



NIKON CORPORATION
Corporate Communications & IR Dept.

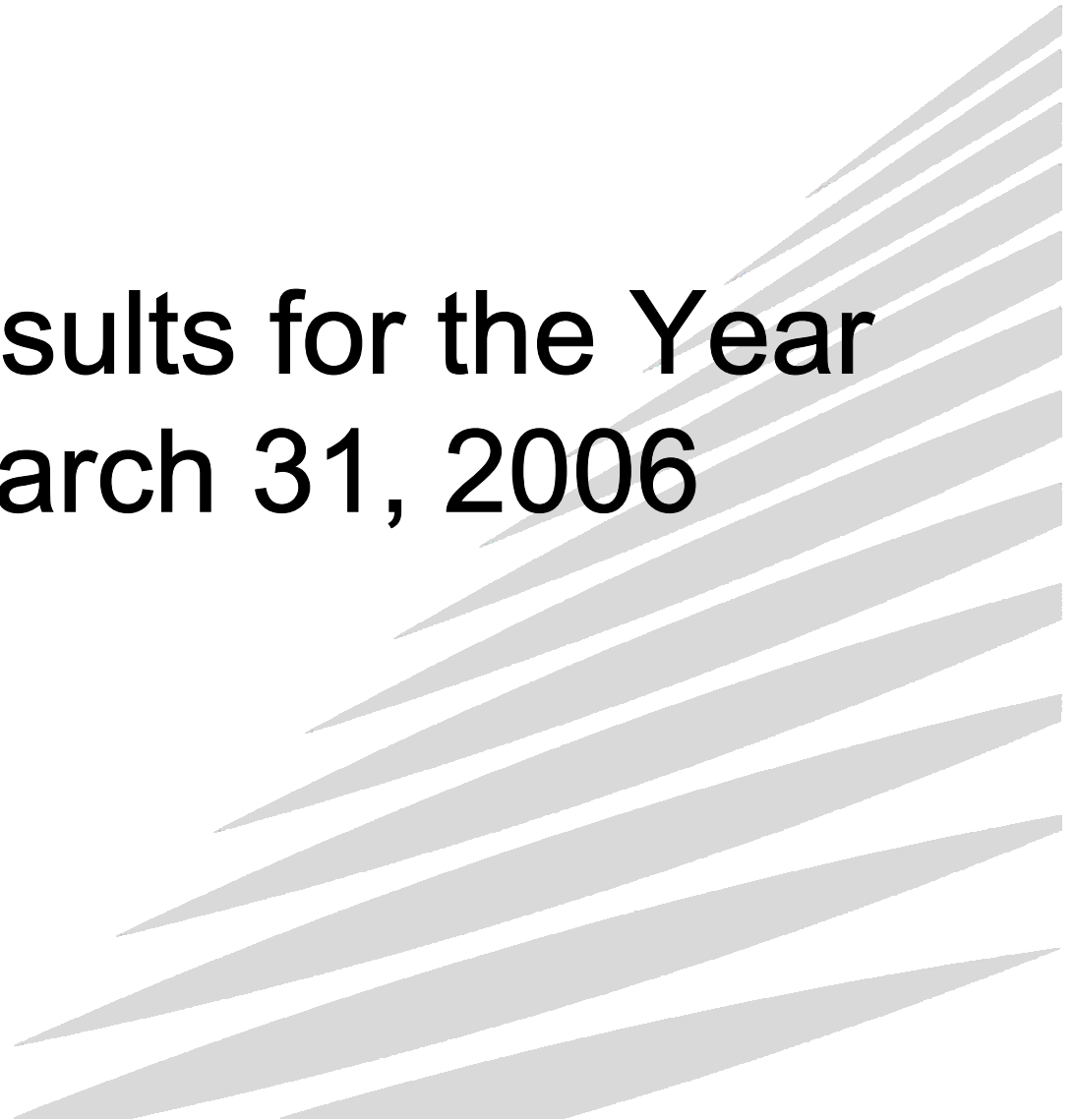
NIKON CORPORATION

Conference in Tokyo (May 15, 2006)
For the Financial Results of the Year
Ended March 31, 2006

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 the Year Ended March 31, 2006





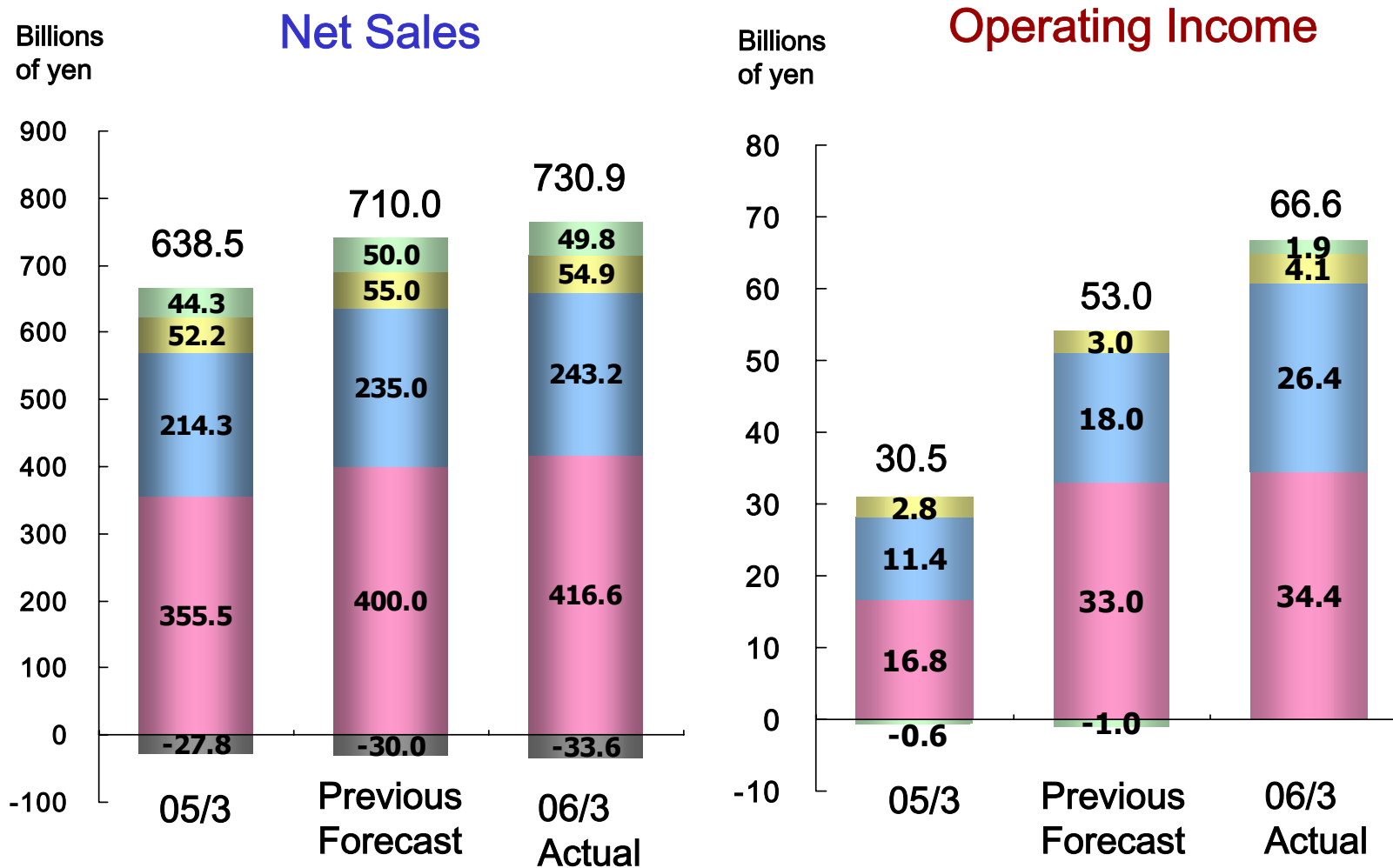
Financial Highlights for the Year Ended March 31, 2006

Billions of yen	05/3 (A)	Previous Forecast(B)	06/3 Actual (C)	change (C-A)	change (C-B)
Net Sales (% vs Net Sales)	638.5 100%	710.0 100%	730.9 100%	+ 92.4	+20.9
Operating Income (% vs Net Sales)	30.5 4.8%	53.0 7.5%	66.6 9.1%	+ 36.1	+ 13.6
Ordinary Income (% vs Net Sales)	14.7 2.3%	34.0 4.8%	43.5 6.0%	+ 28.8	+9.5
Net Income (% vs Net Sales)	24.1 3.8%	18.0 2.5%	28.9 4.0%	+ 4.8	+ 10.9

*The Previous Forecast is our estimation announced on Feb.6,06



Sales and Operating Income by Segment



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

Precision Equipment Company

	05/3	Previous Forecast	06/3 Actual Result
Net Sales (Billions of yen)	214.3	235.0	243.2
Operating Income (Billions of yen)	11.4	18.0	26.4
New IC Steppers (Refurbished)	193 (59)	160 (30)	159 (29)
LCD Steppers	87	65	67
TOTAL	339	255	255

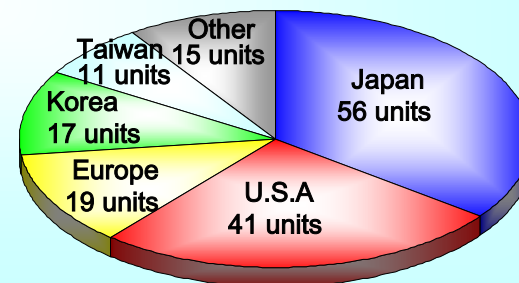
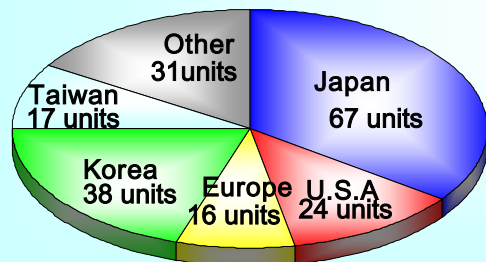
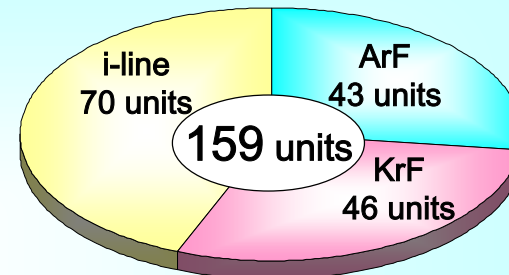
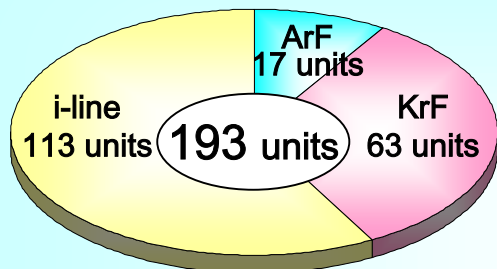
Steppers (units sold)

Precision Equipment Company

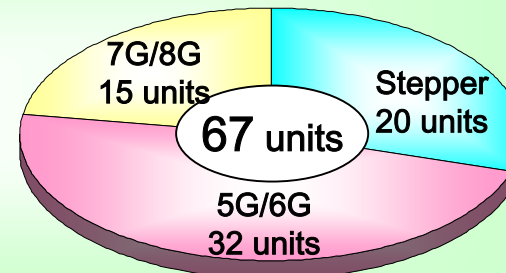
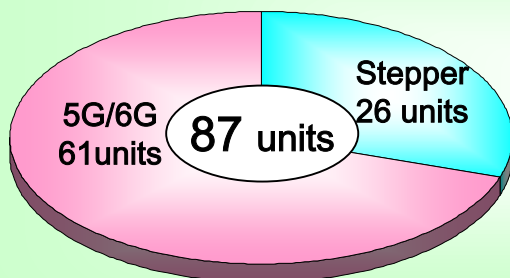
05/3

06/3

IC Stepper Sales by Technology/Region



LCD Stepper Sales by Generation

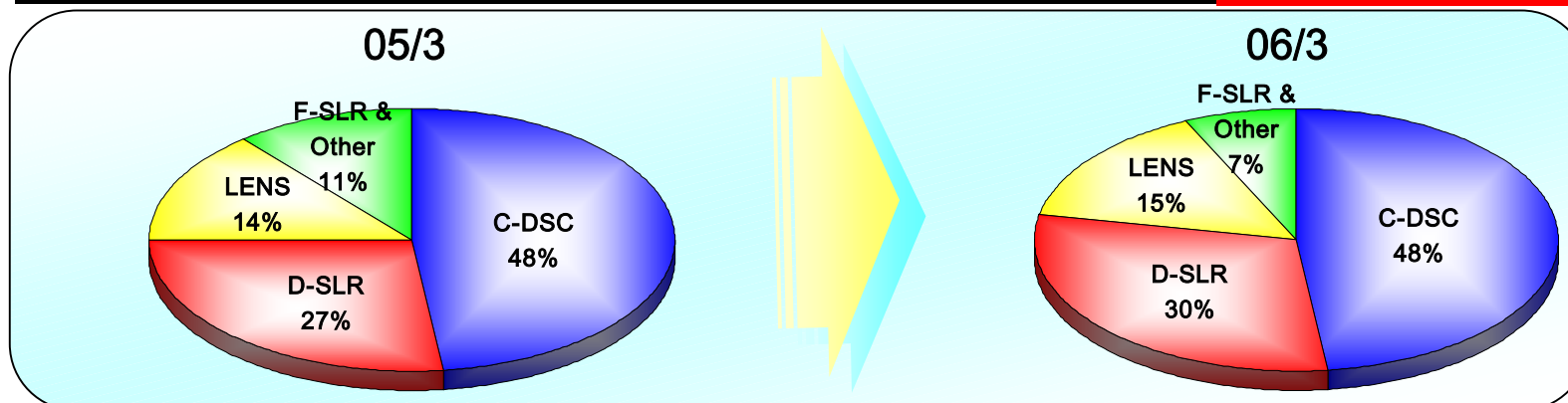




Imaging Company

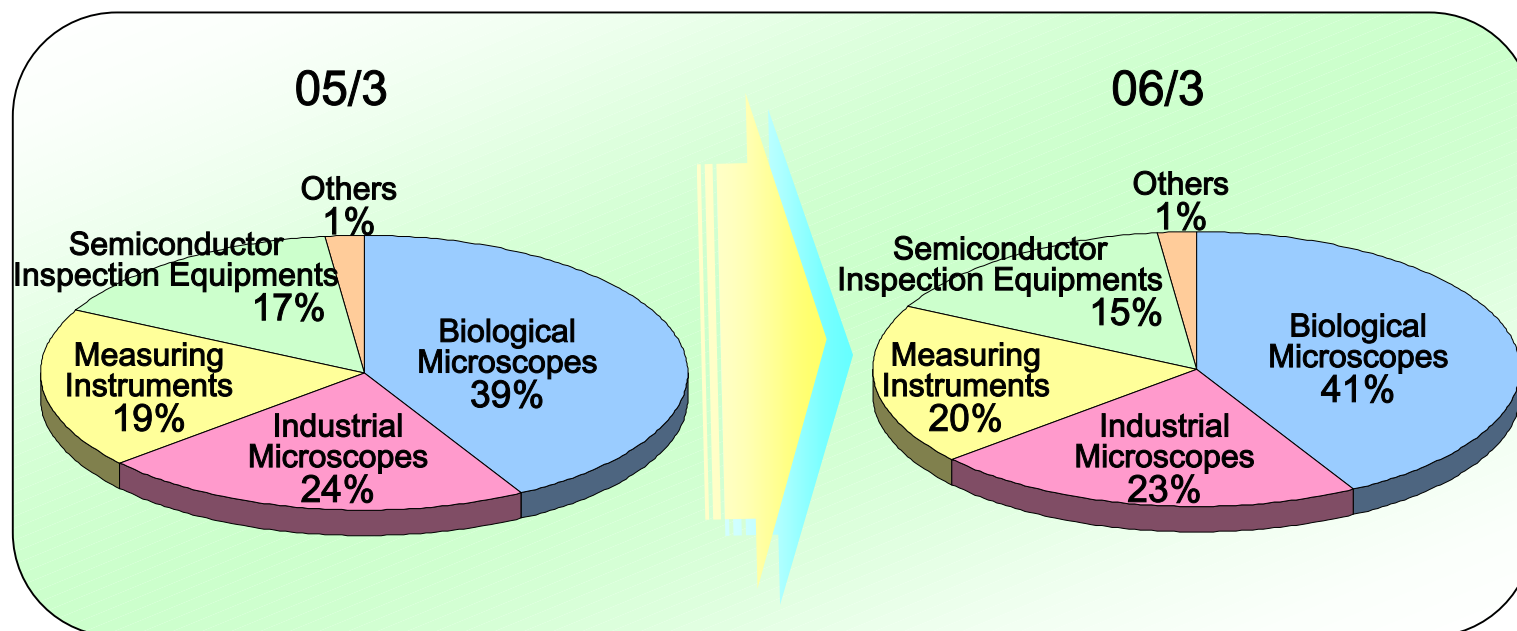
Cameras & Lenses (1,000 of units solid)

	05/3	Previous Forecast	06/3 Actual Result
Net Sales (Billions of yen)	355.5	400.0	416.6
Operating Income (Billions of yen)	16.8	33.0	34.4
Single-Lens Reflex DSC	1,050	1,400	1,340
Compact DSC	5,560	7,000	7,110
Total DSC	6,610	8,400	8,450
Interchangeable Lenses	1,500	2,200	2,020



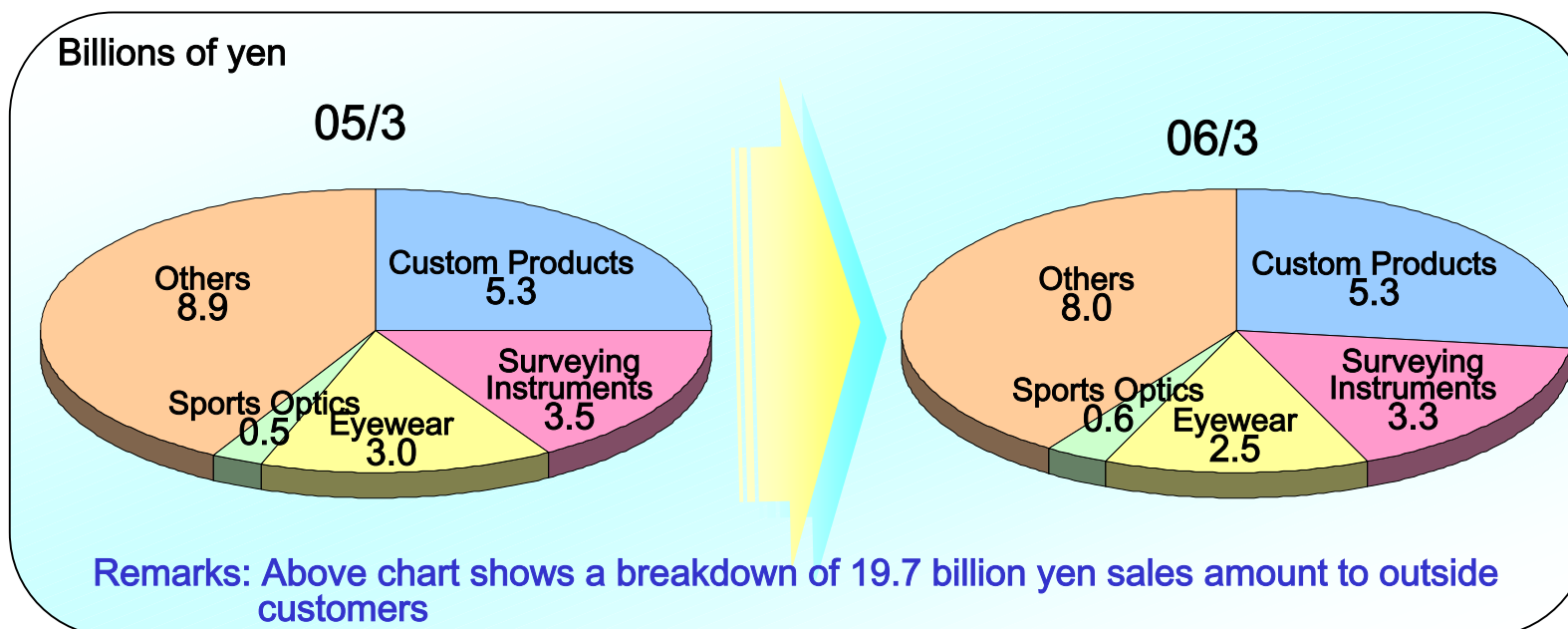
Instruments Company

	05/3	Previous Forecast	06/3 Actual Result
Net Sales (Billions of yen)	52.2	55.0	54.9
Operating Income (Billions of yen)	2.8	3.0	4.1



Other Businesses

	05/3	Previous Forecast	06/3
Net Sales (Billions of yen)	44.3	50.0	49.8
Operating Income (Billions of yen)	-0.6	-1.0	1.9

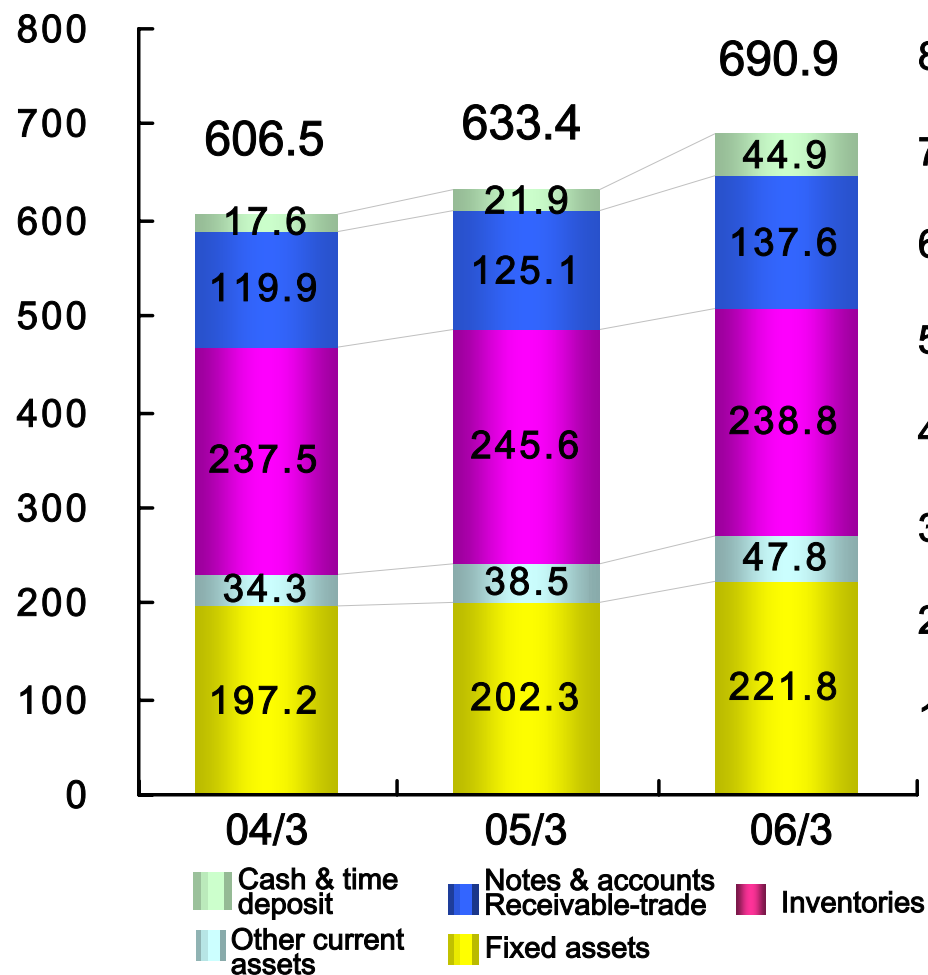




Balance sheets by Segment

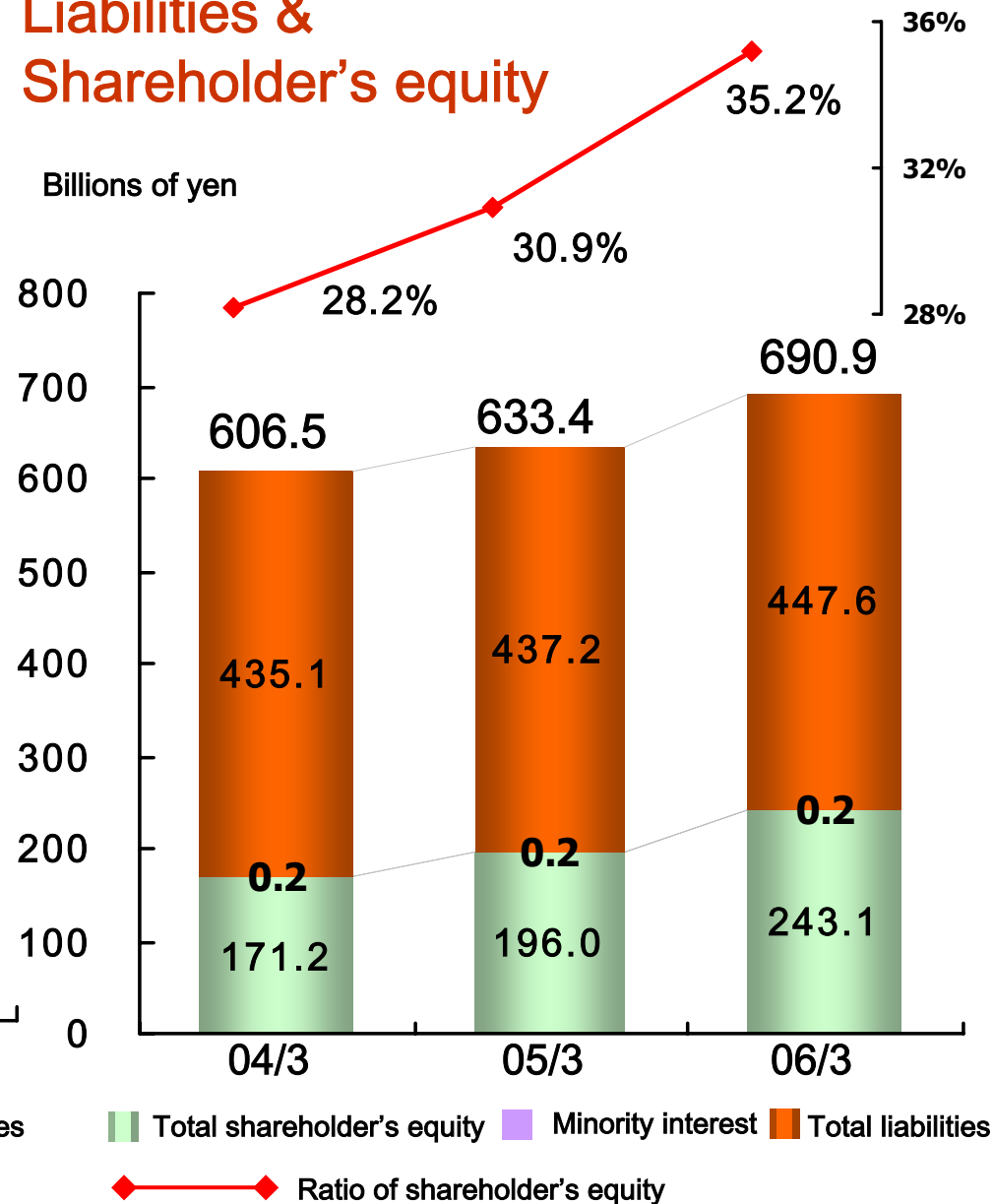
Assets

Billions of yen

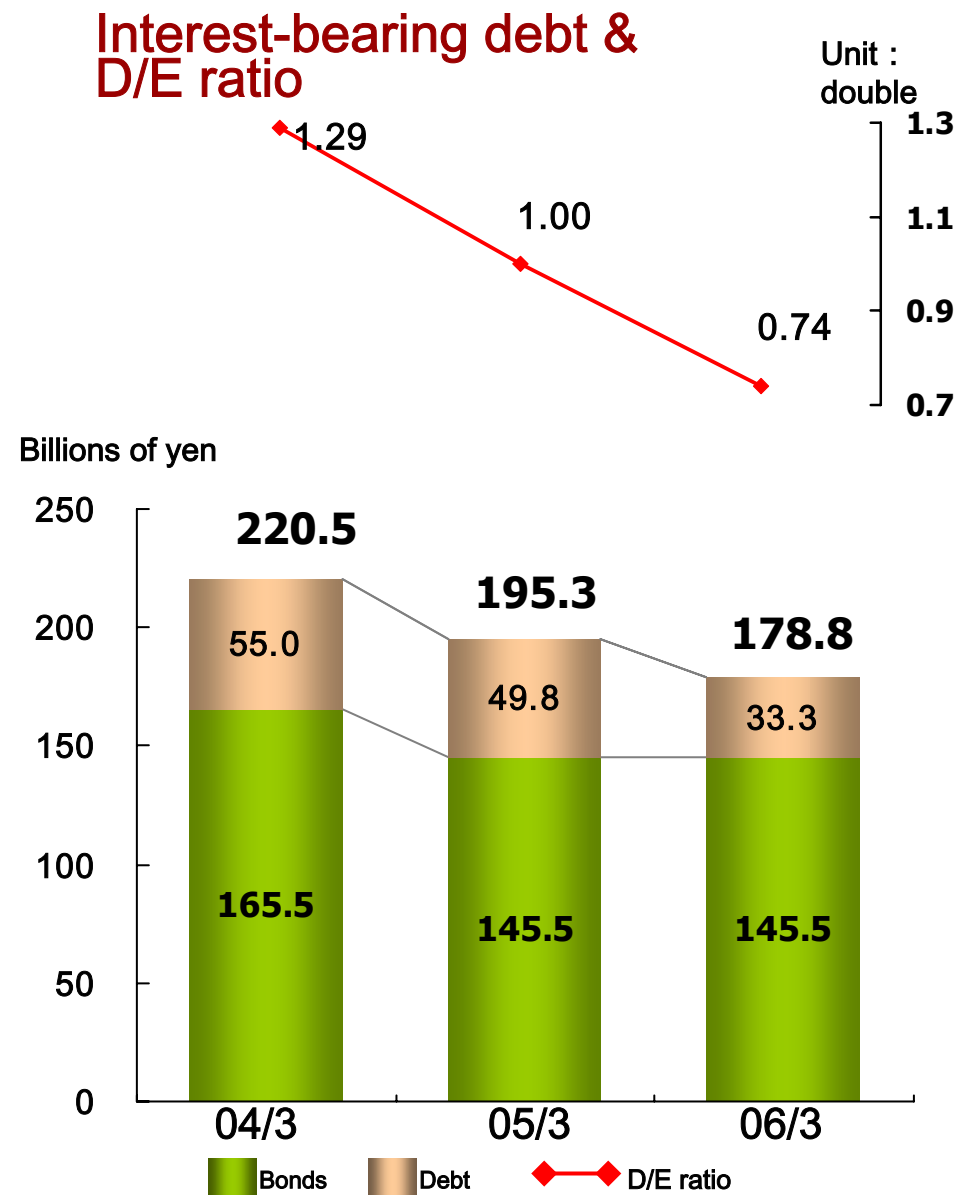
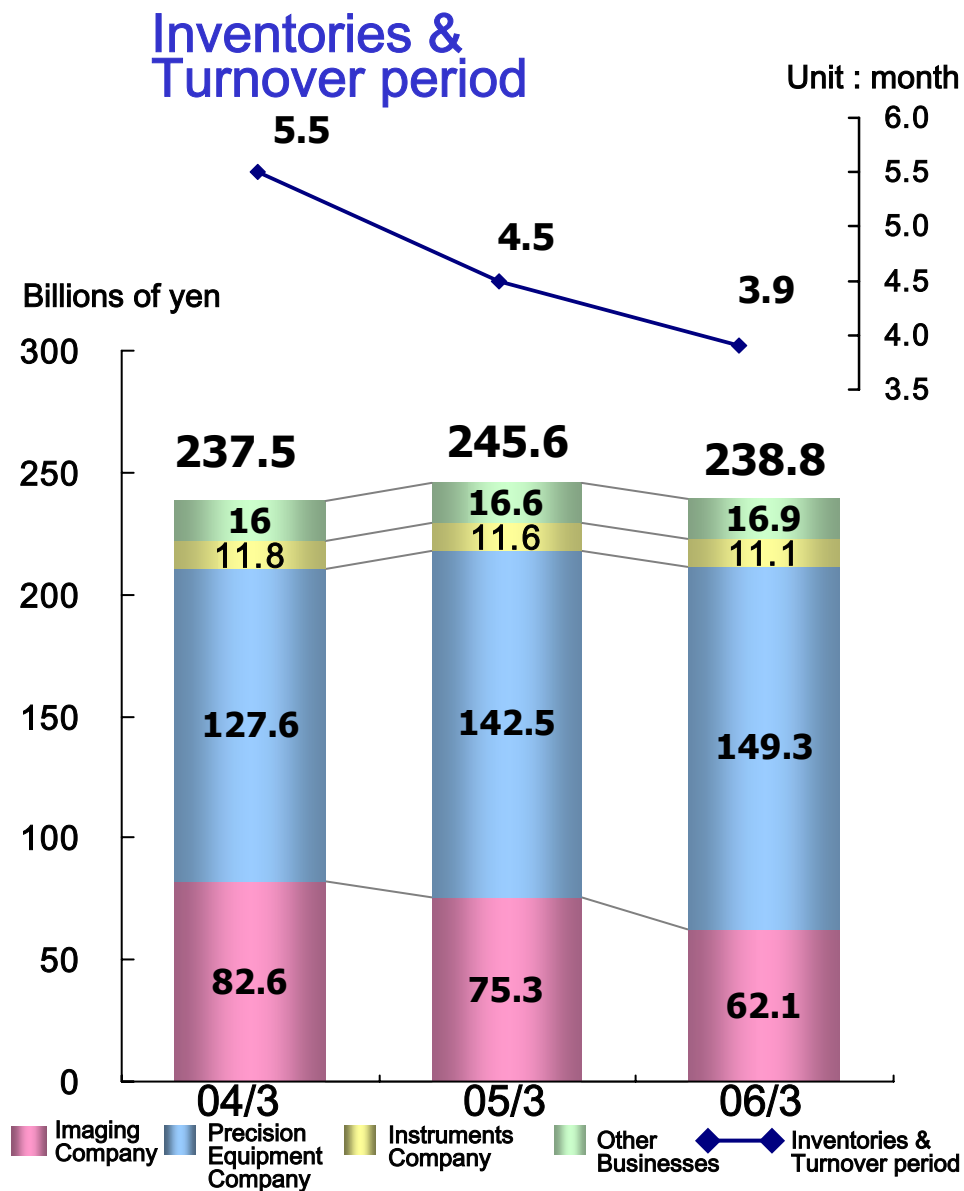


Liabilities & Shareholder's equity

Billions of yen



Inventories & Interest-bearing debt



Summary: Financial Result for the Year Ended March 31, 2006

Achieved record high Net Sales, Operating Income, Ordinary Income and Net Income.

- Precision Equipment Company :

Enhanced competitiveness of cutting-edge steppers and promoted both of IC and LCD steppers cost reduction.

- Imaging Company :

Introduced new unique products, promoted cost reduction and got positive impact of foreign currency exchange rate.

Reduced Interest-bearing debt more than planned by improving Cash Flows.

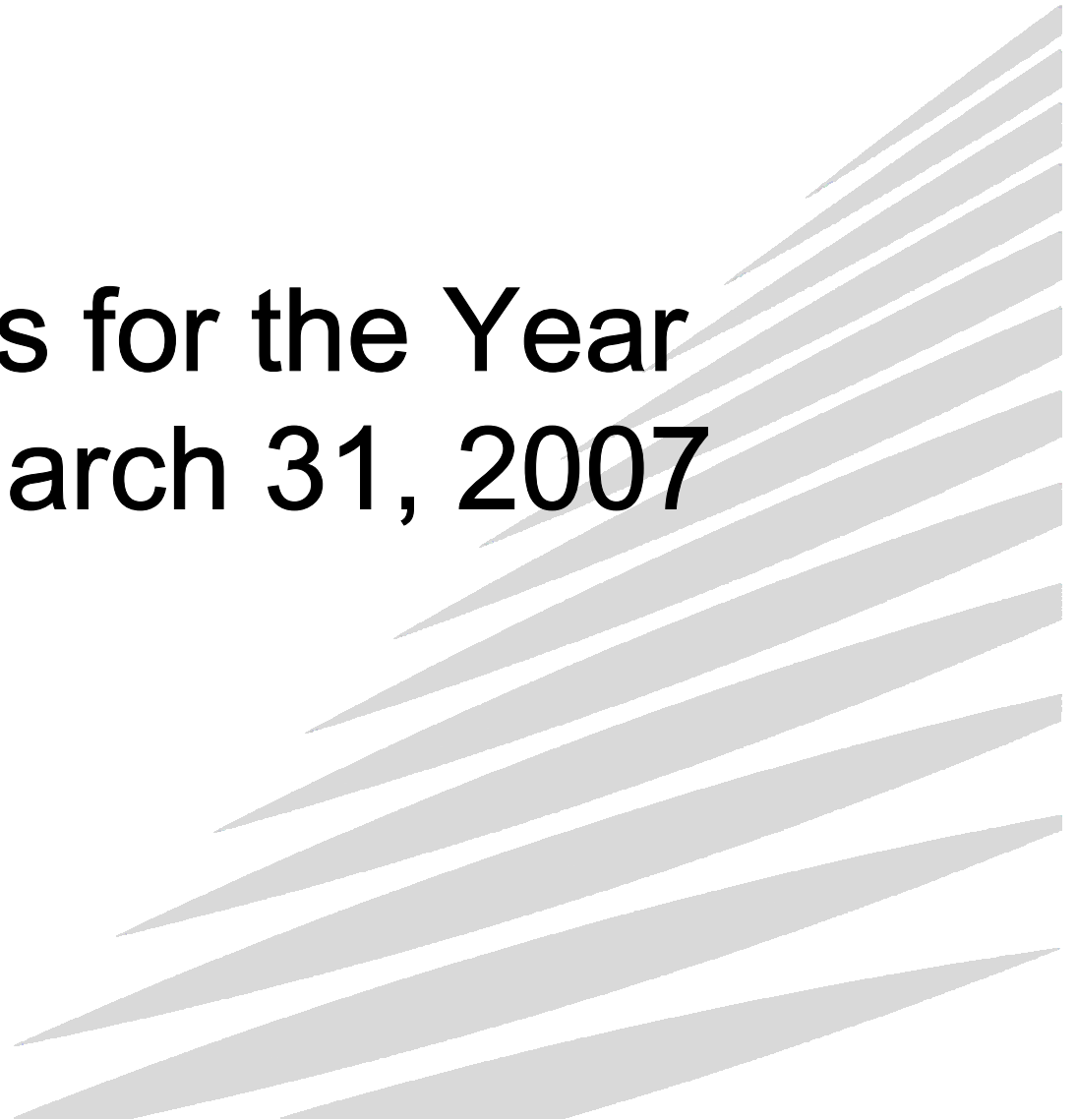
Planned to increase Cash dividend per share of common stock

2nd Half : 6 yen

Entire year : 10 yen



Forecasts for the Year Ending March 31, 2007





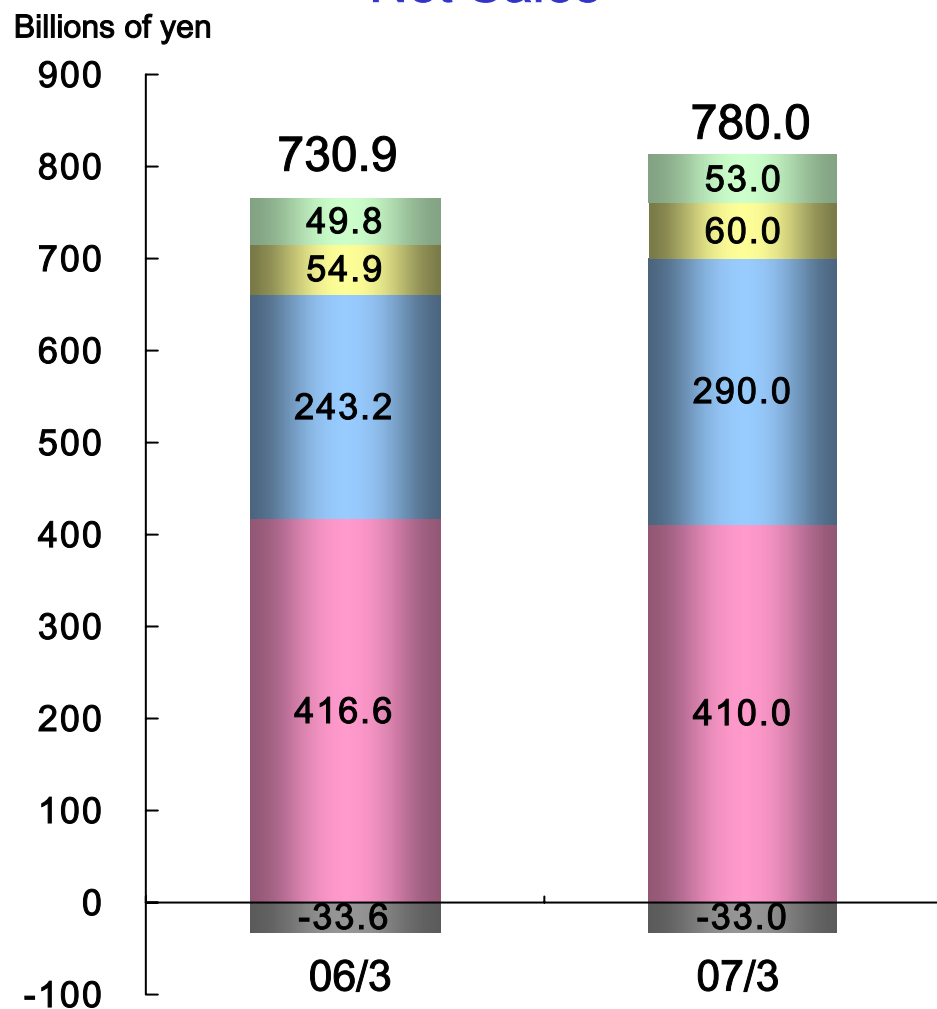
Performance Forecasts for the Year Ending March 31, 2007

Billions of Yen	06/3 Actual Result	07/3 Forecast	Change
Net Sales (% vs Net Sales)	730.9 100.0%	780.0 100.0%	+49.1
Operating Income (% vs Net Sales)	66.6 9.1%	73.0 9.4%	+6.4
Ordinary Income (% vs Net Sales)	43.5 6.0%	62.0 7.9%	+18.5
Net Income (% vs Net Sales)	28.9 4.0%	37.0 4.7%	+8.1

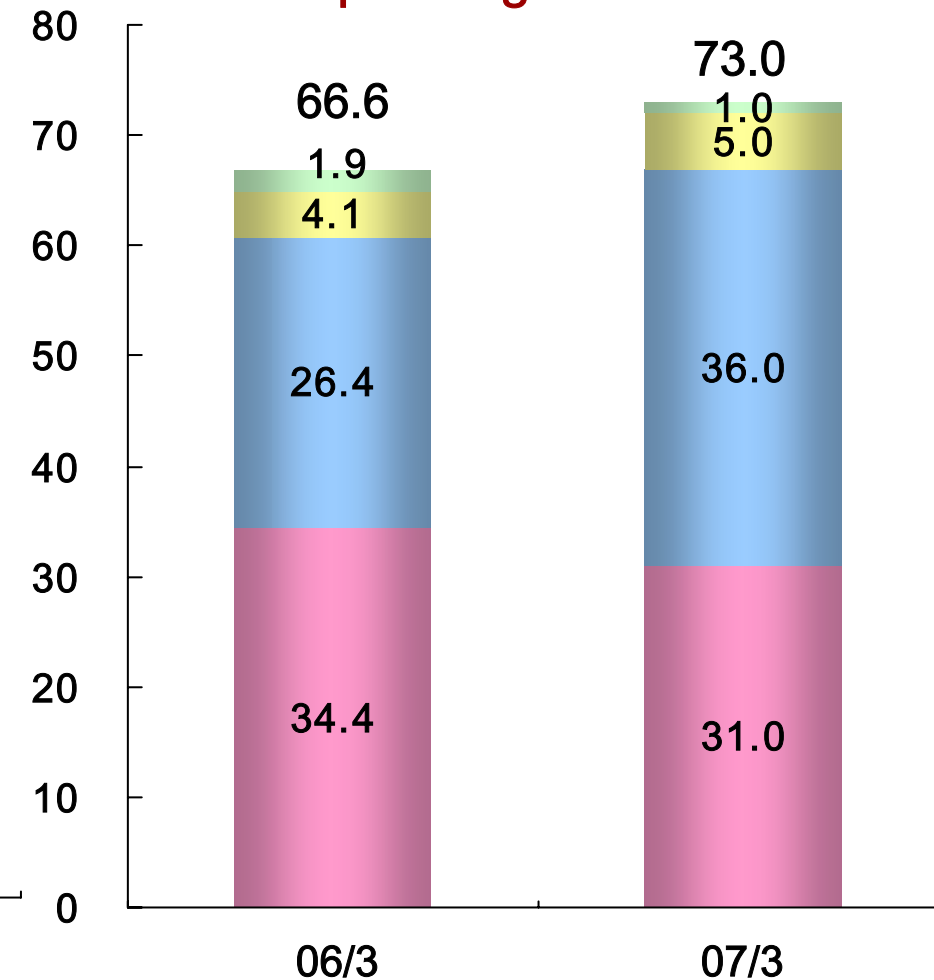


Sales and Operating Income Forecasts by Segment for the Year Ending March 31, 2007

Net Sales



Operating Income



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



Forecasts for Precision Equipment Company

		06/3 Actual Result	1st Half 2nd Half	07/3 Forecast	1st Half 2nd Half
Net Sales (Billions of yen)		243.2	116.2	290.0	135.0
			127.0		155.0
Operating Income (Billions of yen)		26.4	12.4	36.0	14.0
			14.0		22.0
New IC Steppers (Refurbished)		159 (29)	79 (12)	170 (47)	78 (17)
			80 (17)		92 (30)
LCD Steppers		67	37	82	45
			30		37
Steppers TOTAL		255	128	299	140
			127		159
Market Scale CY06/07	New IC Steppers	464		460 ~ 470	
	LCD Steppers	147		approx. 150	

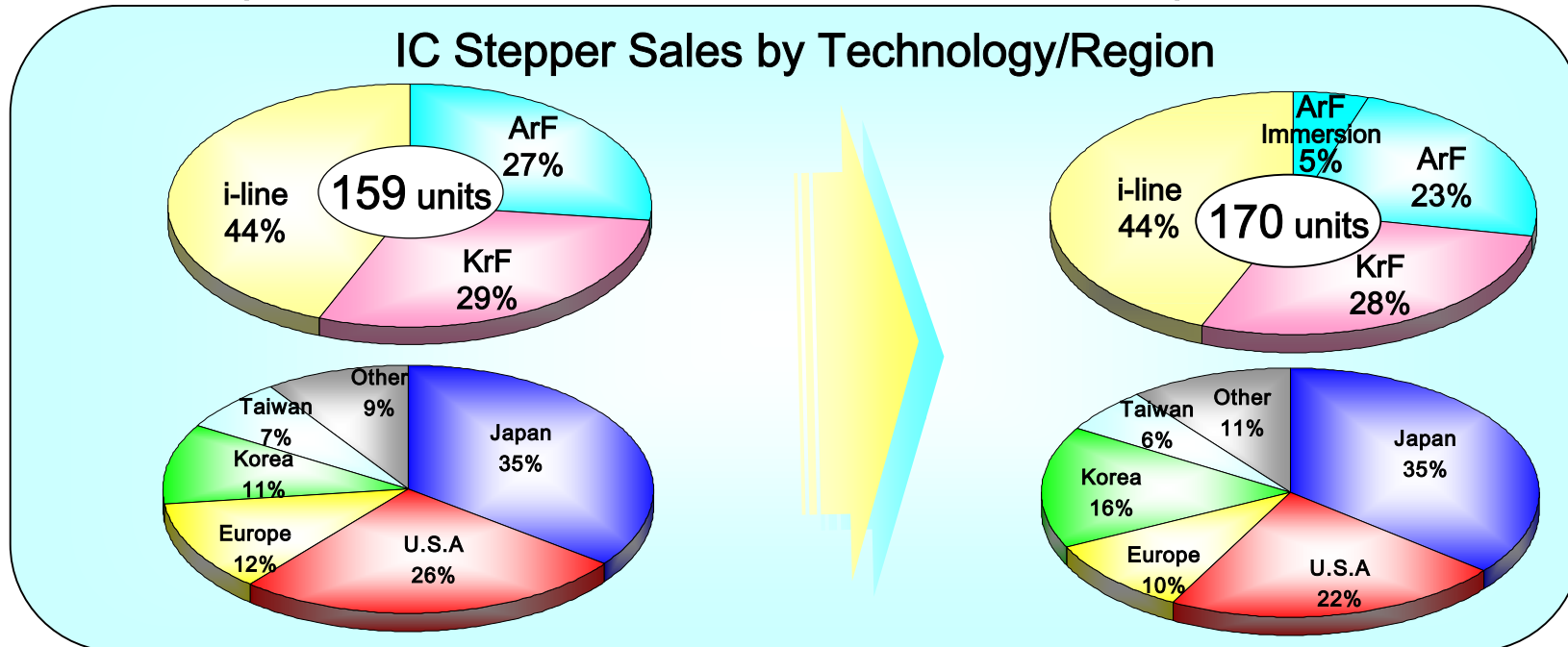
Steppers (units sold)

Forecasts for Precision Equipment Company

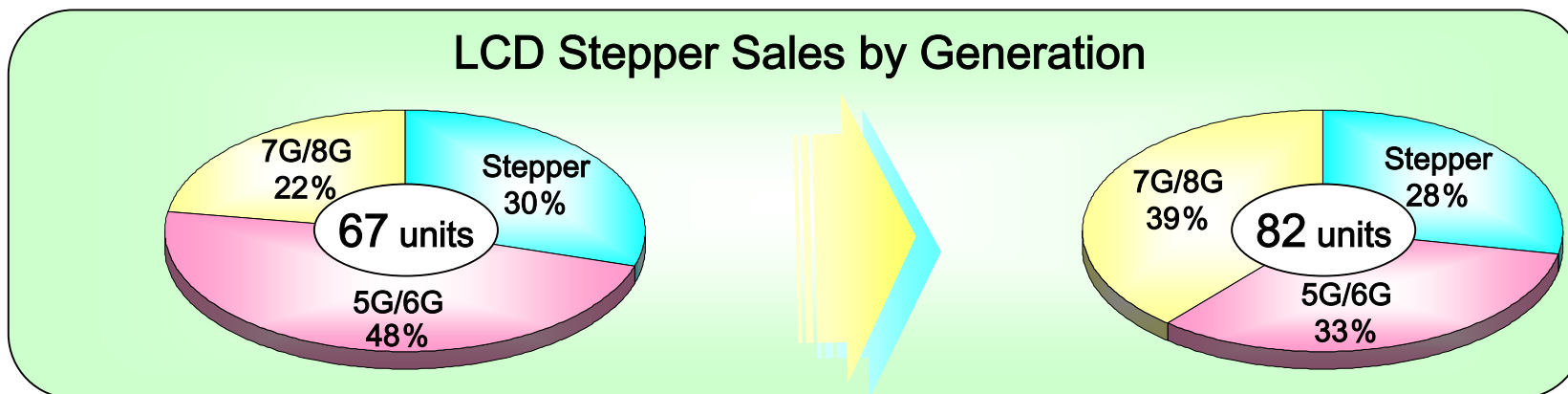
06/3 Actual Result

07/3 Forecast

IC Stepper Sales by Technology/Region



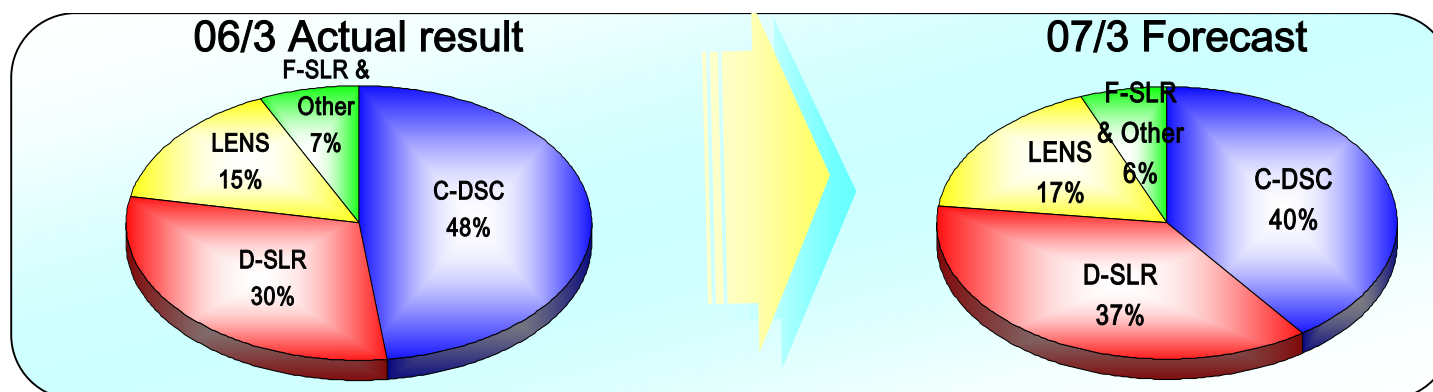
LCD Stepper Sales by Generation





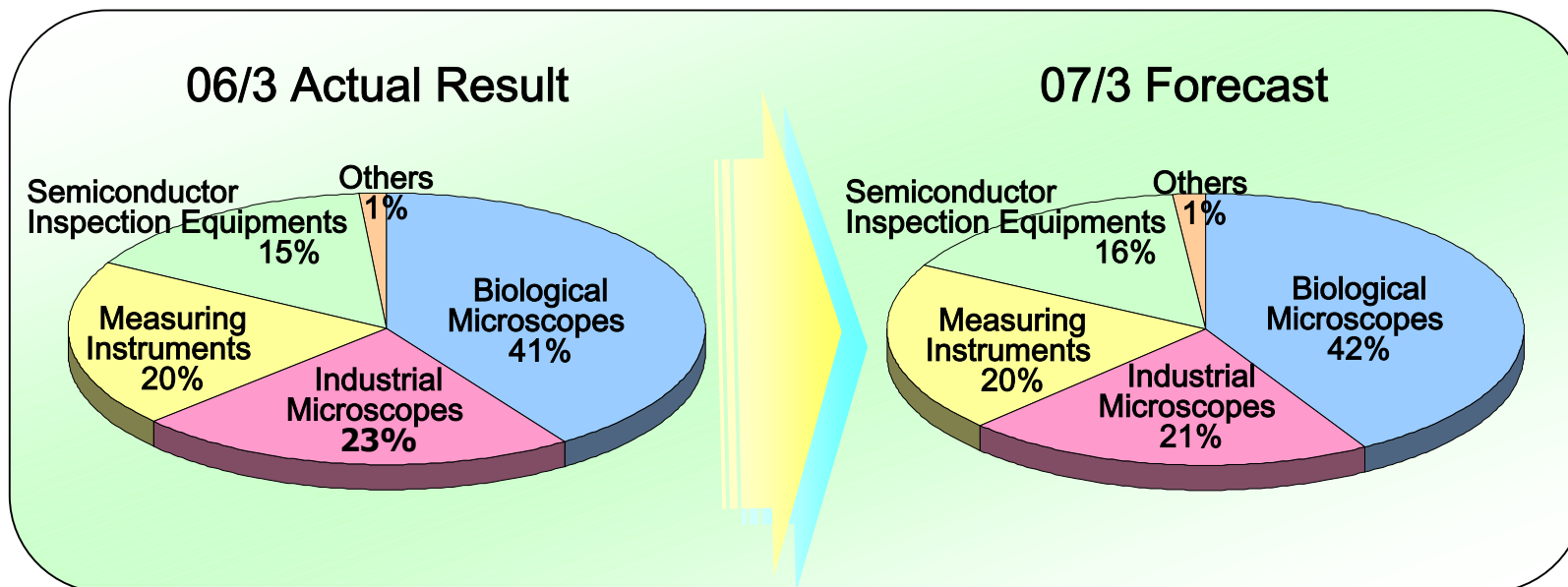
Forecast for Imaging Company

Cameras & Lenses (1,000 of units solid)		06/3	1st Half		07/3	1st Half	
		Actual Result	2nd Half	Forecast	2nd Half		
Net Sales (Billions of yen)		416.6	196.4	220.2	410.0	190.0	220.0
Operating Income (Billions of yen)		34.4	15.5	18.9	31.0	14.0	17.0
Single-Lens Reflex DSC		1,340	790	550	1,750	850	900
Compact DSC		7,110	3,410	3,700	7,100	3,500	3,600
DSC Total		8,450	4,200	4,250	8,850	4,350	4,500
Interchangeable Lenses		2,020	1,180	840	2,100	1,000	1,100
Market Scale F Y	Compact-DSC D-SLR	63,230 3,940		66,000 5,000			



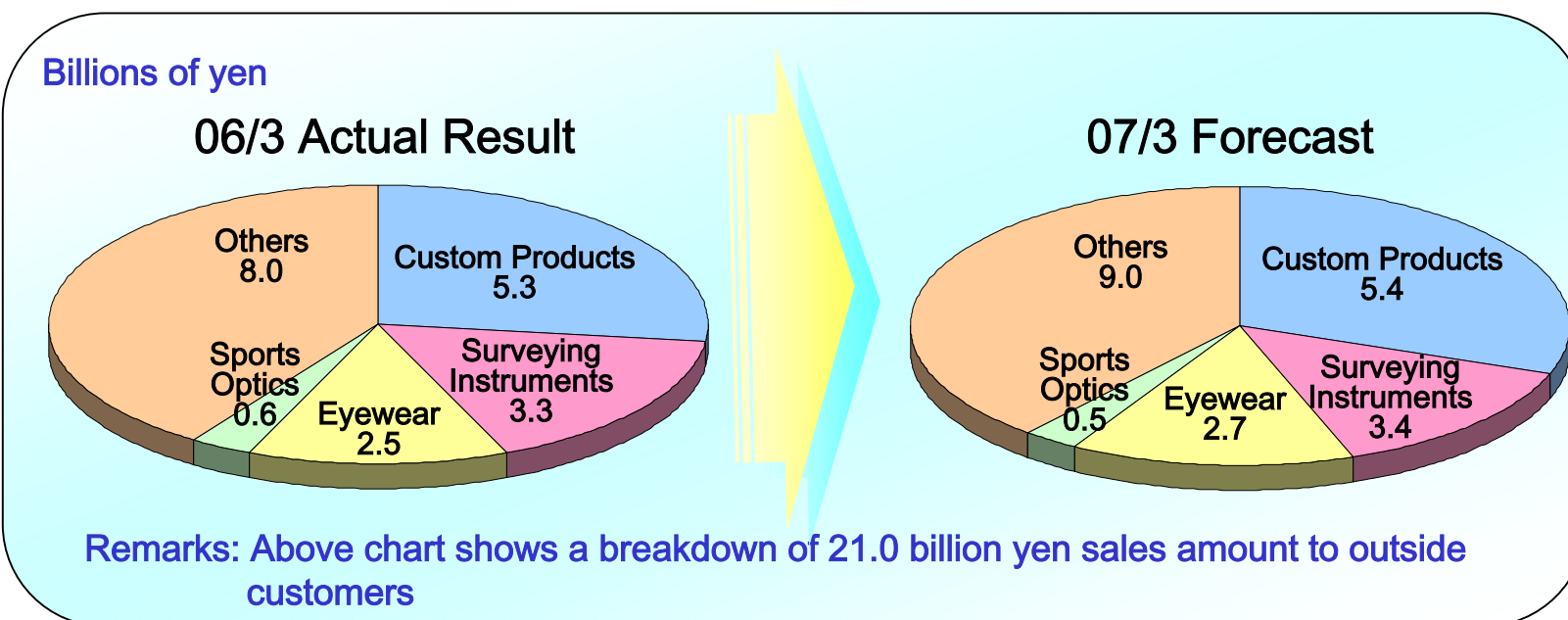
Forecasts for Instruments Company

	06/3	1st Half	07/3	1st Half
	Actual Result	2nd Half	Forecast	2nd Half
Net Sales (Billions of yen)	54.9	24.3	60.0	27.0
		30.6		33.0
Operating Income (Billions of yen)	4.1	0.7	5.0	1.0
		3.4		4.0



Forecast for Other Businesses

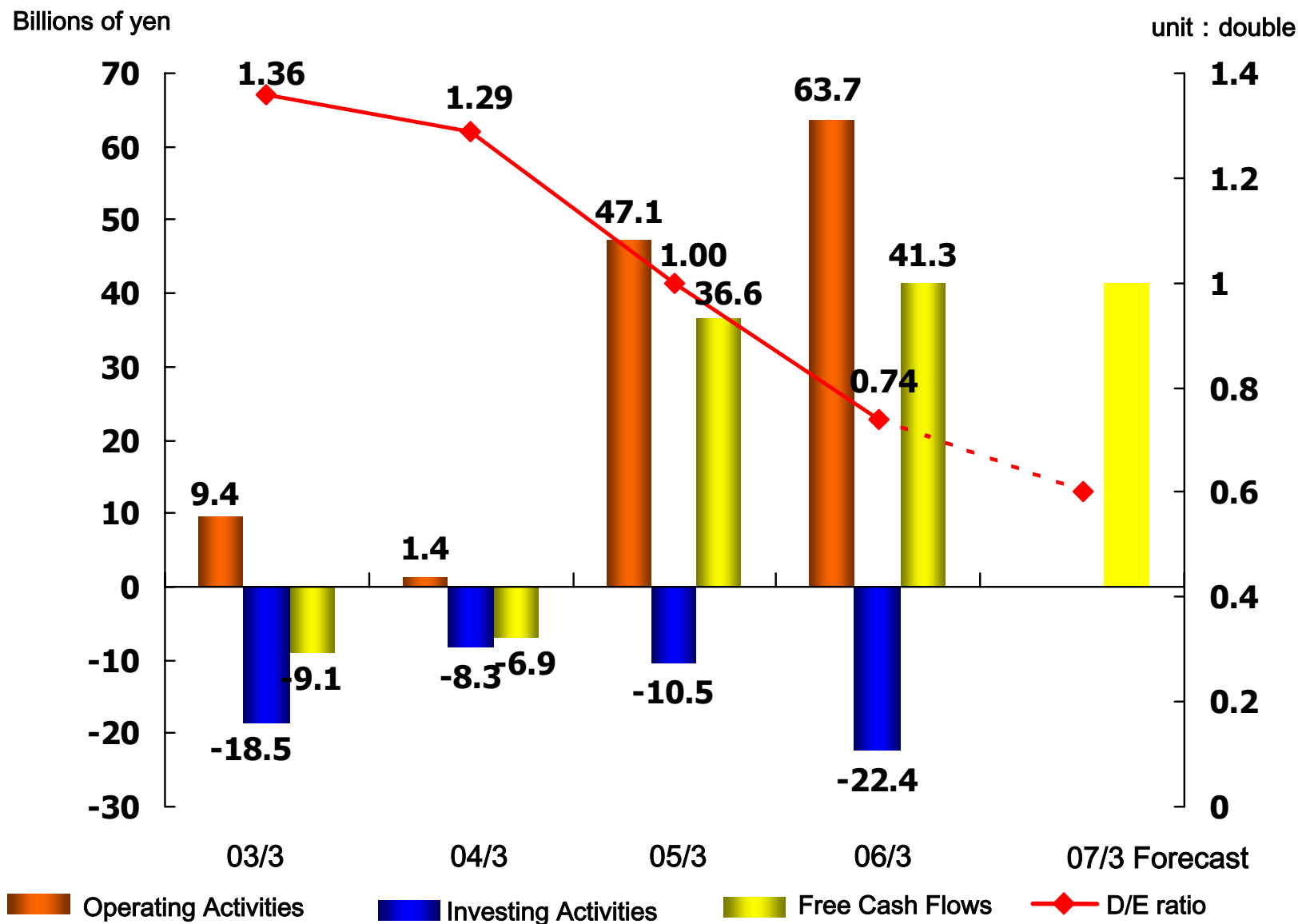
	06/3	1st Half		07/3	1st Half	
	Actual result		2nd Half	Forecast		2nd Half
Net Sales (Billions of yen)	49.8	22.8		53.0	25.0	
		27.0			28.0	
Operating Income (Billions of yen)	1.9	0.1		1.0	1.0	
		1.8			0	



Forecasts for Cash Expenditure, Depreciation, R&D and Interest-bearing debt

Billions of yen	05/3	06/3	07/3 Forecast
Capital Expenditure	22.5	25.8	30.0
Depreciation	19.7	20.8	22.0
R&D	33.6	37.1	47.0
Interest-bearing debt	195.3	178.8	145.0

Forecasts for Cash Flows and D/E ratio



Summary: Forecasts for the Year Ending March 31, 2007

Targeting record highs in Net Sales, Operating Income, Ordinary Income and Net Income.

- Precision Equipment Company :
Raising the sales share of cutting-edge IC and LCD steppers among our product mix.
- Imaging Company :
Promoting full lineup of D-SLR.
- All Businesses :
Enhancing further cost competitiveness by promoting “ Bolstering manufacturing innovation project ” .

Building solid financial structure by further improving Cash Flows and compression of Interest-bearing debt.

Marking the solid first step as the first year of Medium Term Management Plan.



Reference Data



Exchange Rate

06/3
Actual Result

	Exchange Rate		Financial Impact*	
	06/3 Forecast	06/3 Results	Net Sales (Billions of yen)	Operating Income (Billions of yen)
US\$	110	117.47	+ 12.9	+ 1.4
EURO	135	142.81	+ 7.6	+ 0.9
Total			+ 20.5	+ 2.3

*Change from foreign exchange rate.
Operating Income: Impact for 4Q result

07/3
Forecast

	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	07/3 Forecast	Net sales (Billions of yen)	Operating Income (Billions of yen)
US\$	110	approx 1.8	approx 1.0
EURO	135	approx 1.0	approx 0.8



Earnings Forecasts for the Year Ending March 31, 2007

Billions of yen

900

800

700

600

500

400

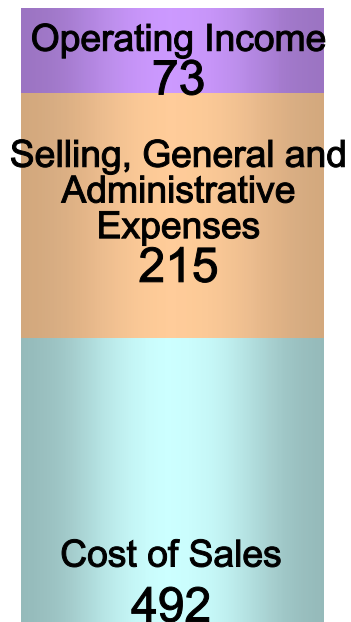
300

200

100

0

Net Sales 780
(1st Half 360 / 2nd Half 420)



Billions of yen		06/3		07/3	
		Actual Result		Forecast	
Operating Income	1st Half	66.6	28.4	73.0	30.0
	2nd Half		38.2		43.0
Non-operating Income		5.2		4.0	
Non-operating Expenses		28.2		15.0	
Ordinary Income	1st Half	43.5	20.1	62.0	25.0
	2nd Half		23.4		37.0
Special gain and loss		- 2.6		0	
Income Taxes		12.0		25.0	
Net Income	1st Half	28.9	9.4	37.0	15.0
	2nd Half		19.5		22.0



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