.5 million units
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Earnings Forecasts for the Year ending March 31, 2005

Net Sales: 660
 312.2 in the 1st half, and
 347.8 in the 2nd half of the FY 2005



Operating Income	1 st Half	¥28 billion	¥8.1 billion
	2 nd Half		¥19.9 billion
Non-Operating Income		6.0	
Non-Operating Expenses		15.0	
Ordinary Income	1 st Half	¥19 billion	¥4.7 billion
	2 nd Half		¥14.3 billion
Extraordinary Income		21.0	
Income Taxes		11.4	
Net Income	1 st Half	¥28.6 billion	¥7.8 billion
	2 nd Half		¥20.8 billion

Patent Dispute Against ASML

Details of the Resolution of the Case Are as Follows

Provisions of Settlement

- The Settlement includes a payment to Nikon by ASML and Carl Zeiss SMT of a combined total of US\$145 million (approx. 16 billion JPY)
- A comprehensive cross-license of patents related to lithography equipment used to manufacture semiconductor devices

ASML	Carl Zeiss SMT
US\$87 million	US\$58 million
US\$60 million (2004)	US\$40 million (2004)
US\$9 million (2005)	US\$ 6 million (2005)
US\$9 million (2006)	US\$ 6 million (2006)
US\$9 million (2007)	US\$ 6 million (2007)

December 2001

Filed a patent infringement action against ASML in the U.S. International Trade Commission (ITC) and the US District Court for the Northern California.

May 2003

Filed a Notice of Appeal to the US Court of Appeals for the Federal Circuit for the U.S. ITC decision against ASML.

August 2004

Carl Zeiss SMT joins in the case.

September 2004

Nikon, ASML and Carl Zeiss SMT sign memorandum of understanding providing for cross licenses of patents and settlement of legal proceedings.

November 2004

Planned to sign the official agreement.



Summary of Forecasts for the Year ending March 31, 2005

“A Year: Making a Turnaround for Giant Strides”

- **Net sales projected to decline due to downward revisions for expected sales volumes of steppers and DSCs, but they will still break all previous records for net sales.**
- **Despite downgraded forecasts for net sales, Nikon expects to achieve its previous operating income projection of ¥28 billion thanks to enhanced profitability through cost-cutting initiatives.**
- **The Imaging Company will maintain its top share for digital SLR cameras propelled by on ongoing growth in the camera market, and the Company has started in-house production of compact DSCs in China.**
- **At the Precision Equipment, Nikon will realize a clear advantage in dry and immersion ArF technology, and will promote structural reform. In addition, Nikon will get a head start on the manufacture of next-generation machinery and steer its LCD stepper production activities to take advantage of all business opportunities.**
- **With proceeds from the settlement from the patent litigation with ASML and Carl Zeiss SMT, Nikon will record US\$145 million as extraordinary income in the second half of the current fiscal year. This amount will be calculated in a lump sum, making Nikon’s net income the highest ever.**
- **Dividends per share paid to shareholders are ¥4 for the interim period and are planned to be ¥8 for the year.**



Forecasts for the Year ending March 31, 2006



Precision Equipment

	IC Steppers	LCD Steppers
Market Forecast	600 units (500 new, 100 used)	110 to 130 units
Sales Volume Forecast	In Line with Current Period	Approximately 30% Decline from Current Period
Net Sales	Increased	Decreased
Operating Income	Increased	Decreased

Imaging

	Digital Compact Camera	Single-Lens Reflex type Digital Camera
Market Forecast	70 million units	4 million units
Sales Volume Forecast	Up 10% from Current Period	Up 50% from Current Period
Net Sales	Flat	Increased
Operating Income	Increased	Increased

The market forecast of steppers is for the calendar year; other forecasts are for the fiscal year.