



Financial Results of the year ended March 31, 2008

Company name: NIKON CORPORATION

Code number: 7731

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Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange

Date for the annual shareholders' meeting: June 27, 2008

Date for the filing of the consolidated financial statements: June 27, 2008

Date of year-end dividend payout: June 30, 2008

1. Consolidated Results of Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

(Note) Amount Unit: 1 Million Yen unless otherwise specified (Amounts less than 1 Million Yen are omitted.)

(1) Financial Results

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
Year ended March 31, 2008	¥955,791	16.2%	¥135,169	32.5%	¥120,139	34.2%
Year ended March 31, 2007	¥822,813	12.6%	¥102,006	53.2%	¥89,551	105.9%

	Net Income	Change	Net Income per share of Common Stock (Yen)	Net Income per share of Common Stock after dilution (Yen)	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
Year ended March 31, 2008	¥75,483	37.7%	¥189.00	¥181.23	20.4%	15.3%	14.1%
Year ended March 31, 2007	¥54,824	89.4%	¥146.36	¥131.42	18.5%	12.4%	12.4%

(Note) Equity in Earning of non-consolidated subsidiaries and affiliates: Year ended March 31, 2008: 1,308 million yen
Year ended March 31, 2007: 1,540 million yen

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
Year ended March 31, 2008	¥820,621	¥393,125	47.9%	¥983.94
Year ended March 31, 2007	¥748,939	¥348,444	46.5%	¥871.67

(Note) Shareholders' Equity : Year ended March 31, 2008: 392,978 million yen
Year ended March 31, 2007: 348,167 million yen

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of year
Year ended March 31, 2008	¥120,839	¥(49,783)	¥(38,664)	¥112,957
Year ended March 31, 2007	¥83,200	¥(21,898)	¥(23,673)	¥83,848

2. Cash dividends

	Cash dividend per share (Yen)		
	Interim	End of year	Total
Year ended March 31, 2007	¥6.50	¥11.50	¥18.00
Year ended March 31, 2008	¥11.50	¥13.50	¥25.00
Year ended March 31, 2009(Planned)	¥12.50	¥12.50	¥25.00

	Total annual Cash dividend paid (million yen)	Dividend payout ratio (consolidated)	Dividend payout to net assets ratio (consolidated)
Year ended March 31, 2007	¥6,998	12.3%	2.4%
Year ended March 31, 2008	¥9,984	13.2%	2.7%
Year ended March 31, 2008(Planned)		12.8%	

3. Forecast for Year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

Amount Unit : 1 Million Yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
Second quarter ending September 30, 2008	¥440,000	(1.3)%	¥50,000	(21.0)%	¥48,000	(18.5)%
Year ending March 31, 2009	¥980,000	2.5%	¥130,000	(3.8)%	¥125,000	4.0%

	Net Income	Change	Net Income per share of Common Stock (Yen)
Second quarter ending September 30, 2008	¥29,000	(15.8)%	¥72.61
Year ending March 31, 2009	¥78,000	3.3%	¥195.30

(Note) These forecasts are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in these forecasts as a result of numerous factors outside of the Company's control.

4. Other

(1) **Changes of significant subsidiaries during the current fiscal year (change of specified subsidiaries that affected the scope of consolidated reporting) :** No

(2) **Changes of accounting policies applied, procedures and disclosures for presenting consolidated financial statement**

Changes by revision of accounting standard : Yes

Changes other than the above : Yes

(Note) Please see "Changes in Accounting Policies" on page 10 for further details.

(3) **Numbers of shares outstanding(in shares)**

Number of shares outstanding at year end March 31, 2008 : 400,101,468 year end March 31, 2007 : 400,101,468

Number of treasury stocks at year end March 31, 2008 : 708,305 year end March 31, 2007 : 674,372

[Reference]

1. None-consolidated Results of Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

(Note) Amount Unit: 1 Million Yen unless otherwise specified (Amounts less than 1 Million Yen are omitted.)

(1) Financial Results

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
Year ended March 31, 2008	¥732,963	20.9%	¥87,155	21.3%	¥84,515	25.6%
Year ended March 31, 2007	¥606,323	16.3%	¥71,876	129.3%	¥67,273	256.8%

	Net Income	Change	Net Income per share of Common Stock (Yen)	Net Income per share of Common Stock after dilution (Yen)
Year ended March 31, 2008	¥53,653	25.1%	¥134.34	¥128.82
Year ended March 31, 2007	¥42,898	252.5%	¥114.52	¥102.83

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
Year ended March 31, 2008	¥663,306	¥315,748	47.6%	¥790.20
Year ended March 31, 2007	¥601,498	¥283,136	47.1%	¥708.65

(Note) Shareholders' Equity : Year ended March 31, 2008: 315,601 million yen
Year ended March 31, 2007: 283,053 million yen**2. None-consolidated Forecast for Year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)**

Amount Unit : 1 Million Yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
First Half ending September 30, 2008	¥350,000	5.4%	¥34,000	(9.1)%	¥47,000	13.5%
Year ending March 31, 2009	¥750,000	2.3%	¥87,000	(0.2)%	¥100,000	18.3%

	Net Income	Change	Net Income per share of Common Stock (Yen)
First Half ending September 30, 2008	¥30,000	13.1%	¥75.11
Year ending March 31, 2009	¥64,000	19.3%	¥160.24

(Note) These forecasts are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in these forecasts as a result of numerous factors outside of the Company's control.

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of March 31, 2008		As of March 31, 2007		Increase(Decrease)
		%		%	
Assets					
Current assets					
Cash and time deposits	113,973		83,871		30,102
Notes and accounts receivable-trade	159,934		148,914		11,019
Inventories	264,720		246,400		18,319
Deferred tax assets	40,126		33,053		7,072
Other current assets	20,403		14,029		6,374
Allowance for doubtful receivables	(3,041)		(3,072)		31
Total current assets	596,117	72.6	523,197	69.9	72,919
Fixed assets					
Tangible fixed assets					
Buildings and structures	41,879		41,381		497
Machinery, equipment and vehicles	36,691		39,169		(2,478)
Land	15,488		15,964		(476)
Construction in progress	8,232		4,946		3,285
Other	14,872		15,210		(338)
Total tangible fixed assets	117,163	14.3	116,673	15.5	490
Intangible fixed assets	21,661	2.6	13,995	1.9	7,666
Investments and other assets					
Investment securities	74,559		85,421		(10,861)
Deferred tax assets	4,405		3,457		948
Other	6,817		6,288		528
Allowance for doubtful receivables	(104)		(95)		(8)
Total investments and other assets	85,678	10.5	95,071	12.7	(9,393)
Total fixed assets	224,503	27.4	225,741	30.1	(1,237)
Total assets	820,621	100.0	748,939	100.0	71,682

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of March 31, 2008		As of March 31, 2007		Increase(Decrease)
		%		%	
Liabilities					
Current liabilities					
Notes and accounts payable-trade	186,060		145,911		40,148
Short-term debt	11,321		17,456		(6,134)
Current portion of bonds	5,000		20,000		(15,000)
Accrued expenses	50,759		47,711		3,048
Accrued income taxes	32,063		27,560		4,502
Warranty reserve	8,551		7,655		896
Other current liabilities	58,706		42,660		16,045
Total current liabilities	352,463	43.0	308,956	41.3	43,507
Long-term liabilities					
Bonds	44,500		49,500		(5,000)
Long-term debt	15,712		18,369		(2,657)
Liability for employees' retirement benefits	13,023		15,163		(2,139)
Retirement allowance for directors and corporate auditors	532		455		76
Other long-term liabilities	1,263		8,048		(6,785)
Total long-term liabilities	75,032	9.1	91,538	12.2	(16,505)
Total liabilities	427,495	52.1	400,494	53.5	27,001
Net assets					
Shareholders' equity					
Common stock	64,675		64,675		—
Capital surplus	79,911		79,911		—
Retained earnings	245,255		179,019		66,236
Treasury stock	(1,357)		(1,018)		(339)
Total shareholders' equity	388,485	47.4	322,588	43.1	65,896
Valuation and translation adjustments					
Unrealized gain on available-for-sale securities	10,388		22,104		(11,716)
Deferred gains or losses on hedges	(11)		(198)		187
Foreign currency translation adjustments	(5,884)		3,672		(9,556)
Total valuation and translation adjustments	4,492	0.5	25,578	3.4	(21,085)
Stock acquisition rights	146	0.0	83	0.0	63
Minority interests	—	—	194	0.0	(194)
Total net assets	393,125	47.9	348,444	46.5	44,680
Total liabilities and net assets	820,621	100.0	748,939	100.0	71,682

Consolidated Statements of Income

Amount Unit: 1 Million Yen

	Year ended March 31, 2008		Year ended March 31, 2007		Increase (Decrease)
		%		%	
Net sales	955,791	100.0	822,813	100.0	132,978
Cost of sales	551,550	57.7	494,663	60.1	56,887
Gross profit	404,240	42.3	328,150	39.9	76,090
Selling, general and administrative expenses	269,071	28.2	226,143	27.5	42,928
Operating income	135,169	14.1	102,006	12.4	33,162
Non-operating income	8,195	0.9	7,080	0.9	1,114
Interest and dividend income	2,909		1,723		1,186
Other income	5,285		5,357		(71)
Non-operating expenses	23,224	2.4	19,536	2.4	3,688
Interest expenses	1,439		1,632		(193)
Other expenses	21,785		17,903		3,881
Ordinary income	120,139	12.6	89,551	10.9	30,588
Extraordinary gains	1,813	0.2	916	0.1	897
Gain on sale of fixed assets	179		825		(645)
Gain on sale of investment securities	1,634		23		1,610
Gain on transfer of investments in an affiliate	—		67		(67)
Extraordinary losses	5,249	0.6	2,654	0.3	2,595
Loss on disposal of fixed assets	922		803		118
Loss on sale of fixed assets	29		3		26
Loss on impairment of fixed assets	263		—		263
Loss on sales of investment securities	94		—		94
Loss on devaluation of investment securities	534		—		534
Loss on devaluation of investment in affiliates	1,127		—		1,127
Loss on restructuring of business	1,383		1,846		(462)
Environmental expenses	894		—		894
Income before income taxes	116,704	12.2	87,812	10.7	28,891
Income taxes	41,220	4.3	32,975	4.0	8,244
Minority interest	—	—	12	0.0	(12)
Net Income	75,483	7.9	54,824	6.7	20,658

Consolidated Statement of Changes In Net Assets

Amount Unit : 1Million Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance of March 31,2007	64,675	79,911	179,019	(1,018)	322,588
Changes during the current period					
Cash dividends			(4,593)		(4,593)
Cash dividends(interim dividends)			(4,592)		(4,592)
Net income			75,483		75,483
Purchase of treasury stock				(582)	(582)
Disposal of treasury stock		(65)		243	177
Transfer of loss on Disposal of treasury stock		65	(65)		—
Adjustment of retained earnings for newly consolidated subsidiaries			59		59
Adjustment of pension obligation for foreign consolidated subsidiaries			(54)		(54)
Net change of items other than shareholders' equity					
Total changes during the current period	—	—	66,236	(339)	65,896
Balance of March 31,2008	64,675	79,911	245,255	(1,357)	388,485

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance of March 31,2007	22,104	(198)	3,672	25,578	83	194	348,444
Changes during the current period							
Cash dividends							(4,593)
Cash dividends(interim dividends)							(4,592)
Net income							75,483
Purchase of treasury stock							(582)
Disposal of treasury stock							177
Transfer of loss on Disposal of treasury stock							—
Adjustment of retained earnings for newly consolidated subsidiaries							59
Adjustment of pension obligation for foreign consolidated subsidiaries							(54)
Net change of items other than shareholders' equity	(11,716)	187	(9,556)	(21,085)	63	(194)	(21,216)
Total changes during the current period	(11,716)	187	(9,556)	(21,085)	63	(194)	44,680
Balance of March 31,2008	10,388	(11)	(5,884)	4,492	146	—	393,125

Consolidated Statement of Changes In Net Assets

Amount Unit : 1Million Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance of March 31,2006	36,660	51,932	130,404	(697)	218,300
Changes during the current period					
Conversion of convertible bonds	28,015	27,984			56,000
Cash dividends*			(4,621)		(4,621)
Bonus to directors and corporate auditors from appropriation			(72)		(72)
Net income			54,824		54,824
Purchase of treasury stock				(445)	(445)
Disposal of treasury stock		(10)		124	113
Loss on Disposal of treasury stock		4	(4)		-
Adjustment of retained earnings for newly consolidated subsidiaries			(21)		(21)
Adjustment of pension obligation for foreign consolidated subsidiaries			(1,490)		(1,490)
Net change of items other than shareholders' equity					-
Total changes during the current period	28,015	27,978	48,614	(320)	104,287
Balance of March 31,2007	64,675	79,911	179,019	(1,018)	322,588

	Valuation and translation adjustments				Share subscription rights	Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance of March 31,2006	24,534	-	286	24,821	-	182	243,304
Changes during the current period							
Conversion of convertible bonds							56,000
Cash dividends*							(4,621)
Bonus to directors and corporate auditors from appropriation							(72)
Net income							54,824
Purchase of treasury stock							(445)
Disposal of treasury stock							113
Loss on Disposal of treasury stock							-
Adjustment of retained earnings for newly consolidated subsidiaries							(21)
Adjustment of pension obligation for foreign consolidated subsidiaries							(1,490)
Net change of items other than shareholders' equity	(2,429)	(198)	3,385	757	83	12	852
Total changes during the current period	(2,429)	(198)	3,385	757	83	12	105,139
Balance of March 31,2007	22,104	(198)	3,672	25,578	83	194	348,444

*Cash dividends contain (2,216) million yen from appropriation of shareholders meeting held on June, 2006.

Consolidated Statements of Cash Flows

Amount Unit: 1 Million Yen

	Year ended March 31, 2008	Year ended March 31, 2007	Increase (Decrease)
1. Cash flows from operating activities			
Income before income taxes	116,704	87,812	28,891
Depreciation and amortization	25,547	22,535	3,012
Loss on impairment of fixed assets	273	588	(315)
Net increase in warranty reserve	1,106	1,063	42
Provision for employees' retirement benefits	(2,382)	(4,189)	1,806
Provision for retirement allowance for directors and corporate auditors	76	116	(39)
Interest and dividend income	(2,909)	(1,723)	(1,186)
Interest expenses	1,439	1,632	(193)
Gain on sale of fixed assets	(179)	(825)	645
Loss on sale and disposal of fixed assets	950	807	142
Gain on sale of investment securities	(1,634)	(23)	(1,610)
Loss on sale of investment securities	94	—	94
Loss on devaluation of investment securities	534	—	534
Loss on devaluation of investment in affiliates	1,127	—	1,127
Net increase in trade notes and accounts receivable	(16,981)	(6,297)	(10,683)
Net increase in inventories	(26,284)	(1,491)	(24,793)
Net increase (decrease) in trade notes and accounts payable	40,704	(10,542)	51,247
Other, net (operating activities)	23,839	7,979	15,859
Sub total	162,023	97,443	64,580
Interests and dividends received	3,740	2,600	1,139
Interests paid	(1,497)	(1,777)	280
Income taxes paid	(43,427)	(15,066)	(28,361)
Net cash provided by operating activities	120,839	83,200	37,638
2. Cash flows from investing activities			
Payments for purchases of tangible fixed assets	(28,433)	(21,516)	(6,917)
Proceeds from sale of tangible fixed assets	1,501	1,818	(317)
Payments for purchases of investment securities	(12,387)	(914)	(11,473)
Proceeds from sale of investment securities	2,477	3,598	(1,121)
Net decrease (increase) in loans receivable	59	(26)	85
Other, net (investing activities)	(12,999)	(4,858)	(8,141)
Net cash used in investing activities	(49,783)	(21,898)	(27,884)
3. Cash flows from financing activities			
Increase (decrease) in short-term borrowings	(6,965)	2,219	(9,184)
Proceeds from long-term debt	501	4,896	(4,394)
Repayments of long-term debt	(2,048)	(5,842)	3,794
Expenditures for redemption of bonds	(20,000)	(20,000)	—
Dividends paid	(9,187)	(4,612)	(4,574)
Other, net (financing activities)	(965)	(333)	(631)
Net cash used in financial activities	(38,664)	(23,673)	(14,991)
4. Foreign currency translation adjustments on cash and cash equivalents	(3,753)	1,234	(4,987)
5. Net increase in cash and cash equivalents	28,639	38,863	(10,224)
6. Cash and cash equivalents, beginning of year	83,848	44,471	39,376
7. Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	470	513	(43)
8. Cash and cash equivalents, end of year	112,957	83,848	29,109

Summary of Significant Accounting Policies

(1)Securities

Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold until maturity are reported at amortized cost method.

Available-for-sale-securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. Available-for-sale-securities whose fair value is not readily determinable are stated principally at moving-average cost method.

(2)Inventories

Inventories of Nikon Corporation (the "Company") and its domestic subsidiaries are stated at cost as determined principally using the average method. Inventories of foreign subsidiaries are stated at the lower of cost or market as determined principally using the average method.

(3)Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation of tangible fixed assets and equipment of the Company and domestic subsidiaries is principally computed using the declining-balance method, while the straight-line method is applied to buildings (excluding facilities incidental to buildings), and foreign subsidiaries apply the straight-line method, using rates based on the estimated useful lives of the assets.

(4)Retirement and Pension Plans

The Company has a defined benefit corporate pension plan (cash balance plan) and its consolidated domestic subsidiaries have non-contributory funded pension plans. Certain foreign subsidiaries also have contributory pension plans.

The Group accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. Retirement allowances for officers are recorded to state the liability at the amount that would be required if all officers retired at each balance sheet date.

Certain foreign subsidiaries (about the United States etc.) record unrecognized actuarial gains and losses to which cost is not processed to balance sheet in this fiscal year.

(5)Foreign Currency Financial Statements

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates except for equity, which is translated at the historical exchange rates. Revenues and expenses are translated at the weighted-average exchange rates. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity.

(6)Derivatives and Hedging Activities

The Group enters into derivative financial instruments ("derivatives"), including contracts of foreign exchange forward, currency option, foreign currency swap and interest rate swap to hedge foreign exchange risk and interest rate exposures. The Group does not hold or issue derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives are recognized principally as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statements of income and (b) for derivatives used for hedging purpose, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts and currency option contracts employed to hedge foreign exchange exposures for export sales and purchases are measured at fair value and the related unrealized gains or losses are recognized in income. Forward contracts entered into for forecasted transactions are also measured at fair value, but the unrealized gains or losses on qualifying hedges are deferred until the underlying transactions are completed. The foreign currency swaps used to hedge the foreign currency fluctuations of long-term debt denominated in foreign currencies are measured at fair value and the unrealized gains or losses are included in the carrying amounts of the debt. The interest rate swaps which qualify for hedge accounting are measured at market value at the balance sheet date, and the unrealized gains or losses are deferred until maturity as other liability or asset. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

Changes in Accounting Policies

(1) Exchange Method for Foreign Currency Financial Statements

Prior to April 1, 2007, the Company had translated the foreign currency financial statements of its overseas subsidiaries into Japanese yen at the current rate as of the balance sheet date. Effective April 1, 2007, the Company changed its method of translating the foreign currency of accounts regarding revenues and expenses of overseas subsidiaries into Japanese yen from the method of using the current rate as of the balance sheet date to using the average rate in the year, due to the increasing of ration of their sales and production and to present more fairly the financial position. As a result of this change, sales for the year ended March 31, 2008 increased 49,284 million yen.

(2) Accounting Method for Depreciation of Property, Plant and Equipment

Effective April 1, 2007, the Company and its domestic subsidiaries changed the depreciation method for the property, plant and equipment acquired on or after April 1, 2007 due to the revision of Japanese Corporation Tax Law and its regulation. The effect of this change was immaterial.

3. Additional Information

Accounting for Depreciation of 5% of Acquisition Cost

Effective April 1, 2007, the Company and its domestic subsidiaries have depreciated 5% of acquisition cost of property, plant and equipment which were acquired on or before March 31, 2007, by using the straight line method within next 5 years after these assets were depreciated to 5% of acquisition cost and charged to income as depreciation expense. The effect of this change was immaterial.

Segment Information

1. Industry Segments

Amount Unit: 1 Million Yen

	Year ended March 31, 2008						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Eliminations or corporate	Consolidated
1. Net sales							
1)Outside customers	290,814	586,146	59,042	19,787	955,791	–	955,791
2)Intersegment sales/transfer	1,076	1,964	2,197	36,634	41,872	(41,872)	–
Total	291,891	588,110	61,240	56,422	997,664	(41,872)	955,791
Operating expenses	248,542	504,137	57,158	52,786	862,624	(42,002)	820,622
Operating income	43,348	83,973	4,081	3,636	135,039	129	135,169
2.Assets, depreciation & capital expenditure							
Assets	270,070	229,878	38,964	60,761	599,675	220,945	820,621
Depreciation & amortization	8,642	10,133	1,327	5,574	25,678	–	25,678
Capital expenditure	9,866	24,470	1,707	3,784	39,829	–	39,829

Amount Unit: 1 Million Yen

	Year ended March 31, 2007						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Eliminations or corporate	Consolidated
1. Net sales							
1)Outside customers	291,912	448,825	59,251	22,823	822,813	–	822,813
2)Intersegment sales/transfer	649	964	1,918	34,420	37,954	(37,954)	–
Total	292,562	449,790	61,170	57,244	860,767	(37,954)	822,813
Operating expenses	243,241	404,111	56,048	55,142	758,543	(37,736)	720,806
Operating income	49,320	45,678	5,122	2,102	102,224	(217)	102,006
2.Assets, depreciation & capital expenditure							
Assets	278,634	191,400	40,791	46,645	557,472	191,467	748,939
Depreciation & amortization	8,515	8,142	1,077	4,890	22,625	–	22,625
Capital expenditure	9,339	13,872	1,380	5,838	30,431	–	30,431

Leading products of each Industry;

Precision Equipment -----IC steppers, LCD steppers, etc.

Imaging Products ----- Digital cameras, Film cameras, Interchangeable camera lenses, etc .

Instruments -----Microscopes, Measuring instruments, etc.

Other -----Glass materials, Sport Optics, Ophthalmic frames, Surveying instruments ,etc.

Notes :

(1) Effective April 1, 2007, the Company changed its method of translation of the revenue and expense accounts of its overseas consolidated subsidiaries into Japanese yen. The effect of this change for the year ended March 31, 2008 was to increase sales (sales to customers) of Precision Equipment segment by 5,142 million yen (5,142 million yen), sales (sales to customers) of Imaging Products segment by 42,125 million yen (42,125 million yen), sales (sales to customers) of Instruments segment by 2,018 million yen (2,011 million yen), and sales (sales to customers) of Other segment by 16 million yen (5 million yen).

(2) Effective April 1, 2007, the Company and its domestic subsidiaries changed the depreciation method for the property, plant and equipment acquired on or after April 1, 2007 due to the revision of Japanese Corporation Tax Law and its regulation. The effect of this change was immaterial.

Segment Information

2. Geographic Segments

Amount Unit: 1 Million Yen

	Year ended March 31, 2008						
	Japan	North America	Europe	Asia/Oceania	Total	Eliminations or Corporate	Consolidated
1. Net sales							
1)Outside customers	379,989	240,590	214,214	120,996	955,791	–	955,791
2)Intersegment sales/transfer	436,718	2,146	232	166,115	605,213	(605,213)	–
Total	816,708	242,737	214,446	287,112	1,561,005	(605,213)	955,791
Operating expenses	712,670	230,419	206,848	271,310	1,421,249	(600,627)	820,622
Operating income	104,037	12,318	7,598	15,801	139,755	(4,586)	135,169
2. Assets	543,973	71,552	54,056	71,828	741,411	79,210	820,621

Amount Unit: 1 Million Yen

	Year ended March 31, 2007						
	Japan	North America	Europe	Asia	Total	Eliminations or Corporate	Consolidated
1. Net sales							
1)Outside customers	337,454	216,113	177,386	91,858	822,813	–	822,813
2)Intersegment sales/transfer	347,651	2,512	119	124,091	474,374	(474,374)	–
Total	685,106	218,625	177,506	215,950	1,297,187	(474,374)	822,813
Operating expenses	600,320	211,937	172,245	211,259	1,195,762	(474,955)	720,806
Operating income	84,786	6,687	5,260	4,690	101,425	581	102,006
2. Assets	492,693	67,275	51,554	66,416	677,938	71,000	748,939

Major countries or regions other than Japan:

North America : U.S.A., Canada

Europe : The Netherlands, Germany, United Kingdom, etc.

Asia/Oceania : China, South Korea, Taiwan, Thailand, Thailand, Australia, etc

Note:

(1) "Asia/Oceania area" has been set to add Australia to the geographic segments for this fiscal year on behalf of "Asia area" based on business and geographic proximity, as the accounts of Nikon Australia Pty Ltd, a wholly owned sales and service subsidiary, has been consolidated from this interim period.

(2) Effective April 1, 2007, the Company changed its method of translation of the revenue and expense accounts of its overseas consolidated subsidiaries into Japanese yen. The effect of this change for the year ended March 31, 2008 was to increase sales (sales to customers) of the North America by 30,062 million yen (29,735 million yen), sales (sales to customers) of the Europe by 6,737 million yen (6,697 million yen), and sales (sales to customers) of Asia/Oceania by 32,274 million yen (12,851 million yen).

(3) Effective April 1, 2007, the Company and its domestic subsidiaries changed the depreciation method for the property, plant and equipment acquired on or after April 1, 2007 due to the revision of Japanese Corporation Tax Law and its regulation. The effect of this change was immaterial.

Segment Information

3. Export sales

Amount Unit: 1 Million Yen

	Year ended March 31, 2008				
	North America	Europe	Asia/Oceania	Other	Total
Export sales(A)	229,826	208,915	244,736	13,318	696,797
Net sales(B)					955,791
(A)/(B)	24.1%	21.9%	25.5%	1.4%	72.9%

Amount Unit: 1 Million Yen

	Year ended March 31, 2007				
	North America	Europe	Asia	Other	Total
Export sales(A)	207,845	176,261	217,939	13,068	615,114
Net sales(B)					822,813
(A)/(B)	25.3%	21.4%	26.5%	1.6%	74.8%

Major countries or regions:

North America : U.S.A., Canada

Europe : The Netherlands, Germany, United Kingdom, etc

Asia/Oceania : China, South Korea, Taiwan, Singapore, Australia, etc

Other : Middle & South America, Africa, etc

Note:

(1) "Asia area" has been changed to "Asia/Oceania area" from this interim period, as export sales for Oceania, which used to be in "Other ara", has been tallied in "Asia/Oceania area" due to business and geographic proximity. As a result of this change, export sales for Oceania for the year ended March 31, 2008 were 8,402 million yen in Asia/Oceania area. Export sales for Oceania for the year ended March 31, 2007 were 3,938 million yen in "Other area".

(2) Effective April 1, 2007, the Company changed its method of translation of the revenue and expense accounts of its overseas consolidated subsidiaries into Japanese yen. The effect of this change for the ended March 31, 2008 was to increase of the North America by 28,277 million yen, sales of Europe by 6,564 million yen, sales of Asia/Oceania by 12,974 million yen, and sales of Other by 1,467 million yen.

Subsequent Events

The Company resolved at the meeting of its Board of Directors on May 12, 2008, to acquire its own shares under Article 156, as applied pursuant to paragraph 3, Article 165, of the Corporation Law, as follows.

1.Reason for acquisition of own shares

The Company decided to acquire its own shares with the aim of shareholders benefit, improving capital efficiency and ensuring a flexible capital policy.

2.Details of acquisition

- (1) Type of shares to be acquired : Common stock
- (2) Total number of shares to be acquired : Up to 4 Million shares
- (3) Type cost of acquisition : Up to 12 billion yen
- (4) Period of acquisition : From May 13, 2008 to June 30, 2008

Non-Consolidated Balance Sheets

Amount Unit : 1million Yen

	As of March 31, 2008		As of March 31, 2007		Increase (Decrease)
		%		%	
Assets					
Current assets					
Cash and time deposits	76,657		53,196		23,461
Notes receivable	6,822		1,435		5,386
Accounts receivable	146,398		137,948		8,450
Finished goods	57,400		51,429		5,970
Semi-finished products	326		341		(14)
Raw materials	40		42		(2)
Work in process	109,870		112,697		(2,826)
Supplies	12,725		7,580		5,145
Deferred tax assets	23,975		17,384		6,591
Short-term loans receivable to subsidiaries and associated companies	16,200		17,392		(1,191)
Other receivables	12,618		10,055		2,562
Other current assets	3,426		1,651		1,775
Allowance for doubtful receivables	(1,399)		(1,270)		(128)
Total current assets	465,065	70.1	409,886	68.1	55,178
Fixed assets					
Tangible fixed assets					
Buildings	18,583		18,739		(155)
Structures	827		895		(68)
Machinery and equipment	24,415		26,949		(2,534)
Automotive equipment	171		136		34
Tools, furniture and fixtures	7,169		7,037		131
Land	9,871		9,814		57
Construction in progress	6,411		3,338		3,073
Total tangible fixed assets	67,450	10.2	66,912	11.1	538
Intangible fixed assets					
Patent rights	9,120		3,940		5,179
Leasehold	4		4		—
Trademark	80		102		(21)
Software	9,176		7,041		2,135
Rights to use public facilities and other assets	94		97		(3)
Total intangible fixed assets	18,476	2.8	11,186	1.9	7,290
Investments and other assets					
Investment securities	66,148		75,844		(9,695)
Investments in subsidiaries and associated companies	26,231		27,331		(1,100)
Capital contributions	2		2		—
Capital contributions to subsidiaries and associated companies	6,662		6,662		—
Long-term loans receivable to subsidiaries and associated companies	53		—		53
Long-term loans receivable to employees	27		32		(5)
Long-term prepaid expenses	100		59		40
Deferred tax assets	10,083		647		9,435
Lease deposits and other assets	3,080		3,007		73
Allowance for doubtful receivables	(74)		(74)		(0)
Total investments and other assets	112,313	16.9	113,513	18.9	(1,199)
Total fixed assets	198,241	29.9	191,611	31.9	6,629
Total assets	663,306	100.0	601,498	100.0	61,808

Non-Consolidated Balance Sheets

Amount Unit : 1million Yen

	As of March 31, 2008		As of March 31, 2007		Increase (Decrease)
		%		%	
Liabilities					
Current liabilities					
Notes payable	712		674		37
Accounts payable	144,324		114,802		29,522
Short-term bank loans	8,500		9,550		(1,050)
Current portion of long-term debt	1,940		840		1,100
Current portion of bonds	5,000		20,000		(15,000)
Accounts payable for construction	9,644		7,597		2,047
Accrued expenses	24,174		22,696		1,478
Accrued income taxes	23,499		21,428		2,071
Advances received	32,074		18,993		13,080
Deposits received	17,675		17,819		(143)
Provision for warranty	6,783		4,576		2,207
Other current liabilities	2,903		689		2,213
Total current liabilities	277,232	41.8	239,667	39.8	37,564
Long-term liabilities					
Bonds	44,500		49,500		(5,000)
Long-term loans	15,240		16,980		(1,740)
Liability for employees' retirement benefits	9,559		10,915		(1,355)
Retirement allowance for directors and corporate auditors	532		455		76
Other long-term liabilities	494		843		(348)
Total long-term liabilities	70,326	10.6	78,693	13.1	(8,367)
Total liabilities	347,558	52.4	318,361	52.9	29,197
Net assets					
Shareholders' equity					
Common stock	64,675	9.8	64,675	10.8	—
Capital surplus	79,911	12.0	79,911	13.3	—
Additional paid in capital	79,911		79,911		—
Retained earnings	162,000	24.4	117,598	19.5	44,401
Legal reserve	5,565		5,565		—
Revenue reserve	156,435		112,033		44,401
Reserve for research and development	2,056		2,056		—
Reserve for deferred capital gain for replacement of property	7,203		8,192		(988)
General reserve	77,211		50,211		27,000
Retained earning brought forward	69,964		51,573		18,390
Treasury stock	(1,357)	(0.2)	(1,018)	(0.2)	(339)
Total shareholders' equity	305,230	46.0	261,167	43.4	44,062
Valuation and translation adjustments					
Unrealized gains on available-for-sale securities	10,383		22,081		(11,698)
Deferred gains or losses on hedges	(12)		(195)		183
Total valuation and translation adjustments	10,370	1.6	21,885	3.7	(11,514)
Stock acquisition rights	146	0.0	83	0.0	63
Total net assets	315,748	47.6	283,136	47.1	32,611
Total liabilities and net assets	663,306	100.0	601,498	100.0	61,808

Non-Consolidated Statements of Income

Amount Unit : 1million Yen

	Year ended March 31, 2008		Year ended March 31, 2007		Increase (Decrease)
		%		%	
Net sales	732,963	100.0	606,323	100.0	126,639
Cost of sales	526,277	71.8	434,649	71.7	91,628
Gross profit	206,685	28.2	171,674	28.3	35,011
Selling, general and administrative expenses	119,530	16.3	99,797	16.4	19,732
Operating income	87,155	11.9	71,876	11.9	15,279
Non-operating income	15,081	2.1	10,301	1.7	4,779
Interest income	899		650		248
Dividend income	9,458		4,283		5,175
Other income	4,723		5,368		(644)
Non-operating expenses	17,721	2.5	14,904	2.5	2,817
Interest expenses	497		349		148
Interest expenses on bonds	513		598		(84)
Loss on disposals of inventories	4,471		5,137		(666)
Write-down of inventories	5,011		1,168		3,843
Other expenses	7,226		7,650		(424)
Ordinary income	84,515	11.5	67,273	11.1	17,241
Extraordinary gains	1,830	0.3	865	0.1	964
Gain on sales of fixed assets	113		775		(661)
Gain on sales of investment securities	1,633		23		1,610
Gain on absorption of investments in an affiliate	82		—		82
Gain on transfer of investments in an affiliate	—		67		(67)
Extraordinary losses	5,301	0.7	2,475	0.4	2,826
Loss on disposal of fixed assets	721		628		93
Loss on sales of fixed assets	12		0		11
Loss on restructuring of business	1,928		1,846		82
Environmental expenses	894		—		894
Loss on sales of investment securities	84		—		84
Loss on devaluation of investment securities	534		—		534
Loss on devaluation of investments in an affiliate	1,127		—		1,127
Income before income taxes	81,044	11.1	65,664	10.8	15,379
Income taxes-current	35,082	4.8	24,236	4.0	10,846
Income taxes-deferred	(7,691)	(1.0)	(1,470)	(0.3)	(6,221)
Net income	53,653	7.3	42,898	7.1	10,775

Non-Consolidated Statement of Changes In Net Assets

Year ended March 31, 2008

Amount Unit : 1Million Yen

	Shareholders' equity									Total shareholders' equity
	Common stock	Capital surplus		Retained earnings					Treasury stock	
		Additional paid in capital	Other capital surplus	Legal reserve	Reserve for research and development	Reserve for deferred capital gain for replacement of property	General reserve	Retained earning brought forward		
Balance of March 31,2007	64,675	79,911	—	5,565	2,056	8,192	50,211	51,573	(1,018)	261,167
Changes during the current period										
Reversal of reserve for deferred capital gain for replacement of property						(988)		988		—
Transfer to general reserve from appropriation							27,000	(27,000)		—
Cash dividends								(4,593)		(4,593)
Cash dividends (Interim dividends)								(4,592)		(4,592)
Net income								53,653		53,653
Purchase of treasury stock									(582)	(582)
Disposal of treasury stock			(65)						243	177
Transfer of loss on disposal of treasury stock			65					(65)		—
Net change of items other than Shareholders' equity										
Total changes during the current period	—	—	—	—	—	(988)	27,000	18,390	(339)	44,062
Balance of March 31,2008	64,675	79,911	—	5,565	2,056	7,203	77,211	69,964	(1,357)	305,230

	Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance of March 31,2007	22,081	(195)	21,885	83	283,136
Changes during the current period					
Reversal of reserve for deferred capital gain for replacement of property					—
Transfer to general reserve from appropriation					—
Cash dividends					(4,593)
Cash dividends (Interim dividends)					(4,592)
Net income					53,653
Purchase of treasury stock					(582)
Disposal of treasury stock					177
Transfer of loss on disposal of treasury stock					—
Net change of items other than Shareholders' equity	(11,698)	183	(11,514)	63	(11,451)
Total changes during the current period	(11,698)	183	(11,514)	63	32,611
Balance of March 31,2008	10,383	(12)	10,370	146	315,748

*Details of other retained earning is included in this report for the Year ended March 31, 2008.

Non-Consolidated Statement of Changes In Net Assets

Year ended March 31, 2007

Amount Unit : 1Million Yen

	Shareholders' equity							Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Common stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
		Additional paid in capital	Other capital surplus	Legal reserve	Other Retained earnings							
Balance of March 31,2006	36,660	51,926	6	5,565	73,832	(697)	167,294	24,476	—	24,476	—	191,770
Changes during the period												
Conversion of convertible debenture	28,015	27,984					56,000					56,000
Cash dividends*					(4,621)		(4,621)					(4,621)
Bonus to directors and corporate auditors from appropriation					(72)		(72)					(72)
Net income					42,898		42,898					42,898
Purchase of treasury stock						(445)	(445)					(445)
Disposal of treasury stock			(10)			124	113					113
Transfer of loss on disposal of treasury stock			4		(4)		—					—
Net change of items other than shareholders' equity								(2,395)	(195)	(2,591)	83	(2,507)
Total changes during the period	28,015	27,984	(6)	—	38,200	(320)	93,873	(2,395)	(195)	(2,591)	83	91,366
Balance of March 31,2007	64,675	79,911	—	5,565	112,033	(1,018)	261,167	22,081	(195)	21,885	83	283,136

Details of other retained earning

	Reserve for research and development	Reserve for deferred capital gain for replacement of property	Reserve for advanced depreciation of fixed assets	General reserve	Retained earning brought forward	Total other retained earning
Balance of March 31,2006	2,056	9,134	1,674	40,211	20,756	73,832
Changes during the period						
Cash dividends*					(4,621)	(4,621)
Bonus to directors and corporate auditors from appropriation					(72)	(72)
Net income					42,898	42,898
Reversal of reserve for deferred capital gain for replacement of property from appropriation		(1,470)			1,470	—
Transfer to reserve of deferred capital gain for replacement of property from appropriation		1,314			(1,314)	—
Reversal of reserve for deferred capital gain for replacement of property		(1,145)			1,145	—
Transfer to reserve of deferred capital gain for replacement of property		359			(359)	—
Reversal of reserve for advanced depreciation of fixed assets from appropriation			(1,674)		1,674	—
Transfer to general reserve from appropriation				10,000	(10,000)	—
Transfer of loss on disposal of treasury stock					(4)	(4)
Total changes during the period	—	(942)	(1,674)	10,000	30,817	38,200
Balance of March 31,2007	2,056	8,192	—	50,211	51,573	112,033

*Cash dividends contain (2,216) million yen from appropriation of shareholders meeting held on June, 2006.