



# Financial Results for the 2nd Quarter of the Year Ending March 31, 2010

Conference in Tokyo (Nov.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 Half  
of the Year Ending March 31, 2010**
- II . **Estimation for the Year Ending  
March 31, 2010**
- III . **Reference Data**

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



Billions of yen	08/9 (A)	Previous Forecast as of August 5, 2009 (B)	09/9 (C)	Change (C-A)	Change (C-B)
<b>Net Sales</b>	<b>487.1</b>	<b>340.0</b>	<b>368.1</b>	<b>- 119.0</b>	<b>+ 28.1</b>
<b>Operating Income</b> % vs Net Sales	<b>54.1</b> 11.1%	<b>- 32.0</b> -%	<b>- 19.5</b> -%	<b>- 73.6</b>	<b>+ 12.5</b>
<b>Ordinary Income</b> % vs Net Sales	<b>53.1</b> 10.9%	<b>- 36.0</b> -%	<b>- 22.3</b> -%	<b>- 75.4</b>	<b>+ 13.7</b>
<b>Net Income</b> % vs Net Sales	<b>33.6</b> 6.9%	<b>- 29.0</b> -%	<b>- 17.7</b> -%	<b>- 51.3</b>	<b>+ 11.3</b>
<b>Exchange : US\$ Rate      EURO</b>	<b>106 163</b>	<b>96 129</b>	<b>96 133</b>	<b>Impact on Net Sales: - 49.1</b>	<b>Impact on Net Sales: + 3.9</b>
				<b>Op. Income: - 26.2</b>	<b>Op. Income: + 1.3</b>

Decline by 24% in revenue on y / y basis. Operating Income recorded loss due to disposal and write-down of inventory amounting to a bit less than 30 billion yen as planned in the Precision Equipment business. Compared to the previous estimation, Net Sales increased by 8 % thanks to good sales of the Imaging business, which resulted in lower operating loss.

# Financial Highlights for the 2<sup>nd</sup> Quarter of the Year Ending March 31, 2010



Billions of yen	08/9 (A)	Previous Forecast as of August 5, 2009 (B)	09/9 (C)	Change (C-A)	Change (C-B)
<b>Net Sales</b>	<b>249.3</b>	<b>164.9</b>	<b>192.9</b>	<b>- 56.4</b>	<b>+ 28.0</b>
<b>Operating Income</b> % vs Net Sales	<b>25.3</b> 10.1%	<b>- 32.7</b> -%	<b>- 20.3</b> -%	<b>- 45.6</b>	<b>+ 12.4</b>
<b>Ordinary Income</b> % vs Net Sales	<b>24.0</b> 9.6%	<b>- 34.7</b> -%	<b>- 21.0</b> -%	<b>- 45.0</b>	<b>+ 13.7</b>
<b>Net Income</b> % vs Net Sales	<b>15.7</b> 6.3%	<b>- 25.0</b> -%	<b>- 13.7</b> -%	<b>- 29.4</b>	<b>+11.3</b>
<b>Exchange : US\$ Rate           EURO</b>	<b>108 162</b>	<b>95 125</b>	<b>94 134</b>	<b>Impact on Net Sales: - 27.9 Op. Income: - 12.5</b>	<b>Impact on Net Sales: + 3.9 Op. Income: + 1.3</b>

# Precision Equipment Company: 1<sup>st</sup> Half

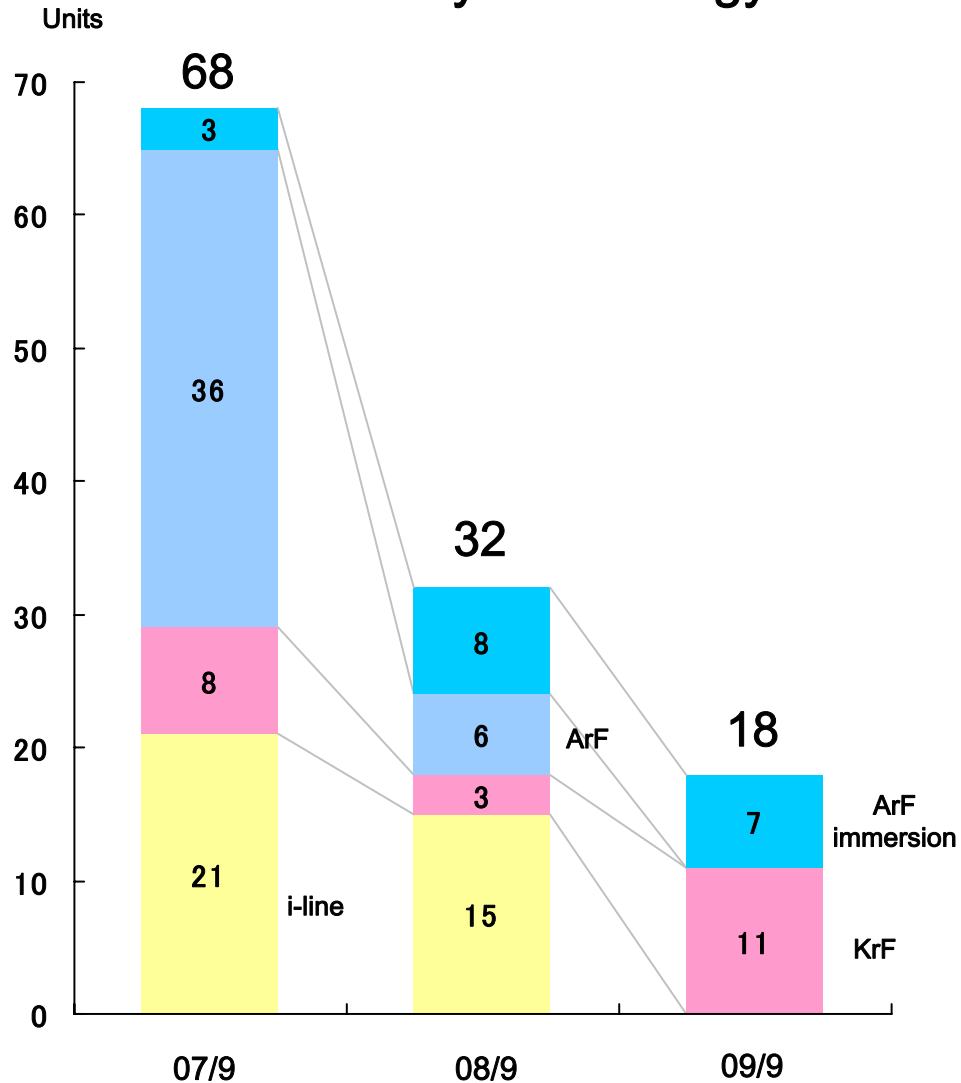


Billions of yen	08/9 (A)	Previous Forecast as of August 5, 2009 (B)	09/9 (C)	Change (C-A)	Change (C-B)
<b>Net Sales</b>	117.2	64.0	66.3	- 50.9	+ 2.3
<b>Operating Income</b> % vs Net Sales	12.2 10.4%	- 45.5 -%	- 44.0 -%	- 56.2	+ 1.5
<b>IC Steppers &amp; Scanners New / Refurbished (units sold)</b>	32/10	18/3	18/4	-14/ -6	0/ +1
<b>LCD Steppers &amp; Scanners (units sold)</b>	37	15	16	-21	+1

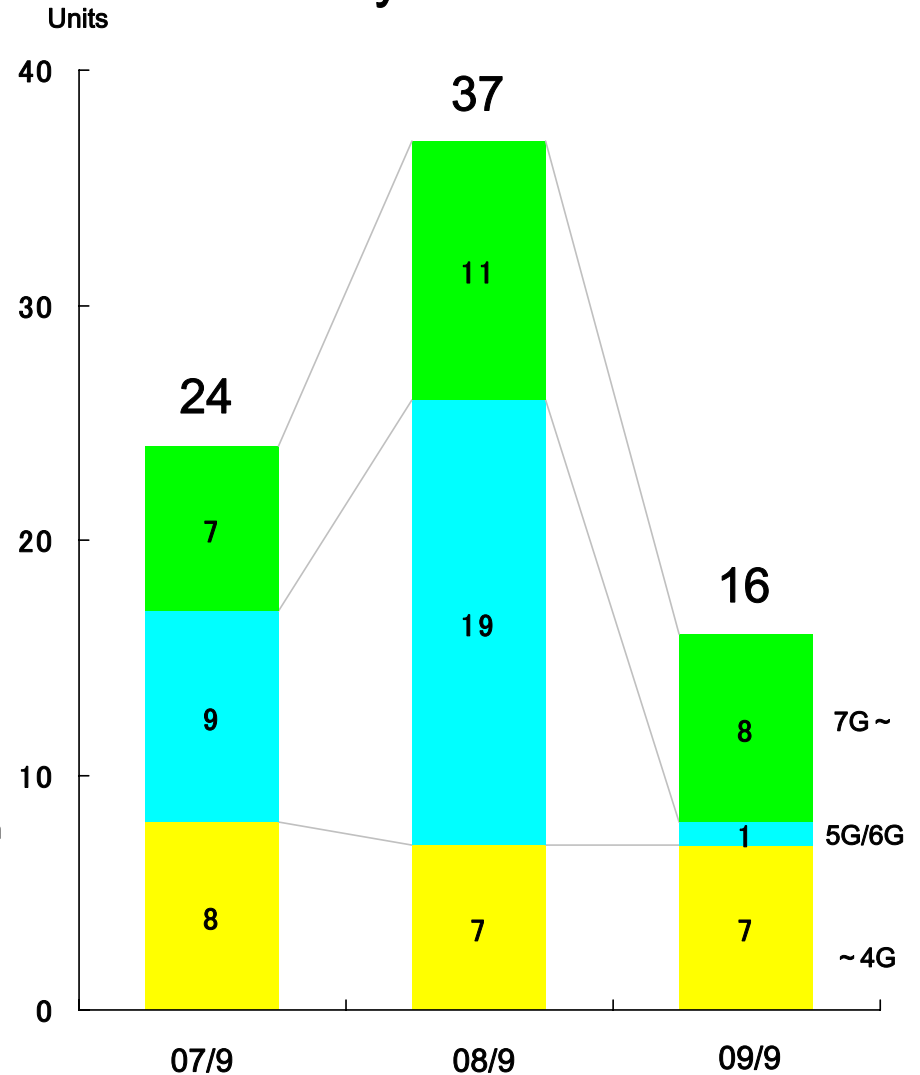
Sales volume declined by 40% for IC Steppers & Scanners and 60% for LCD Steppers & Scanners compared to the previous year due to market stagnation. Disposal and write-down of inventory has been implemented as planned. Net Sales and Operating Income were slightly higher than the previous estimation.



## IC Steppers & Scanners Sales by Technology



## LCD Steppers & Scanners by Generation



# Imaging Company: 1<sup>st</sup> Half

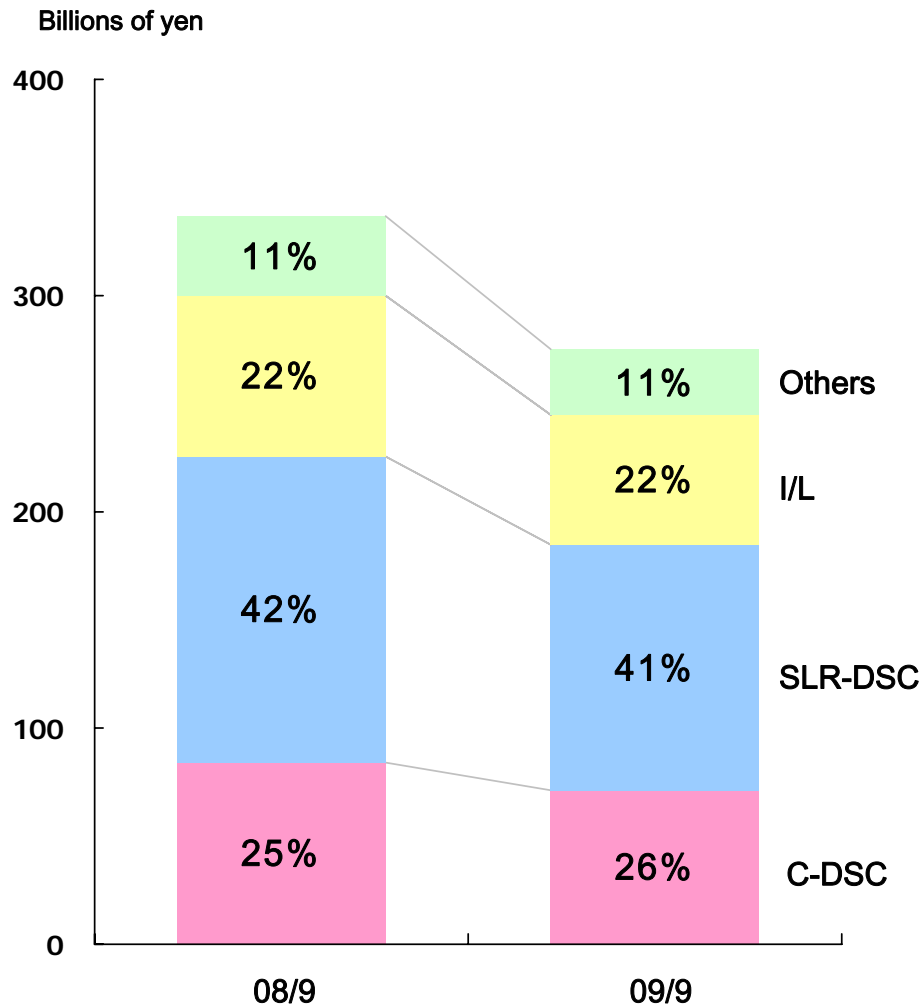


Billions of yen	08/9 (A)	Previous Forecast as of August 5, 2009 (B)	09/9 (C)	Change (C-A)	Change (C-B)
<b>Net Sales</b>	<b>337.2</b>	<b>250.0</b>	<b>275.3</b>	<b>- 61.9</b>	<b>+ 25.3</b>
<b>Operating Income</b> % vs Net Sales	<b>42.0</b> 12.5%	<b>18.0</b> 7.2%	<b>26.5</b> 9.6%	<b>- 15.5</b>	<b>+ 8.5</b>
<b>Single-Lens Reflex DSC</b> (1,000 of units sold)	<b>1,740</b>	<b>1,650</b>	<b>1,660</b>	<b>- 0.8</b>	<b>+ 0.1</b>
<b>Interchangeable Lenses</b> (1,000 of units sold)	<b>2,450</b>	<b>2,400</b>	<b>2,450</b>	<b>0</b>	<b>+ 0.5</b>
<b>Compact DSC</b> (1,000 of units sold)	<b>5,060</b>	<b>5,000</b>	<b>5,130</b>	<b>+ 0.7</b>	<b>+ 1.3</b>

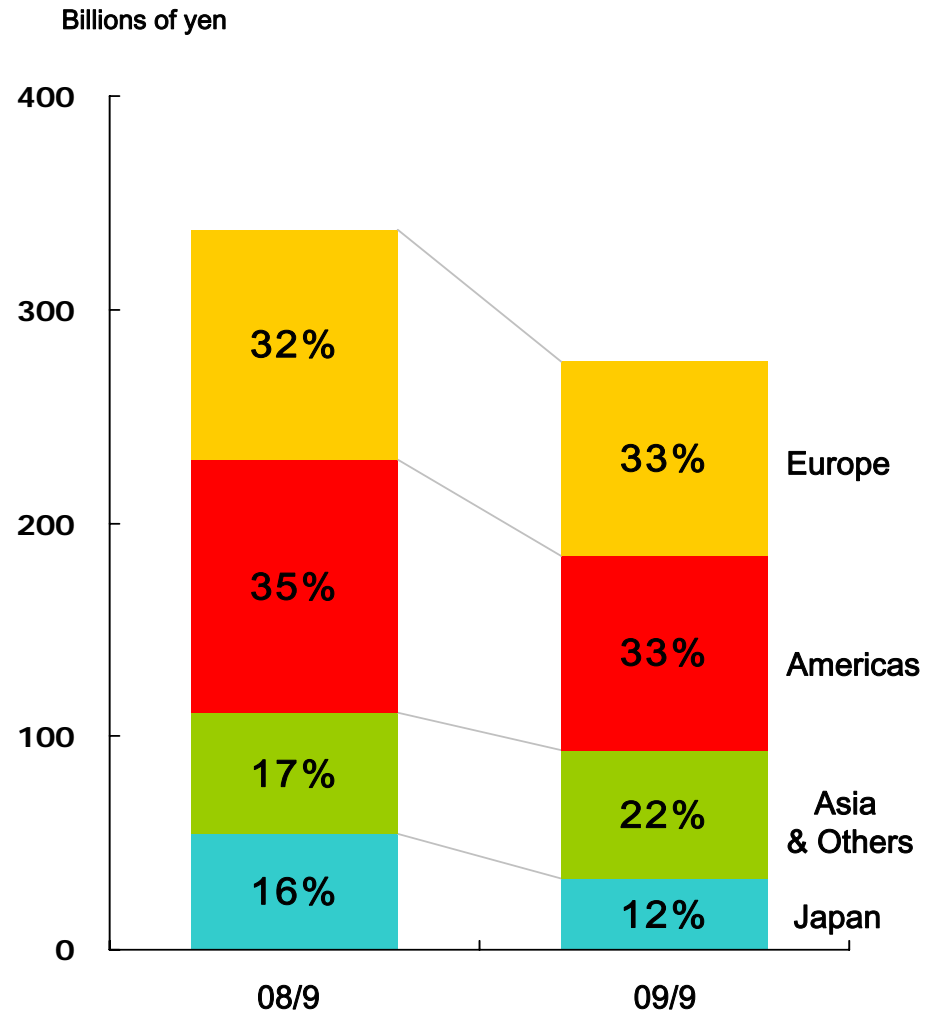
Net Sales and Operating Income were lower than the previous year due to deterioration of market condition and appreciation of Yen while sales volume improved to the previous year level. Net Sales and Operating Income achieved higher results than the previous estimation thanks to improved sales mix of products and lower exchange rate of Yen than estimation.



## Sales value by Products



## Sales value by Region

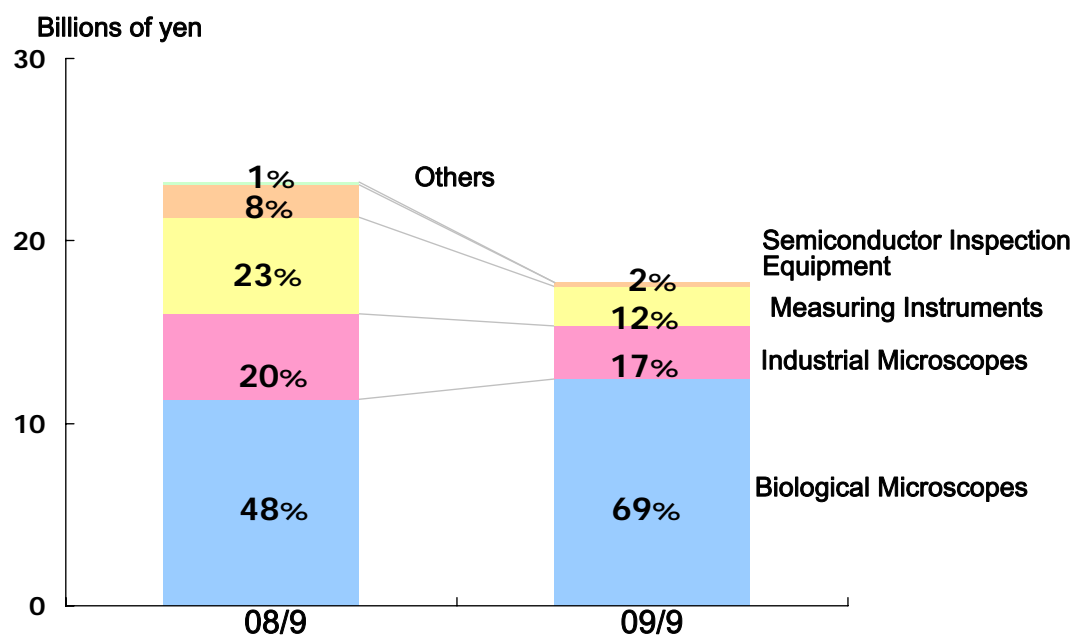




# Instruments Company : 1<sup>st</sup> Half



Billions of yen	08/9 (A)	Previous Forecast as of August 5, 2009 (B)	09/9 (C)	Change (C-A)	Change (C-B)
<b>Net Sales</b>	<b>23.2</b>	<b>18.0</b>	<b>17.8</b>	<b>- 5.4</b>	<b>- 0.2</b>
<b>Operating Income</b> % vs Net Sales	<b>- 1.3</b> -%	<b>- 3.5</b> -%	<b>- 2.6</b> -%	<b>- 1.3</b>	<b>+ 0.9</b>

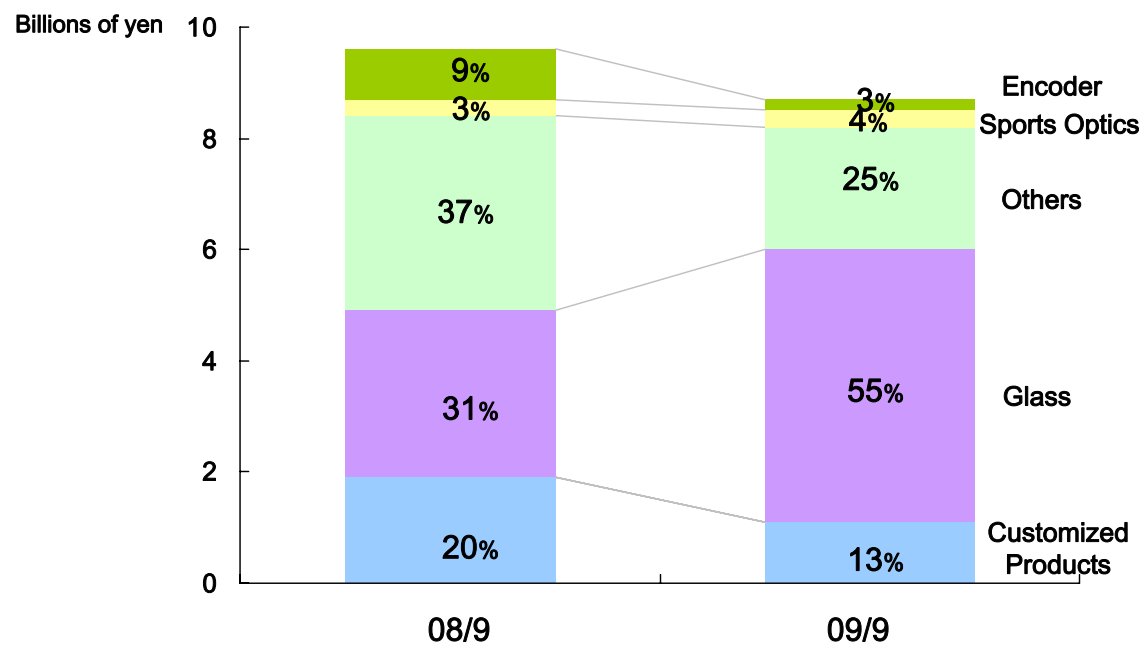


In comparison with the previous year, Biological Microscope business achieved higher sales although Industrial Equipment business sales declined by half.

# Other Business : 1<sup>st</sup> Half



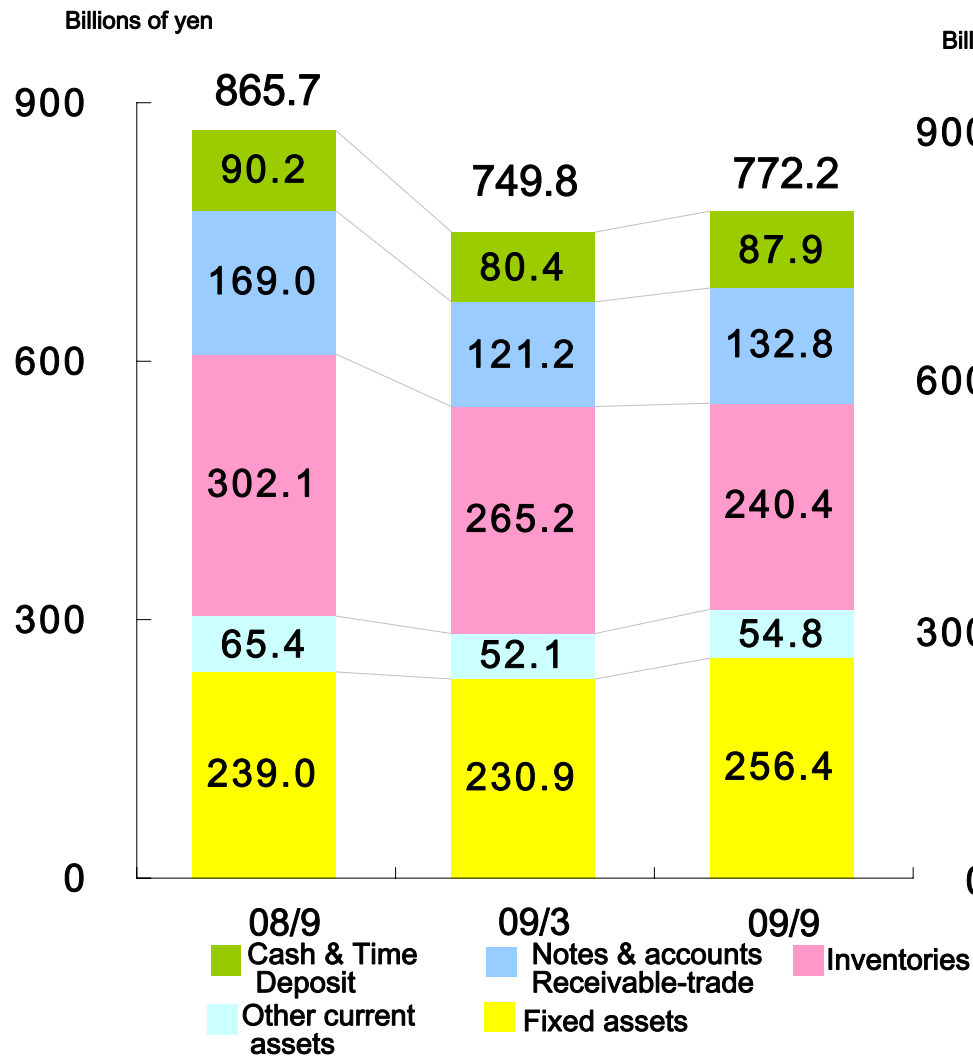
Billions of yen	08/9 (A)	Previous Forecast as of August 5, 2009 (B)	09/9 (C)	Change (C-A)	Change (C-B)
<b>Net Sales</b>	<b>9.6</b>	<b>8.0</b>	<b>8.7</b>	<b>- 0.9</b>	<b>+ 0.7</b>
<b>Operating Income</b> % vs Net Sales	<b>1.5</b> 15.6%	<b>- 1.0</b> -%	<b>0.5</b> 5.7%	<b>-1.0</b>	<b>+ 1.5</b>



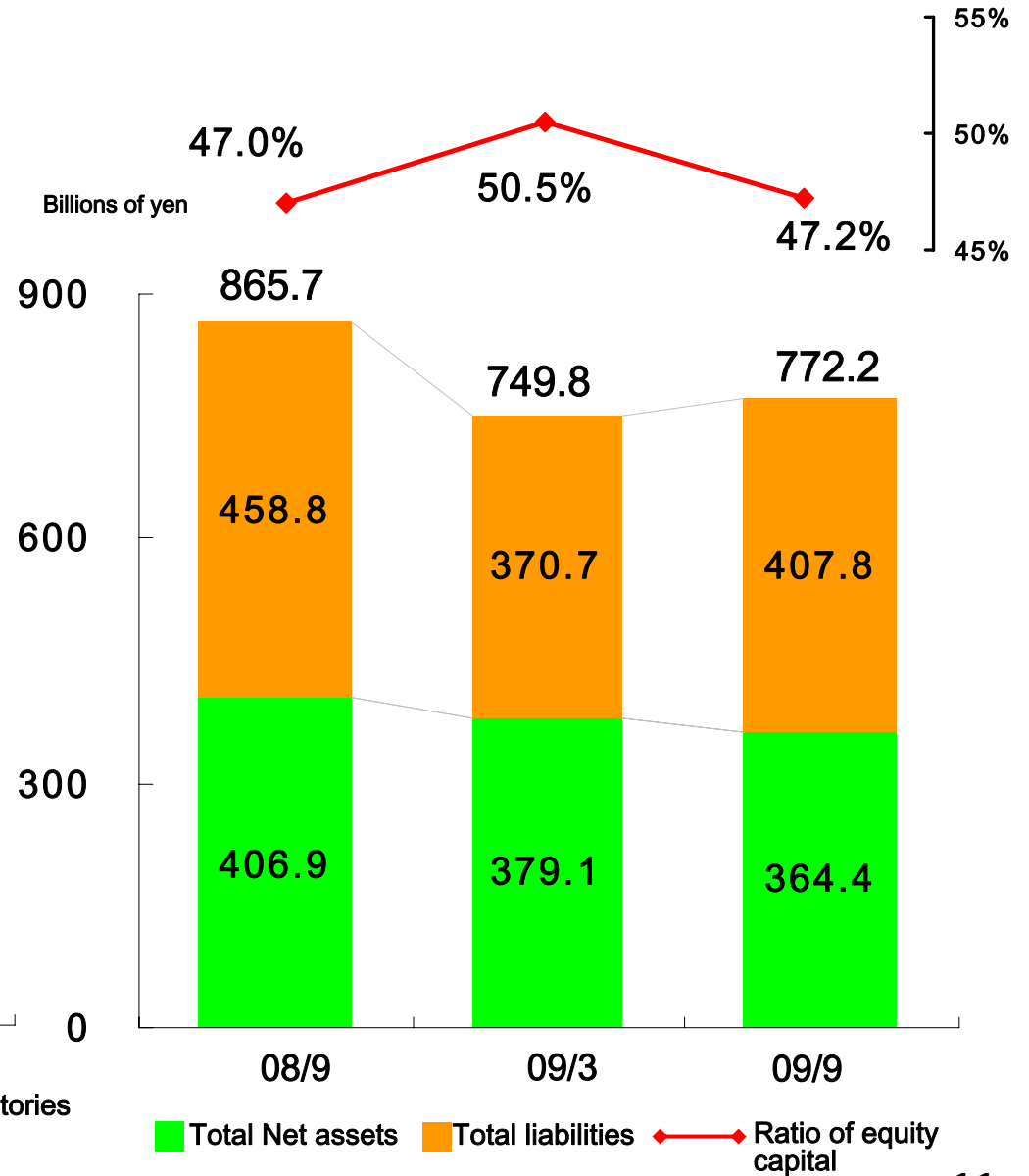
# Balance Sheet : 1<sup>st</sup> Half



## Assets



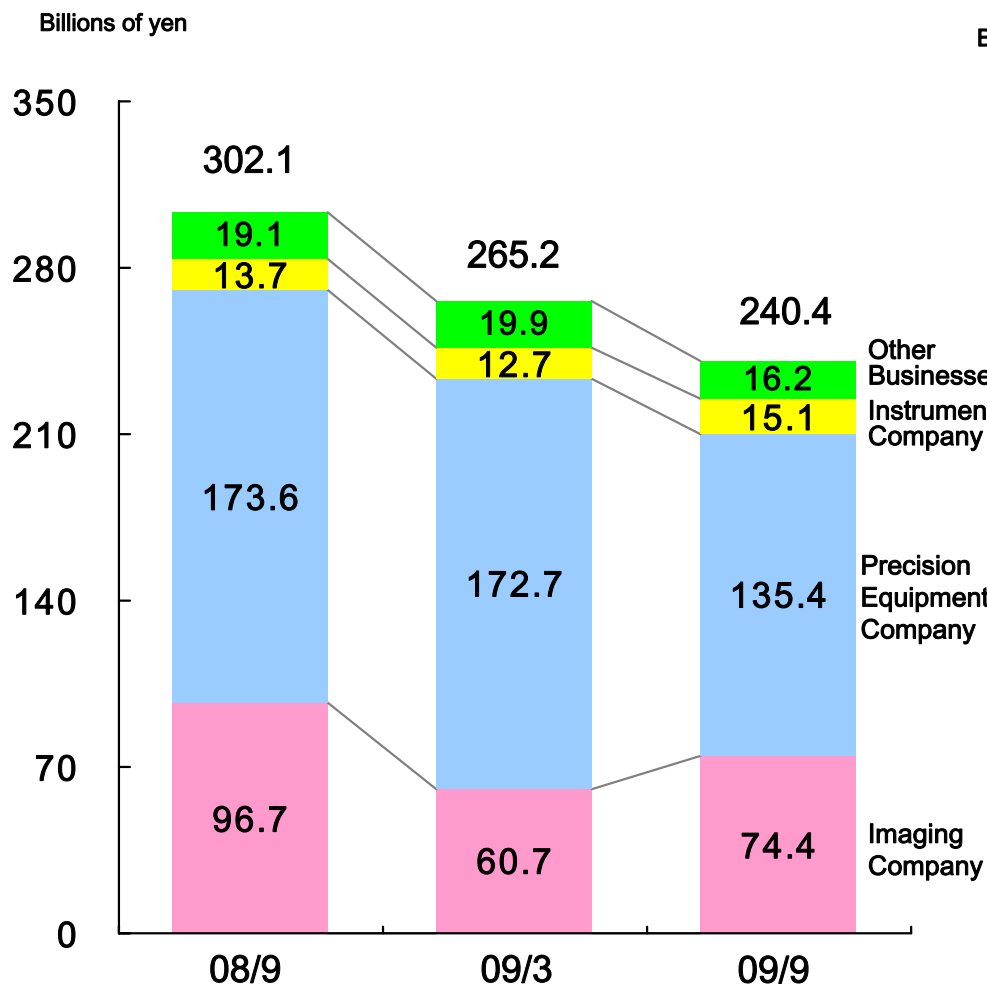
## Liabilities & Net assets



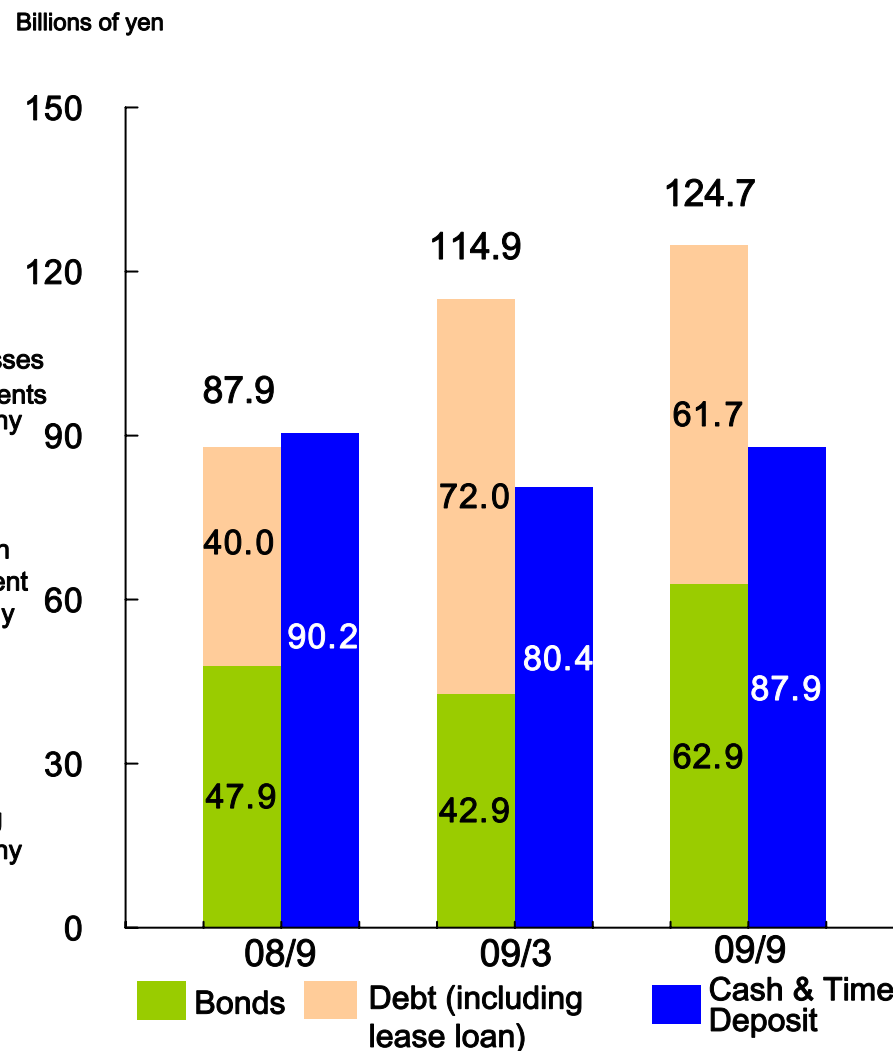
# Balance Sheet : 1st Half



## Inventories



## Interest-bearing Debt and Cash & Time Deposit



On a year on year basis, effects from the stagnant market and Yen appreciation as well as implementation of structural reform such as review of inventory in the Precision Equipment business led to record lower Net Sales and Operating loss.

On the contrary, compared to the previous estimation, higher Net Sales and lower loss in Operating Income have been achieved thanks especially to good sales of the Imaging business.

#### - Precision Equipment Company:

Operating loss was recorded due to stagnant semiconductor market conditions and disposal and write-down of inventory. Structural reform such as reorganization of subsidiaries has been implemented.

#### - Imaging Company

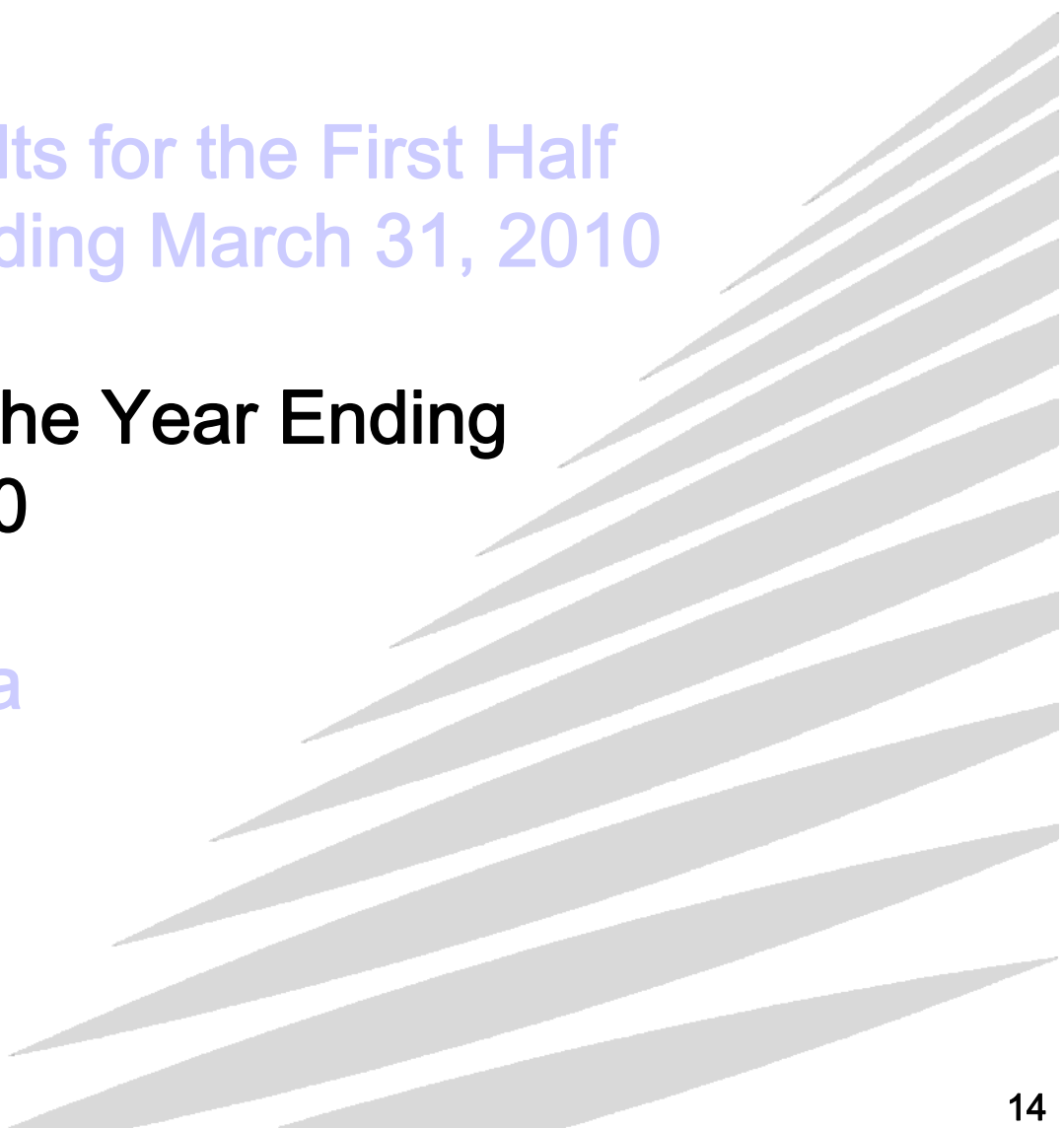
Both net sales and operating income recorded lower results in comparison with the previous year. They were much higher than the previous estimation with achievement of better sales in all products group.

#### - Instruments Company

Metris NV has become a subsidiary by TOB acquisition, which will reinforce its industrial instrument business and improve its business structure.

Interim cash dividend per share of common stock: 4 yen

# Agenda

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- 

# Performance Estimation for the Year Ending March 31, 2010



Billions of yen	09/3 (A)	1H 2H	Previous Forecast as of August 5, 2009 (B)	1H 2H	New Estimation (C)	1H 2H	Change (C-A)	Change (C-B)
<b>Net Sales</b>	<b>879.7</b>	<u>487.1</u> 392.6	<b>710.0</b>	<u>340.0</u> 370.0	<b>760.0</b>	<u>368.1</u> 391.9	- 119.7	+50.0
<b>Operating Income</b> % vs Net Sales	<b>48.2</b> 5.5%	<u>54.1</u> - 5.9	<b>- 30.0</b> -%	<u>- 32.0</u> 2.0	<b>- 18.0</b> -%	<u>- 19.5</u> 1.5	- 66.2	+12.0
<b>Ordinary Income</b> % vs Net Sales	<b>47.7</b> 5.4%	<u>53.1</u> - 5.4	<b>- 36.0</b> -%	<u>- 36.0</u> 0	<b>- 24.0</b> -%	<u>- 22.3</u> - 1.7	- 71.7	+12.0
<b>Net Income</b> % vs Net Sales	<b>28.1</b> 3.2%	<u>33.6</u> - 5.5	<b>- 28.0</b> -%	<u>- 29.0</u> 1.0	<b>- 21.0</b> -%	<u>- 17.7</u> - 3.3	- 49.1	+7.0
<b>Exchange : US\$ Rate EURO</b>	<b>101</b> <b>144</b>	<u>106</u> 95 <u>163</u> 125	<b>96</b> <b>127</b>	<u>96</u> 95 <u>129</u> 125	<b>93</b> <b>132</b>	<u>96</u> 90 <u>133</u> 130		

Estimated revenue and income is revised upward even with integration cost of Metris NV included while a certain risk remains for end-year sales and exchange rate etc.

# Estimation for Precision Equipment Company



Billions of yen	09/3	1H 2H	Previous Forecast as of August 5, 2009	1H 2H	New Estimation	1H 2H
<b>Net Sales</b>	<b>219.9</b>	<u>117.2</u> 102.7	<b>140.0</b>	<u>64.0</u> 76.0	<b>140.0</b>	<u>66.3</u> 73.7
<b>Operating Income</b> % vs Net Sales	<b>8.0</b> 3.6%	<u>12.2</u> - 4.2	<b>- 59.0</b> -%	<u>- 45.5</u> - 13.5	<b>- 58.0</b> -%	<u>- 44.0</u> - 14.0
<b>IC Steppers &amp; Scanners</b> New / Refurbished (units sold)	<b>61/17</b>	<u>32/10</u> 29/7	<b>36/13</b>	<u>18/ 3</u> 18/10	<b>33/13</b>	<u>18/ 4</u> 15/ 9
<b>LCD Steppers &amp; Scanners</b> (units sold)	<b>65</b>	<u>37</u> 28	<b>41</b>	<u>15</u> 26	<b>44</b>	<u>16</u> 28
<b>Market Scale CY</b> IC Steppers & Scanners (units sold)	<b>296</b>		<b>Approx. 90</b>		<b>Approx. 100</b>	
<b>Market Scale CY</b> LCD Steppers & Scanners, (TFT-array Only) (units sold)	<b>Approx. 110</b>		<b>Approx. 70</b>		<b>Approx. 70</b>	

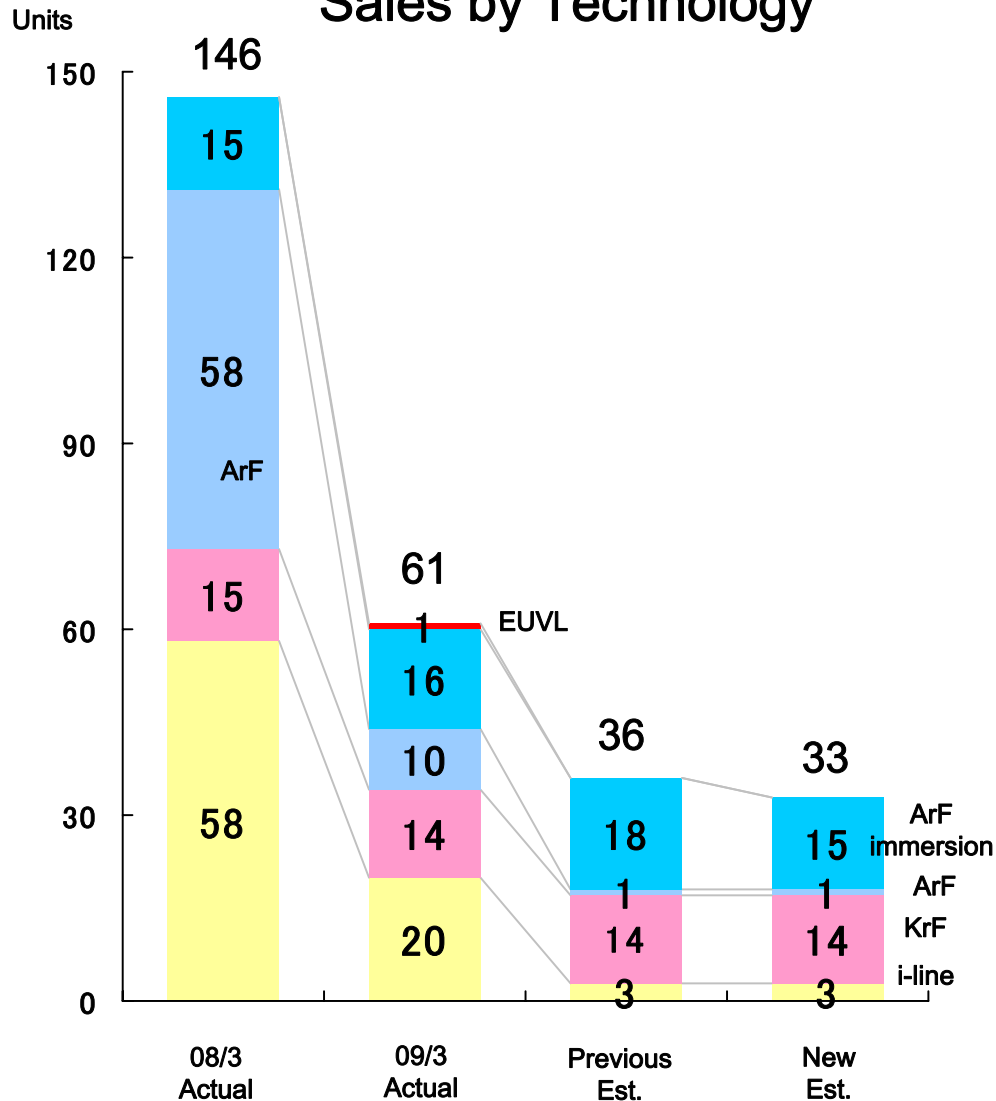
Estimated sales volume of IC Steppers & Scanners is lowered considering expected push out, etc. Estimated sales volume of LCD Steppers & Scanners increases with demand decline hitting bottom. As a consequence, Operating Income is revised to improve.



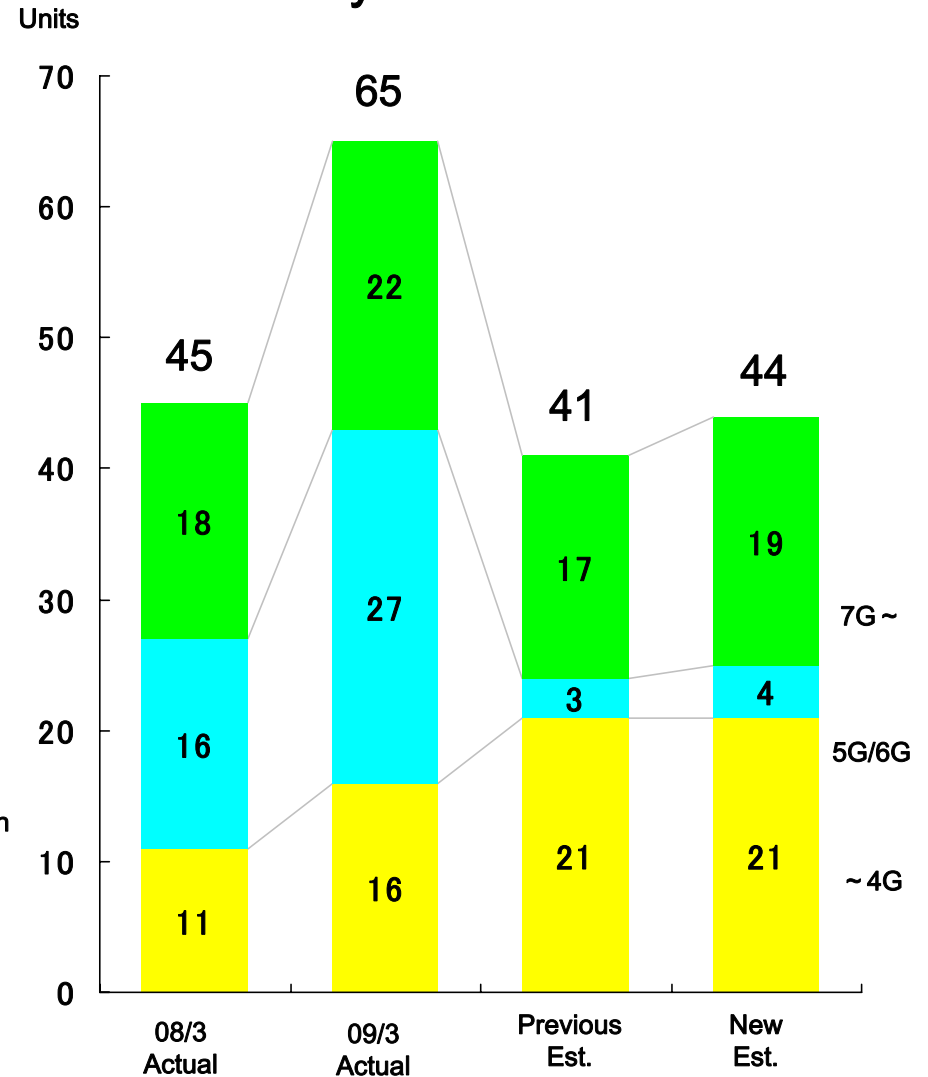
# Estimation for Precision Equipment Company



## IC Steppers & Scanners Sales by Technology



## LCD Steppers & Scanners by Generation



# Estimation for Imaging Company



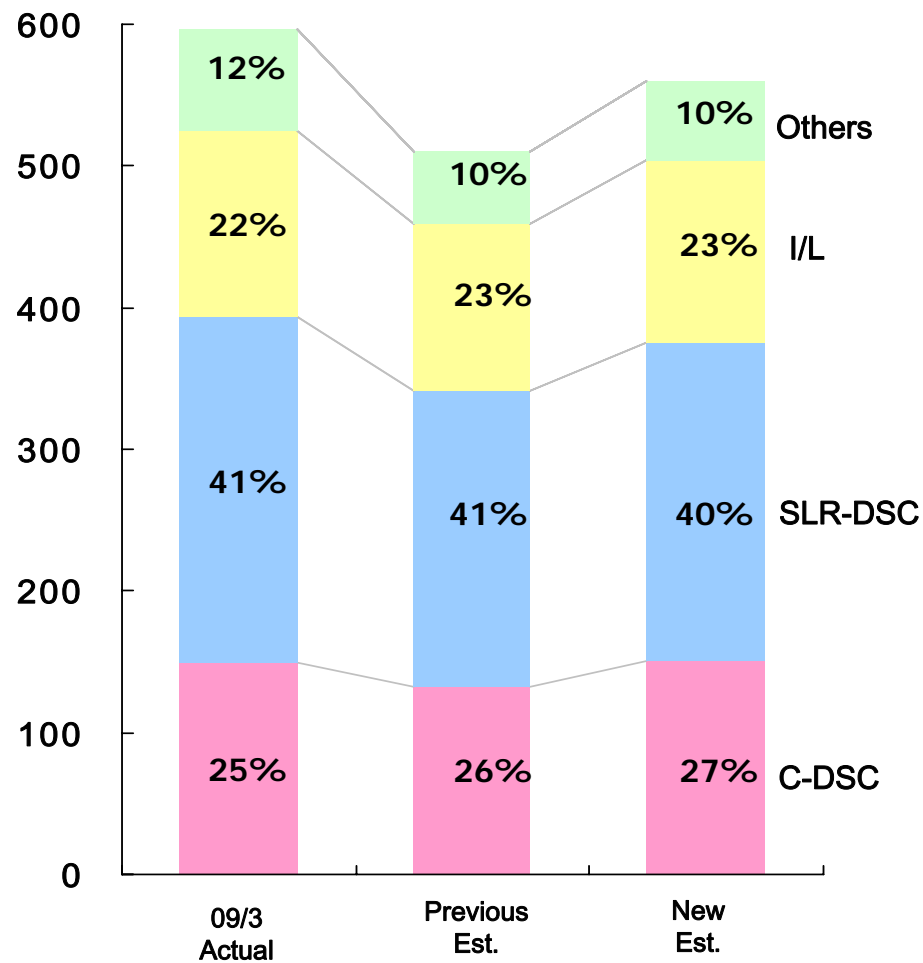
Billions of yen	09/3	1H 2H	Previous Forecast as of August 5, 2009	1H 2H	New Estimation	1H 2H
<b>Net Sales</b>	<b>596.5</b>	<u>337.2</u> 259.3	<b>510.0</b>	<u>250.0</u> 260.0	<b>560.0</b>	<u>275.3</u> 284.7
<b>Operating Income</b> % vs Net Sales	<b>40.0</b> 6.7%	<u>42.0</u> - 2.0	<b>35.0</b> 6.9%	<u>18.0</u> 17.0	<b>50.0</b> 8.9%	<u>26.5</u> 23.5
<b>Single-Lens Reflex DSC</b> (1,000 of units sold)	<b>3,420</b>	<u>1,740</u> 1,680	<b>3,450</b>	<u>1,650</u> 1,800	<b>3,550</b>	<u>1,660</u> 1,890
<b>Interchangeable Lenses</b> (1,000 of units sold)	<b>4,870</b>	<u>2,450</u> 2,420	<b>4,900</b>	<u>2,400</u> 2,500	<b>5,150</b>	<u>2,450</u> 2,700
<b>Compact DSC</b> (1,000 of units sold)	<b>10,330</b>	<u>5,060</u> 5,270	<b>10,500</b>	<u>5,000</u> 5,500	<b>11,500</b>	<u>5,130</u> 6,370
<b>Market Scale SLR-DSC</b> (1,000 of units sold)	<b>9,130</b>		<b>9,200</b>		<b>10,000</b>	
<b>Market Scale Interchangeable Lenses</b> (1,000 of units sold)	<b>14,800</b>		<b>15,000</b>		<b>16,000</b>	
<b>Market Scale C-DSC</b> (1,000 of units sold)	<b>103,690</b>		<b>103,000</b>		<b>98,000</b>	

Although it is difficult to predict end-year sales forecast, estimation for Net Sales and Operating Income are revised upward respectively to the previous year level and increase by 25%.



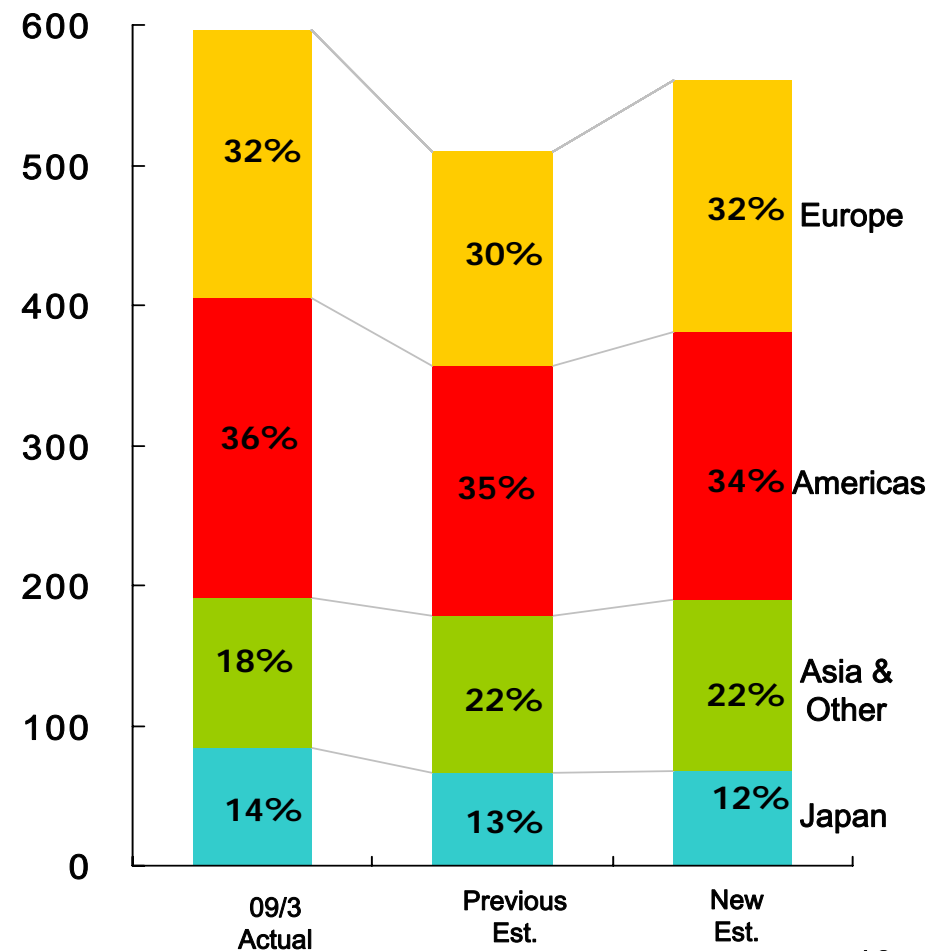
## Sales value by Products

Billions of yen



## Sales value by Region

Billions of yen

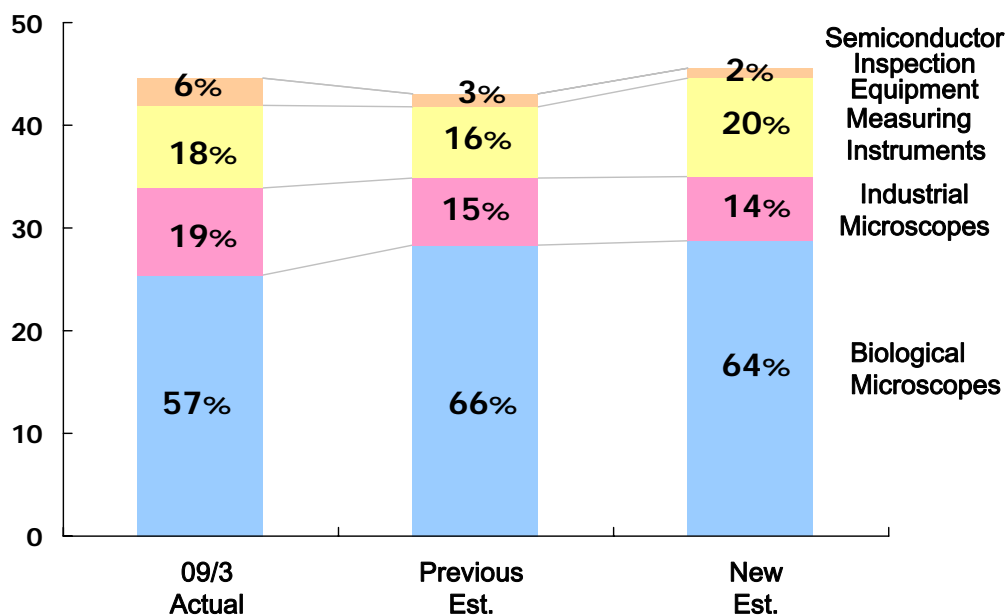


# Estimation for Instruments Company



Billions of yen	09/3	1H 2H	Previous Forecast as of August 5, 2009	1H 2H	New Estimation	1H 2H
<b>Net Sales</b>	<b>44.6</b>	<u>23.2</u> 21.4	<b>43.0</b>	<u>18.0</u> 25.0	<b>45.0</b>	<u>17.8</u> 27.2
<b>Operating Income</b> % vs Net Sales	<b>-2.7</b> -%	<u>-1.3</u> -1.4	<b>-4.0</b> -%	<u>-3.5</u> -0.5	<b>-10.5</b> -%	<u>-2.6</u> -7.9

Billions of yen



Metris NV is consolidated to the Nikon group, which will raise net sales by 2.5 billion yen and lower operating income by 8 billion yen\*.

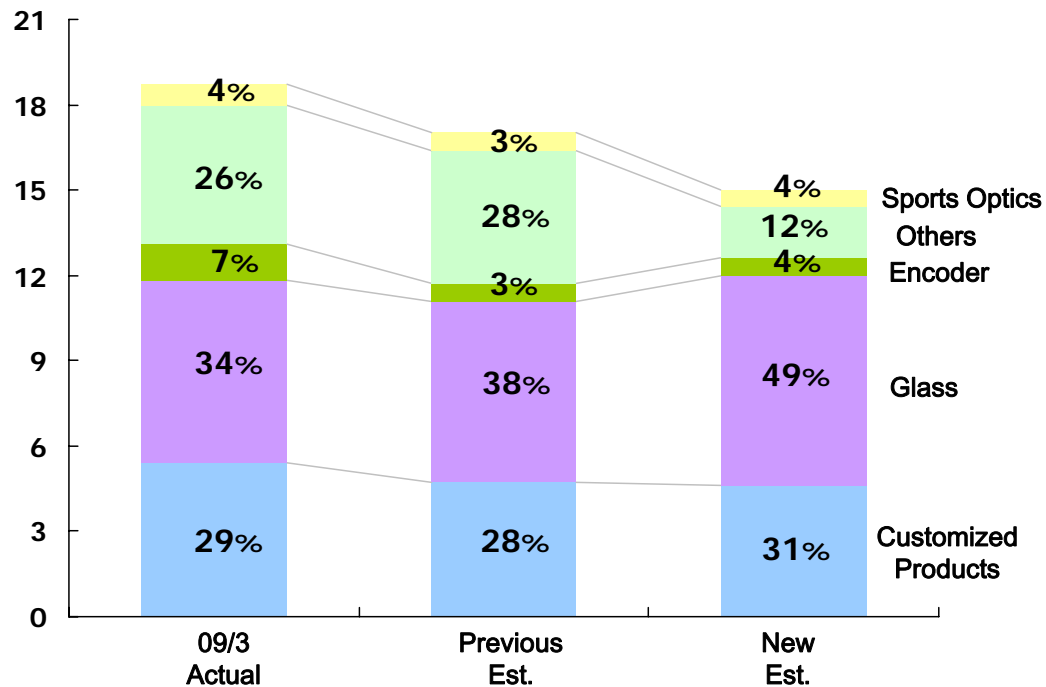
\*8 billion yen includes 6 billion yen of goodwill depreciation, R&D expense adjustment to Japanese accounting standard, etc.

# Estimation for Other Business

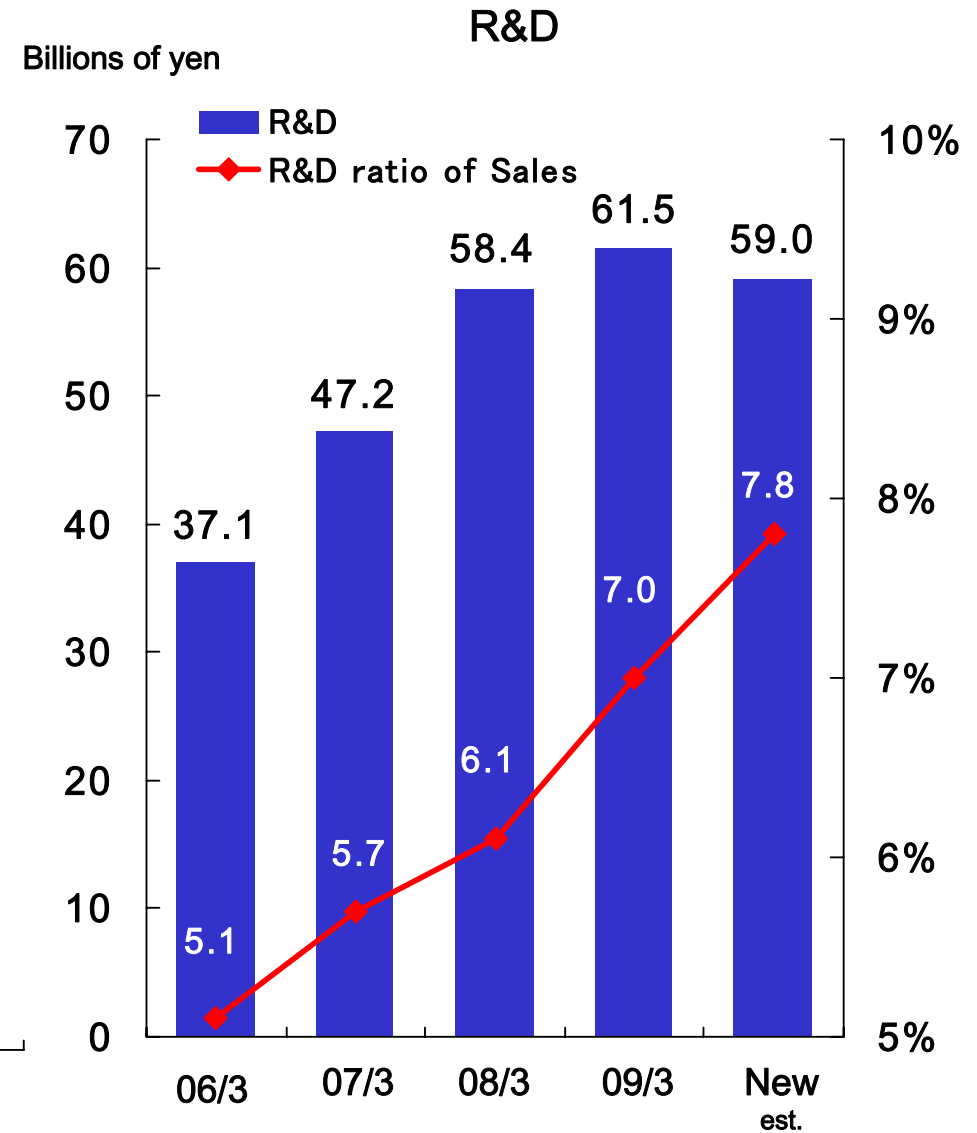
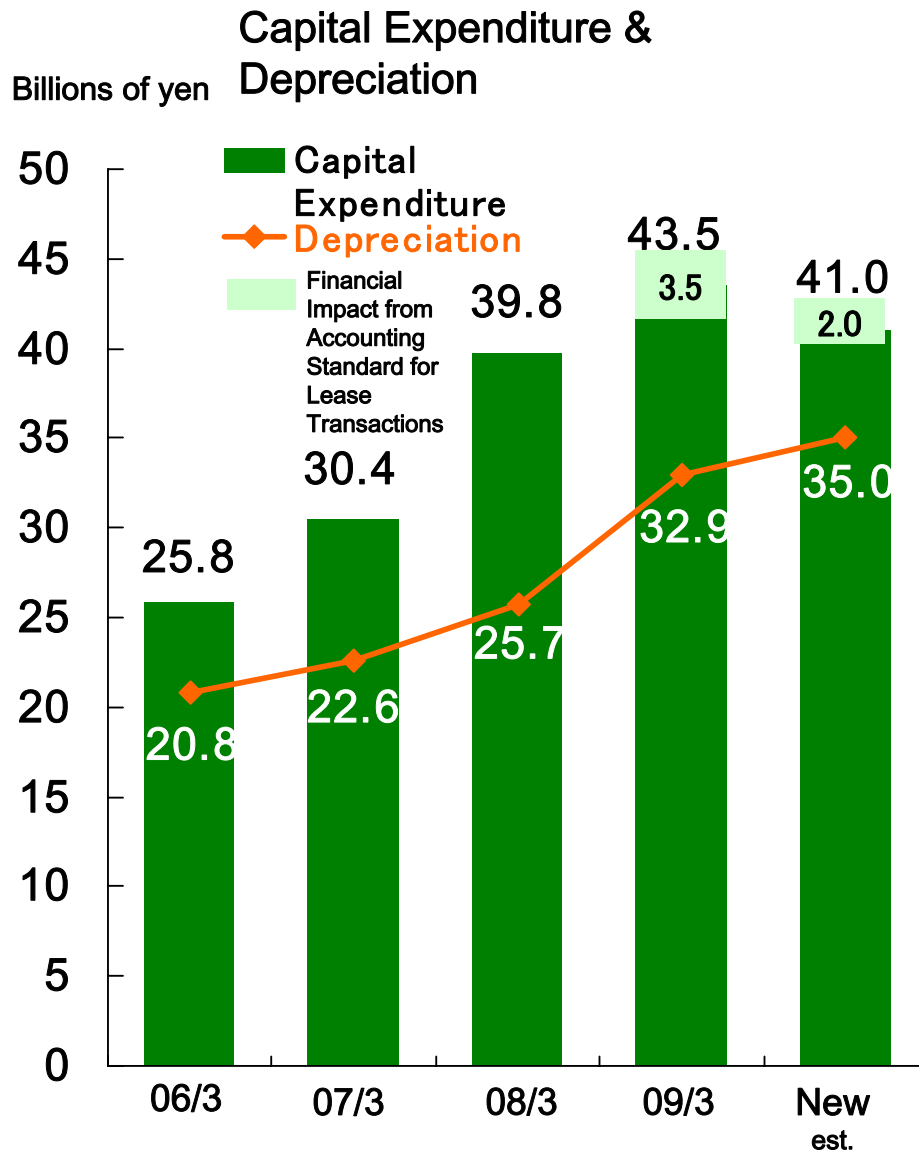


Billions of yen	09/3	1H 2H	Previous Forecast as of August 5, 2009	1H 2H	New Estimation	1H 2H
<b>Net Sales</b>	<b>18.7</b>	$\frac{9.6}{9.1}$	<b>17.0</b>	$\frac{8.0}{9.0}$	<b>15.0</b>	$\frac{8.7}{6.3}$
<b>Operating Income</b> % vs Net Sales	<b>2.9</b> 15.5%	$\frac{1.5}{1.4}$	<b>-2.0</b> -%	$\frac{-1.0}{-1.0}$	<b>-0.5</b> -%	$\frac{0.5}{0}$

Billions of yen

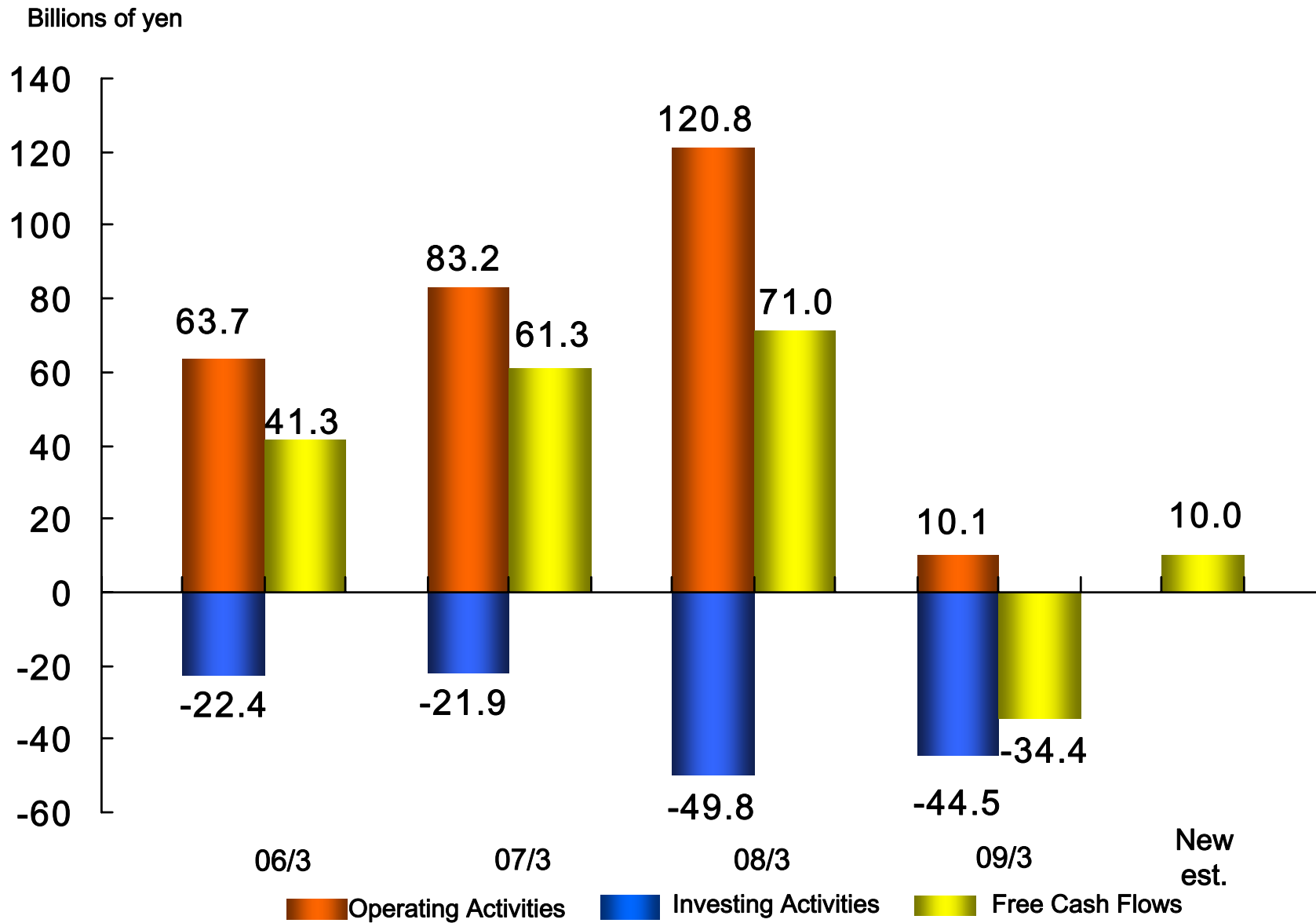


# Estimation for Capital Expenditure, Depreciation and R&D



\* 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



# Summary of Estimation for the Year Ending March 31, 2010



We will continue pursuing measures for enhancement of management structural improvement, move into the black in operating profit in the second half and aim to recover turnaround in full period of the coming year.

## - Precision Equipment Company:

Shipment of S620, cutting-edge ArF immersion tool has already started as planned. Utmost effort to achieve specifications satisfying our customers requirements are under way.

We will enter into the Chinese market with LCD Steppers & Scanners to start sales in the next year.

Structural reform promotion such as reorganization of subsidiaries will continue.

## - Imaging Company:

Despite uncertainty in end-year market conditions, estimated severer competitive environment and further appreciation of Yen, estimation for Net Sales and Operating Income are revised upward.

We will accelerate cost down and construct procurement and production system to secure profit under further appreciating yen.

Concentration to develop next generation DSC with interchangeable lenses will continue.

## - Instruments Company:

Endeavor will be made for post merger integration of Metris NV which has become subsidiary by TOB acquisition.

Cash dividend per share of common stock: 8 Yen (entire year) as planned.



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## 10/3 Estimation

Billions of yen	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	10/3 2H Forecast	Net Sales (2H)	Operating Income (2H )
<b>US\$</b>	<b>90</b> yen	Approx. 1.3	Approx .0.4
<b>EURO</b>	<b>130</b> yen	Approx. 0.6	Approx .0.4

# Earning Estimation for the Year Ending March 31, 2009



Billions of yen		09/3 Actual		Previous Forecast as of August 5, 2009		10/3 Estimation	
Operating Income	1H	48.2	54.1	-30.0	-32.0	-18.0	-19.5
	2H		-5.9		2.0		1.5
Non-operating Income		8.0		10.0		4.5	
Non-operating Expenses		8.5		16.0		10.5	
Ordinary Income	1H	47.7	53.1	-36.0	-36.0	-24.0	-22.3
	2H		-5.4		0		-1.7
Extra ordinary gain & loss		-8.5		-6.0		-6.0	
Income Taxes		11.1		-14.0		-9.0	
Net Income	1H	28.1	33.6	-28.0	-29.0	-21.0	-17.7
	2H		-5.5		1.0		-3.3

# Precision Equipment Company: 2<sup>nd</sup> Quarter



Billions of yen	09/3 2Q Actual (A)	Previous Forecast as of August 5, 2009 (B)	10/3 2Q Actual (C)	(C) - (A)	(C) - (B)
<b>Net Sales</b>	<b>59.3</b>	<b>36.7</b>	<b>39.0</b>	<b>- 20.3</b>	<b>+ 2.3</b>
<b>Operating Income</b> % vs Net Sales	<b>5.9</b> 9.9%	<b>- 35.4</b> -%	<b>- 33.9</b> -%	<b>- 39.8</b>	<b>+ 1.5</b>
<b>IC Steppers &amp; Scanners New / Refurbished (units sold)</b>	<b>15/5</b>	<b>11/3</b>	<b>11/4</b>	<b>- 4/-1</b>	<b>0/+1</b>
<b>LCD Steppers &amp; Scanners (units sold)</b>	<b>20</b>	<b>12</b>	<b>13</b>	<b>- 7</b>	<b>+1</b>

# Imaging Company: 2<sup>nd</sup> Quarter

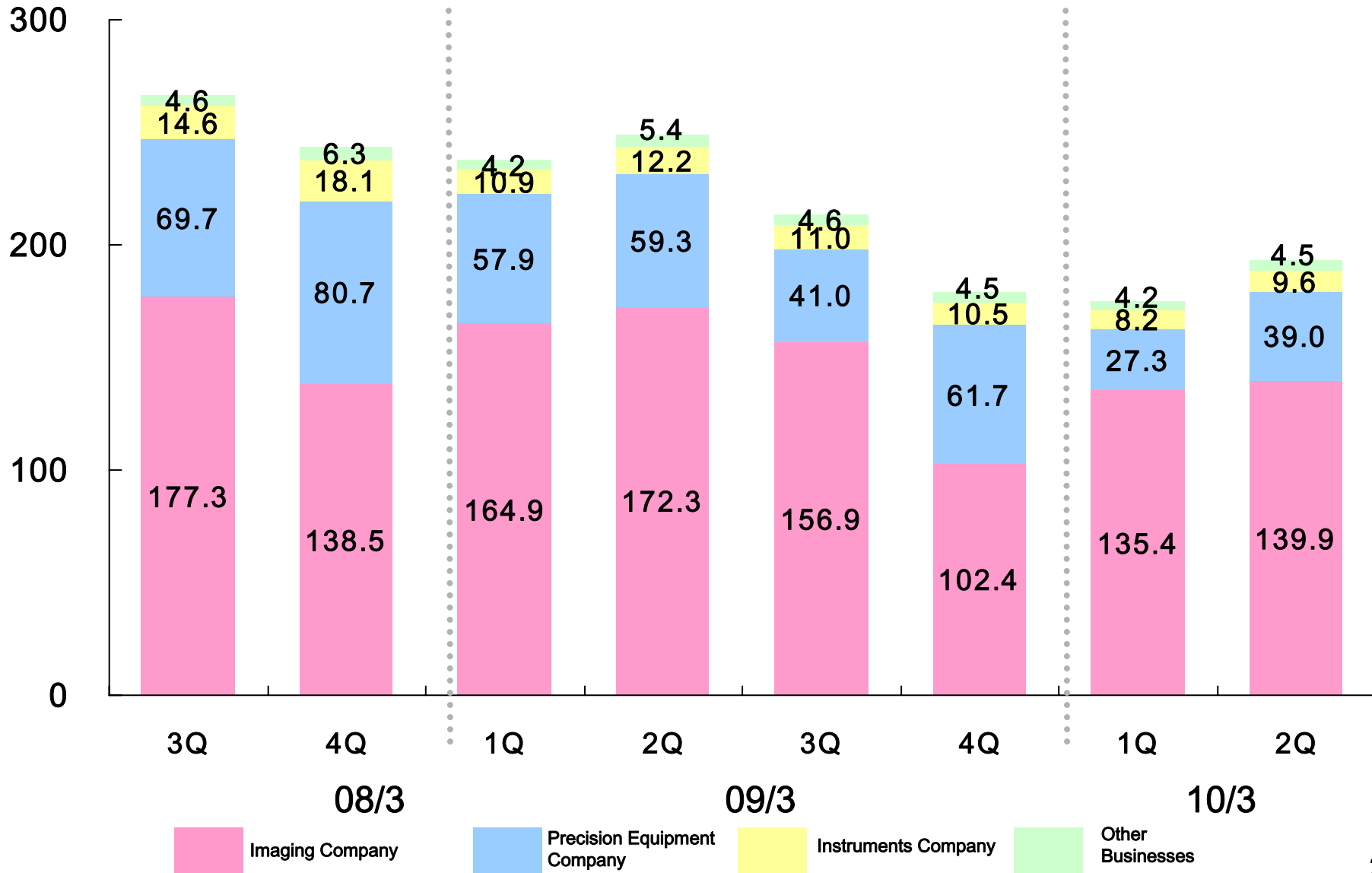


Billions of yen	09/3 2Q Actual (A)	Previous Forecast as of August 5, 2009 (B)	10/3 2Q Actual (C)	(C) - (A)	(C) - (B)
<b>Net Sales</b>	<b>172.3</b>	<b>114.6</b>	<b>139.9</b>	<b>- 32.4</b>	<b>+ 25.3</b>
<b>Operating Income</b> % vs Net Sales	<b>18.9</b> 11.0%	<b>5.5</b> 4.8%	<b>14.1</b> 10.1%	<b>- 4.8</b>	<b>+ 8.6</b>
<b>Single-Lens Reflex DSC</b> (1,000 of units sold)	<b>880</b>	<b>810</b>	<b>820</b>	<b>- 60</b>	<b>+ 10</b>
<b>Interchangeable Lenses</b> (1,000 of units sold)	<b>1,190</b>	<b>1,160</b>	<b>1,210</b>	<b>+ 20</b>	<b>+ 50</b>
<b>Compact DSC</b> (1,000 of units sold)	<b>2,470</b>	<b>2,460</b>	<b>2,590</b>	<b>+ 120</b>	<b>+ 130</b>

# Quarterly Net Sales by segments



Billions of yen



# Quarterly Operating Income by segments



Billions of yen

