



Financial Results for the 3rd Quarter of the Year Ending March 31, 2012

Conference in Tokyo (Feb. 3, 2012)

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.

Thailand floods impact on FY2012 forecast

Nikon (Thailand) Co., Ltd. (NTC) recovery process

from suspension to alternative production and resumption

- **10/6/2011: Suspended operations of NTC due to damages by floods.**
- **11/30/2011: Restarted partial deliveries of D-SLR cameras and interchangeable lenses thanks to alternative productions by partner factories.**
- **1/3/2012: Resumed partial operations in NTC.**
- **In addition to alternative productions by partner factories, NTC has been ramping up its production smoothly, expecting D-SLR cameras and IL to reach the normal-scale production at the end of March 2012.**

Investment for equipment replacement, etc.

Approximately 30 billion yen in total

Expected 2nd half extraordinary gain and loss due to Thai floods

- **Extraordinary loss: approx. 12 billion yen (fixed asset impairment, inventory disposal, compensation for suspension, etc.)**
- **Extraordinary gain: approx. 11.5 billion yen (insurance proceeds)**

Agenda

- I. **Financial Results for the 3rd Quarter
of the Year Ending March 31, 2012**
- II. Estimation for the Year Ending
March 31, 2012
- III. Reference Data

◆ The 3rd quarter suffered by Thailand floods and strong yen ended with lower sales and income from the period a year earlier: however, in the three quarters total, sales increased 8% and operating income doubled.

Precision Equipment Company

The 3rd quarter was able to sustain high profitability from the 1st half, resulting in substantial increases year-on-year in sales and income for the three quarters.

Imaging Company

Floods impact slashed Q3 sales 20% year-on-year: but, brisk sales of compact DSC helped ensure the profit. Three quarters total posted increased sales and income for the period a year earlier.

Instruments Company

Both Q3 and three quarters total ended with the same level of sales as the previous year, affected by suspension/reduction of government spending and restricted investment in semiconductor and electronic component industries. But, operating loss showed a shrinking trend.

◆ Flood affected Q3 posted an extraordinary loss of 10.9 billion yen.

Financial Highlights for the 3rd Quarter of the Year Ending March 31, 2012



Billions of yen	11/3 (A)		12/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	253.8	651.8	215.4	701.7	-38.4	+49.9
Operating Income % vs Net Sales	18.6 7.3%	33.7 5.2%	8.2 3.8%	69.4 9.9%	-10.4	+35.7
Ordinary Income % vs Net Sales	17.9 7.1%	35.7 5.5%	11.0 5.1%	76.2 10.9%	-6.9	+40.5
Net Income % vs Net Sales	9.7 3.8%	20.3 3.1%	-3.7 -%	46.7 6.7%	-13.4	+26.4
FCF	65.9		-13.3		-79.2	
Exchange Rate : US\$	83yen	87yen	77yen	79yen	Impact on Net Sales: -9.7 -32.3	
EURO	112yen	113yen	104yen	111yen	Impact on Op. Income: -2.7 -10.4	

Precision Equipment enjoyed the continued recovery: but Thailand flood impaired Imaging performance, resulting in reduced sales and income in Q3. But, year-to-date sales and income were increased from the period a year earlier.

* Values in this slide are rounded off to the nearest 100 million.

Precision Equipment Company: 3rd Quarter



Billions of yen	11/3(A)		12/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	61.4	142.2	58.9	183.7	-2.5	+41.5
Operating Income	3.3 4.8*	-1.4 2.8*	8.8	32.1	+4.0	+29.3
% vs Net Sales	5.4% 7.8%	-% 2.0%	14.9%	17.5%		
IC Steppers & Scanners New / Refurbished (units sold)	15/5	33/17	14/5	40/21	-1/ ±0	+7/+4
LCD Steppers & Scanners (units sold)	18	41	20	68	+2	+27

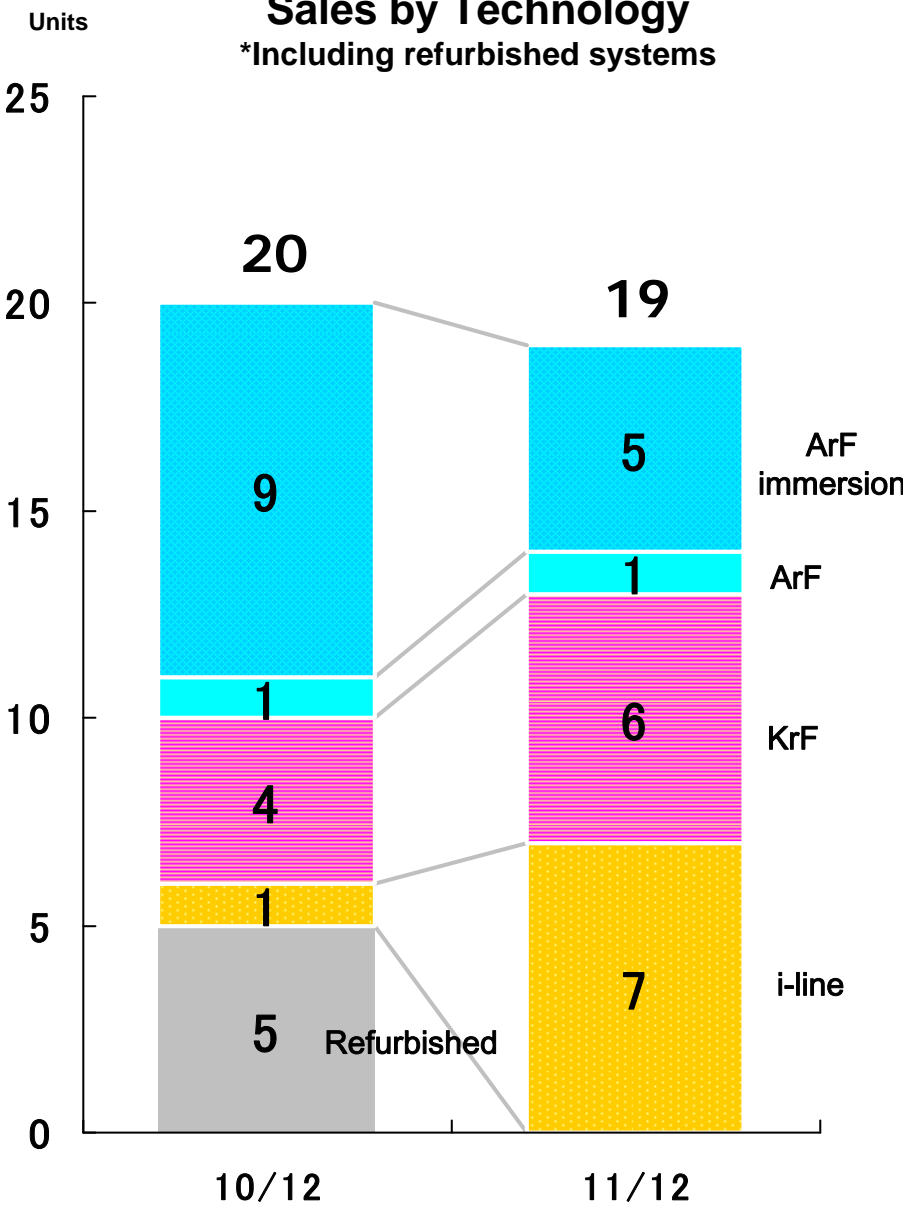
Although Q3 sales slightly decreased year-on-year, higher income was secured by revamping the cost structure such as IC stepper/scanner leadtime improvement. Three quarters total achieved drastic increases in sales and income.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

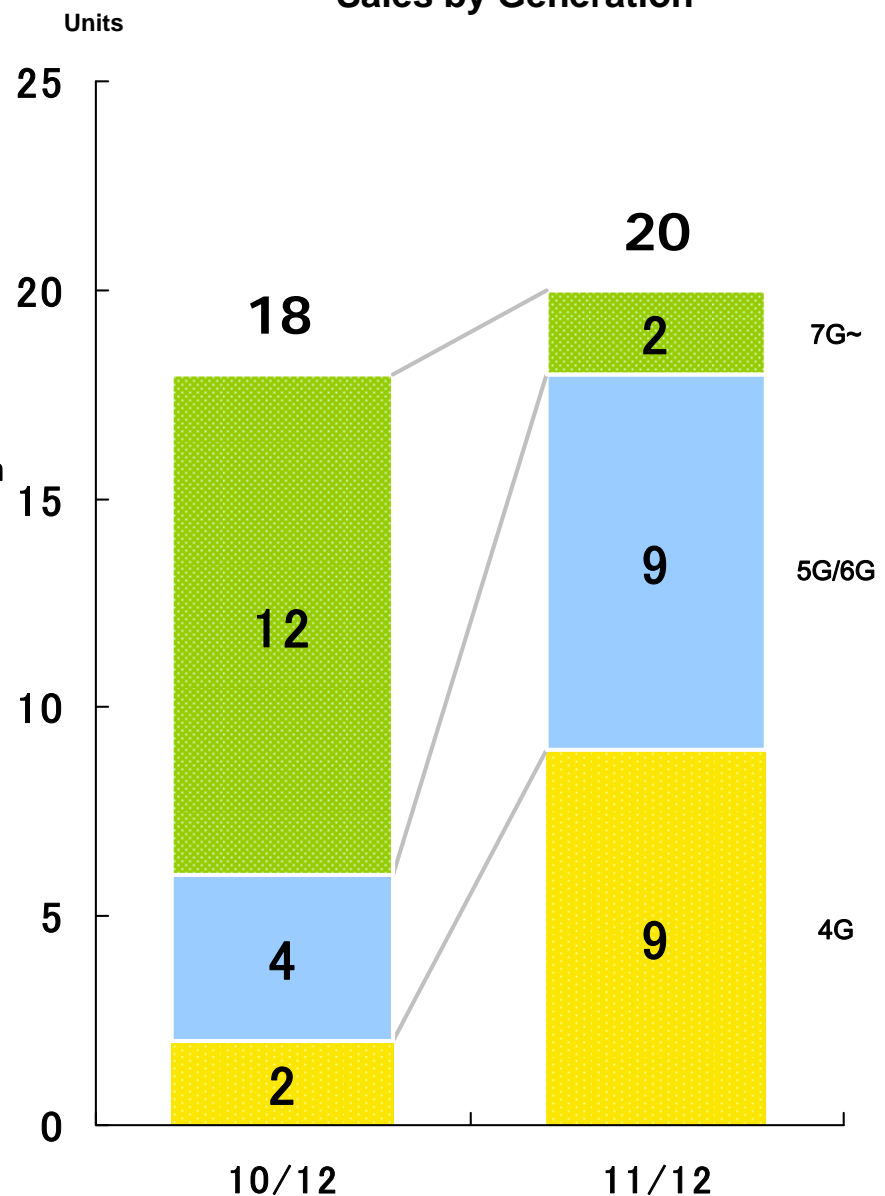


IC Steppers & Scanners Sales by Technology

*Including refurbished systems



LCD Steppers & Scanners Sales by Generation





Imaging Company: 3rd Quarter

Billions of yen 1,000 of units sold	11/3(A)		12/3(B)		(B)-(A)			
	3Q	3Qs	3Q	3Qs	3Q	3Qs		
Net Sales	172.2	454.0	137.5	462.0	-34.7	+8.0		
Operating Income % vs Net Sales	15.7 9.1%	18.0* 10.5%	38.0 8.4%	44.9* 9.9%	3.8 2.8%	51.2 11.1%	-14.2	+6.3
Digital camera – Interchangeable Lens Type	1,250	3,150	940	3,670	-310	+520		
Interchangeable Lens	1,850	4,800	1,630	5,560	-220	+760		
Compact DSC	4,900	11,600	6,010	13,870	+1,110	+2,270		

New product, Nikon 1, sold well: but, SLR-DSC was much suffered by the floods, deteriorating performance of digital cameras —IL type and IL from a year earlier. Compact DSC with improved competitiveness sold over 20% more units, hitting the record quarterly sales volume, in spite of shrinking market conditions.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

Instruments Company : 3rd Quarter

Billions of yen	11/3(A)				12/3(B)		(B)-(A)	
	3Q		3Qs		3Q	3Qs	3Q	3Qs
Net Sales	13.0		37.2		13.3	37.9	+0.3	+0.7
Operating Income % vs Net Sales	-1.6 -%	-1.3* -%	-5.8 -%	-4.7* -%	-1.1 -%	-3.5 -%	+0.2	+1.2

Both Q3 and three quarters total posted the same sales level year-on-year, but showed improving trend with reduced loss. This result was attributable to suspended/reduced government spending in the bioscience field and restricted equipment investment by semiconductor and electronic component makers in the industrial instruments field.

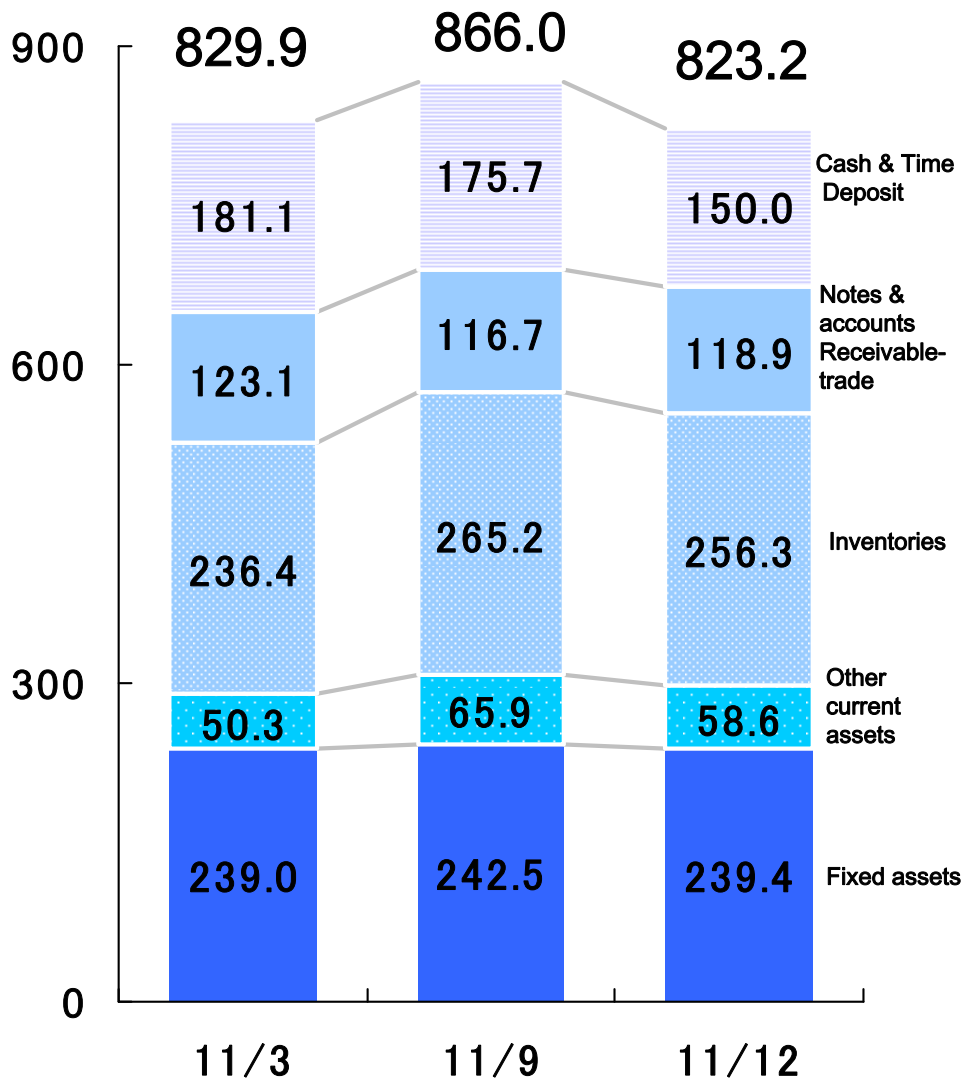
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Balance Sheet : 3rd Quarter



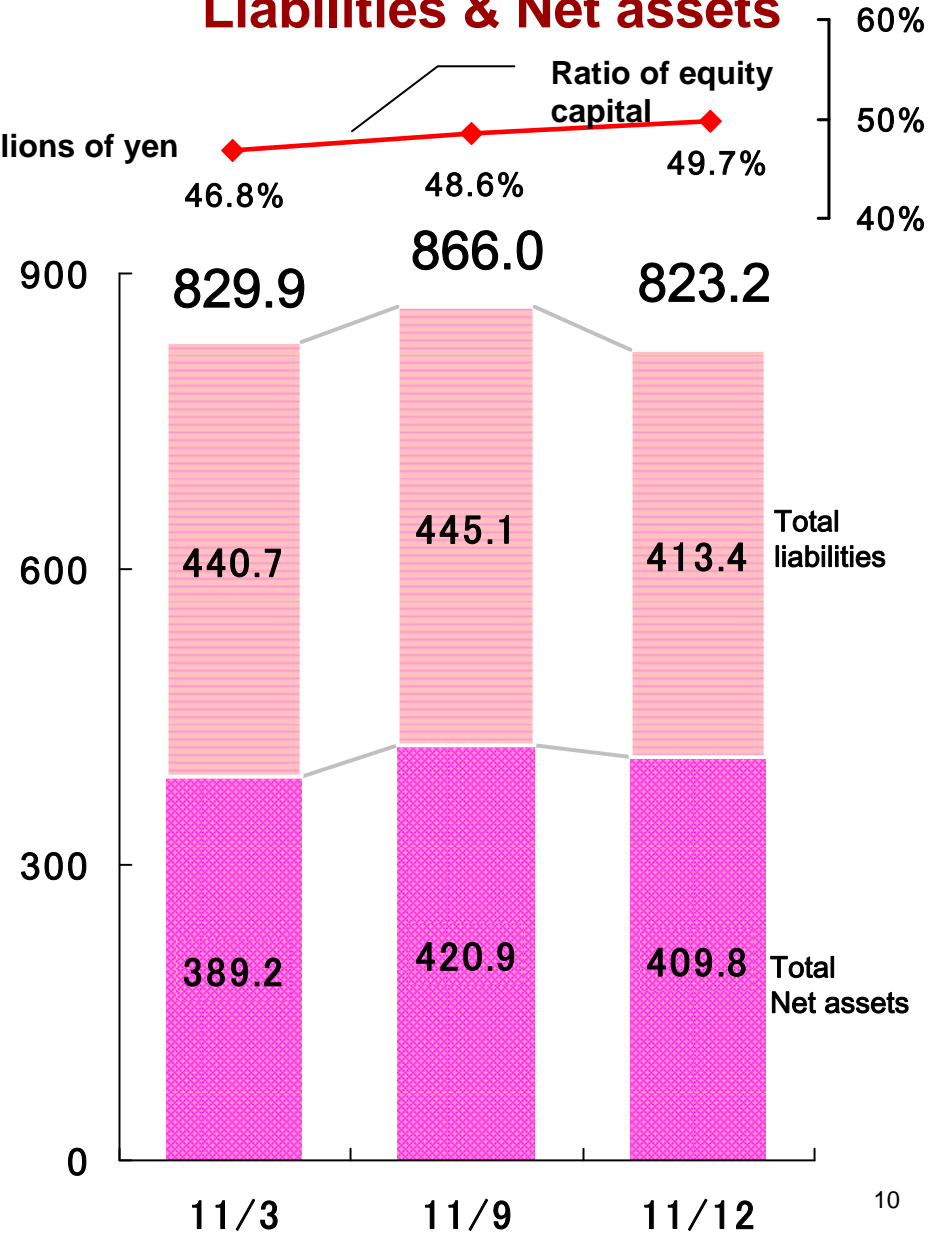
Assets

Billions of yen



Liabilities & Net assets

Billions of yen



Agenda

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◆ Sales forecast remains unchanged although some variations are expected in each segment. Operating income forecast is upgraded 5 billion yen due to expected volume hike of IL and compact DSC in Imaging Company.

Precision Equipment Company

Sales forecast is downgraded 5 billion yen because sales of an IC scanner has been postponed to next fiscal year: however, the previous forecast is maintained for operating income by improving earning structure such as ArF immersion scanner L/T improvement.

Imaging Company

Sales volume forecast for compact DSC and IL is revised upwardly, pushing sales and operating income up by 10 billion yen and 4 billion yen, respectively.

Instruments Company

Both fields, bioscience and industrial instruments, will continue to suffer from the sluggish market conditions in Q4. Sales and operating income forecasts are downgraded 2 billion yen and 500 million yen, respectively.

◆ Euro exchange rate for Q4 is revised 5 yen toward stronger yen to 100 yen.

◆ Annual dividend per share: 34 yen (unchanged)

Performance Estimation for the Year Ending March 31, 2012



Billions of yen	11/3 (A)	3Qs 4Q	Previous Forecast as of Nov. 4 (B)	1H 2H	New Estimation (C)	3Qs 4Q	Change (C-A)	Change (C-B)
Net Sales	887.5	<u>651.8</u> 235.7	925.0	<u>486.3</u> 438.7	925.0	<u>701.7</u> 223.3	+ 37.5	±0
Operating Income % vs Net Sales	54.1 6.1%	<u>33.7</u> 20.4	67.0 7.2%	<u>61.2</u> 5.8	72.0 7.8%	<u>69.4</u> 2.6	+ 17.9	+ 5.0
Ordinary Income % vs Net Sales	55.8 6.3%	<u>35.7</u> 20.1	72.0 7.8%	<u>65.2</u> 6.8	80.0 8.6%	<u>76.2</u> 3.8	+ 24.2	+ 8.0
Net Income % vs Net Sales	27.3 3.1%	<u>20.3</u> 7.0	55.0 5.9%	<u>50.4</u> 4.6	55.0 5.9%	<u>46.7</u> 8.3	+ 27.7	±0
FCF	100.0		30.0		30.0		-70.0	±0
Exchange Rate :	86 _{yen}	<u>87</u> _{yen} 82 _{yen}	77 _{yen}	<u>80</u> _{yen} 75 _{yen}	78 _{yen}	<u>79</u> _{yen} 75 _{yen}		
US\$		<u>113</u> _{yen}	109 _{yen}	<u>114</u> _{yen}	108 _{yen}	<u>111</u> _{yen}		
EURO		<u>113</u> _{yen}		<u>105</u> _{yen}		<u>100</u> _{yen}		

Year-on-year increase is expected both for sales and income in spite of adverse impacts by earthquakes, floods, and strong yen.



Estimation for Precision Equipment Company

Billions of yen	11/3	3Qs 4Q	Previous Forecast as of Nov. 4	1H 2H	New Estimation	3Qs 4Q
Net Sales	208.6	<u>142.2</u> 66.4	265.0	<u>124.8</u> 140.2	260.0	<u>183.7</u> 76.3
Operating Income % vs Net Sales	2.7 8.3* 1.3% 4.0%	<u>-1.4</u> <u>2.8*</u> 4.1 5.5*	37.0 14.0%	<u>23.3</u> 13.7	37.0 14.2%	<u>32.1</u> 4.9
IC Steppers & Scanners New / Refurbished (units sold)	57/25	<u>33/17</u> 24/ 8	58/25	<u>26/16</u> 32/ 9	57/25	<u>40/21</u> 17/ 4
LCD Steppers & Scanners (units sold)	57	<u>41</u> 16	85	<u>48</u> 37	85	<u>68</u> 17
Market Scale IC Steppers & Scanners (units sold) CY10/11	228		Approx.280		311	
Market Scale LCD Steppers & Scanners (units sold) CY10/11	112		Approx.120		109	

Amid shrinking markets for IC/LCD steppers and scanners, improvement activities continue to ensure sound earning structure and competitiveness of the new ArF immersion scanner S621D to prepare for next fiscal year.

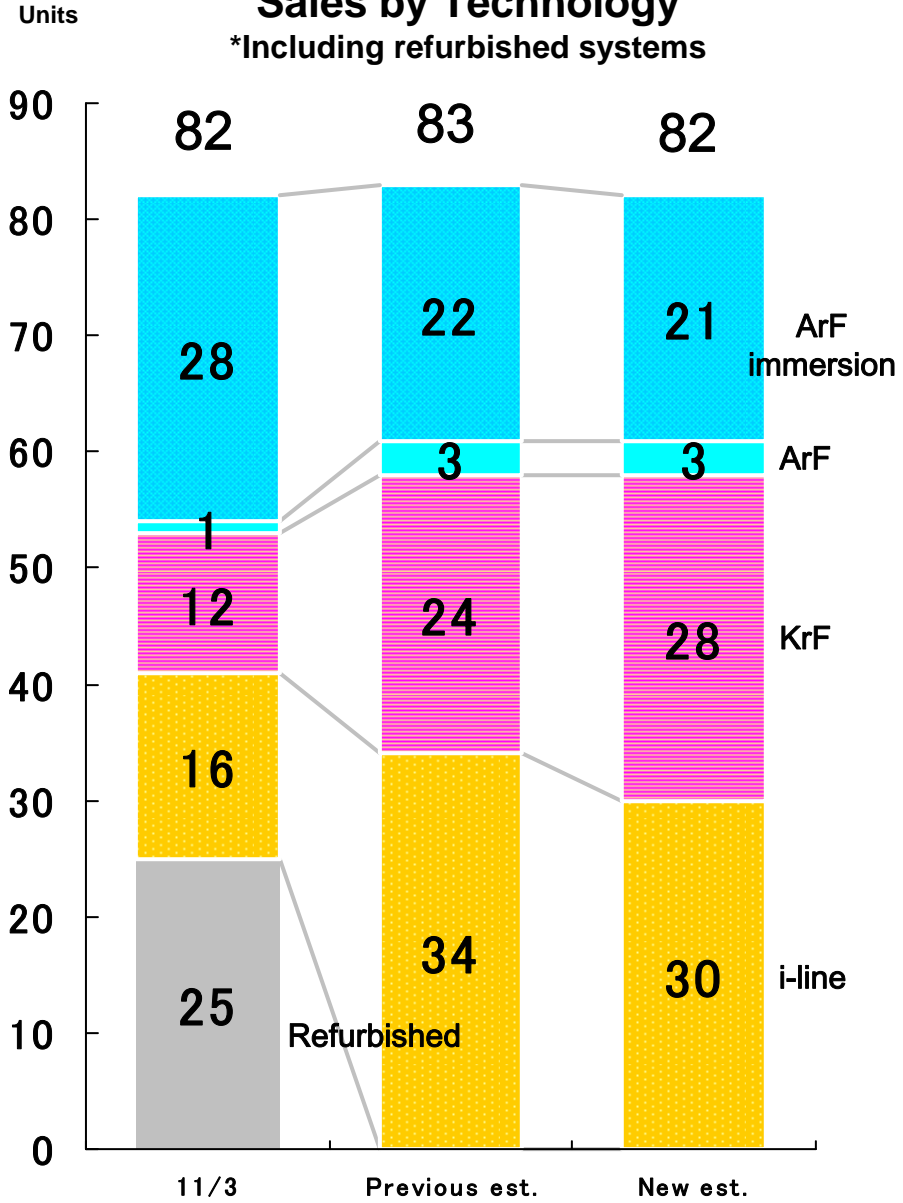
* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

Estimation for Precision Equipment Company

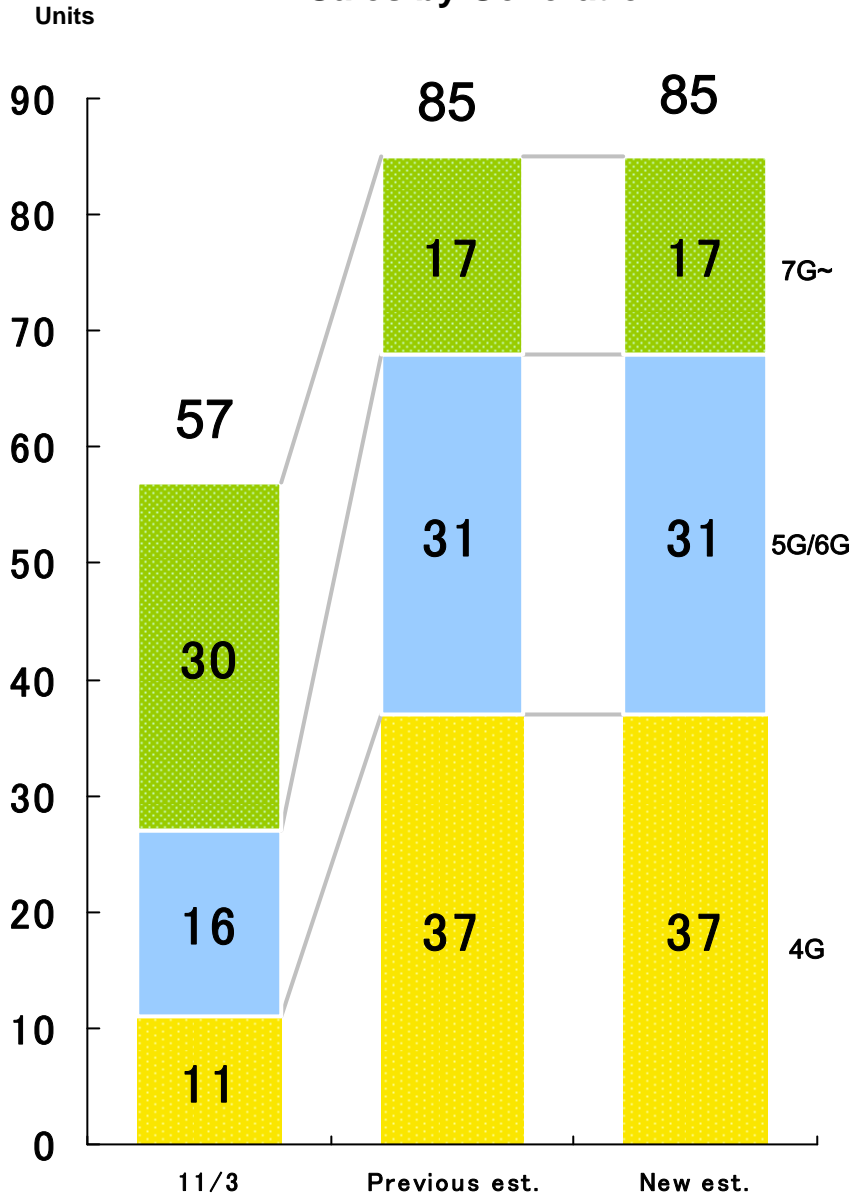


IC Steppers & Scanners Sales by Technology

*Including refurbished systems



LCD Steppers & Scanners Sales by Generation





Estimation for Imaging Company

Billions of yen 1,000 of units sold	11/3	3Qs 4Q	Previous Forecast as of Nov. 4	1H 2H	New Estimation	3Qs 4Q
Net Sales	596.4	<u>454.0</u> 142.4	575.0	<u>324.5</u> 250.5	585.0	<u>462.0</u> 123.0
Operating Income % vs Net Sales	52.3 8.8%	61.4* 10.3%	48.0 8.3%	<u>47.4</u> 0.6	52.0 8.9%	<u>51.2</u> 0.8
Digital camera – Interchangeable Lens Type	4,290	<u>3,150</u> 1,140	4,700	<u>2,730</u> 1,970	4,700	<u>3,670</u> 1,030
Interchangeable Lens	6,360	<u>4,800</u> 1,560	6,700	<u>3,930</u> 2,770	6,900	<u>5,560</u> 1,340
Compact DSC	14,260	<u>11,600</u> 2,660	16,000	<u>7,860</u> 8,140	17,000	<u>13,870</u> 3,130
Market Scale DCIL	14,140		15,000		15,000	
Market Scale IL	23,270		25,000		25,000	
Market Scale C-DSC	107,410		100,000		100,000	

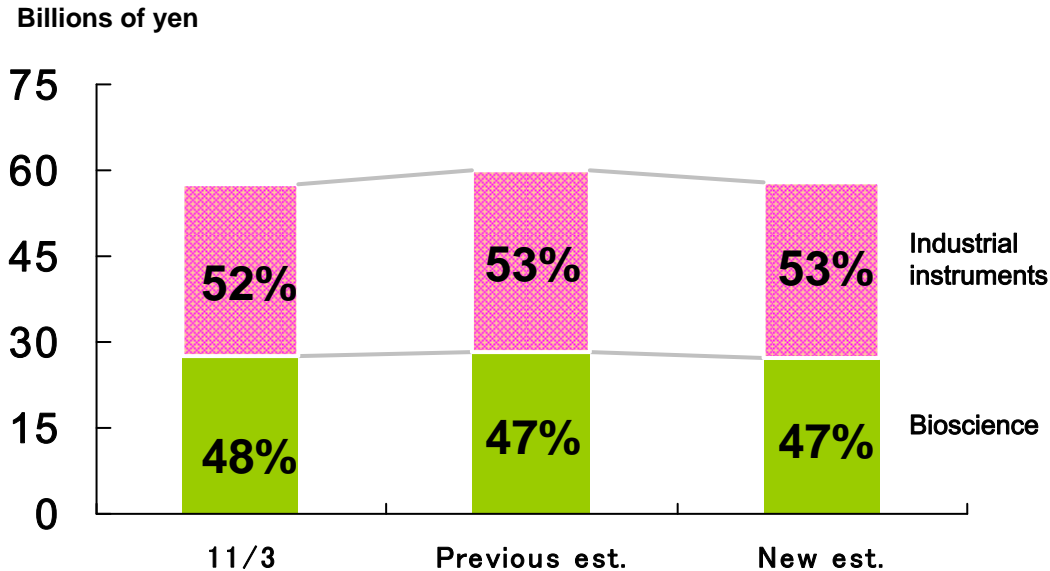
Flood inundated NTC has been gradually and steadily recovering its production capability. Effort is made to further expand the sales of popular Nikon 1 and compact DSC.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.



Estimation for Instruments Company

Billions of yen	11/3		3Qs 4Q		Previous Forecast as of Nov. 4	1H 2H		New Estimation	3Qs 4Q
Net Sales	57.5		<u>37.2</u> 20.3		60.0	<u>24.6</u> 35.4		58.0	<u>37.9</u> 20.1
Operating Income % vs Net Sales	-5.2 —%	-3.8* —%	<u>-5.8</u> 0.6	<u>-4.7*</u> 0.9	-2.0 —%	<u>-2.4</u> 0.4	-2.5 —%	-3.5 1.0	



Both bioscience and industrial instrument fields continue to suffer from sluggish markets: however, goal is set to end with a profitable Q4 to be a springboard for the next fiscal year.

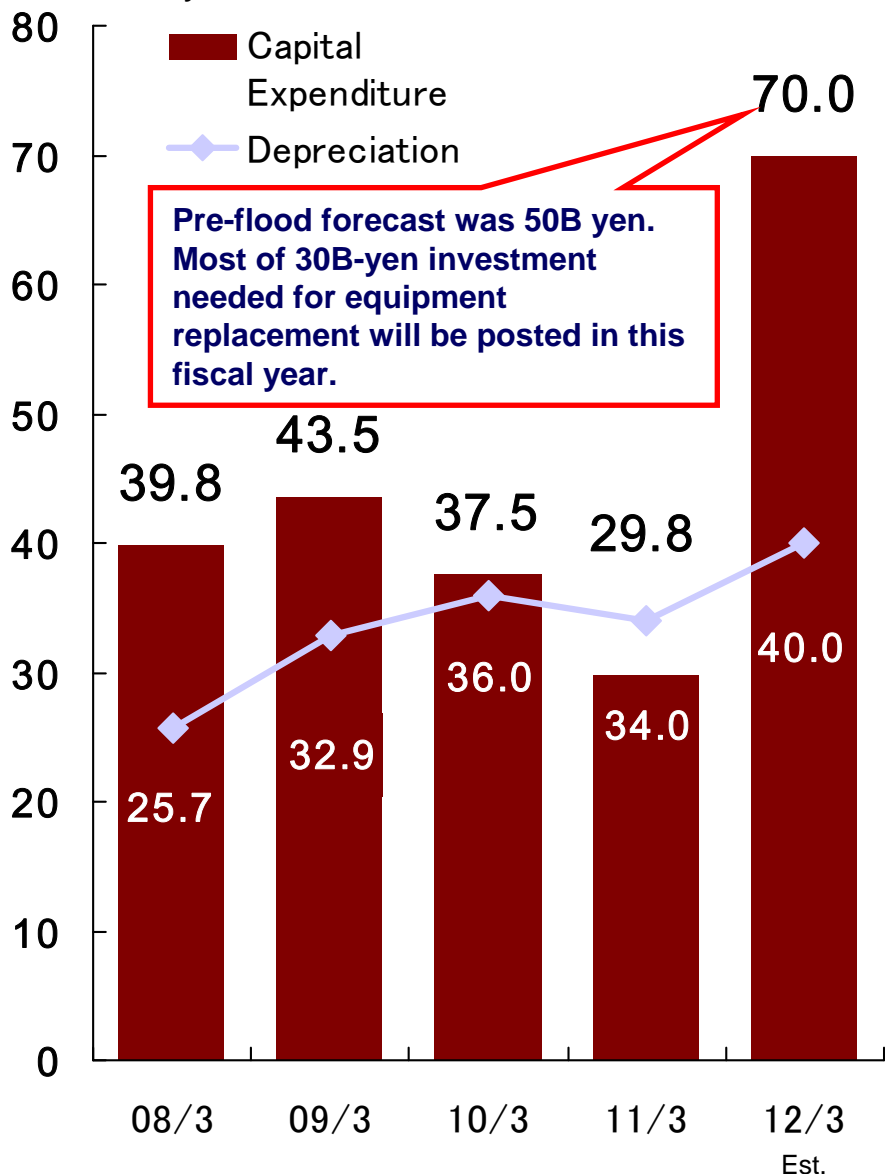
* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

Estimation for Capital Expenditure, Depreciation and R&D



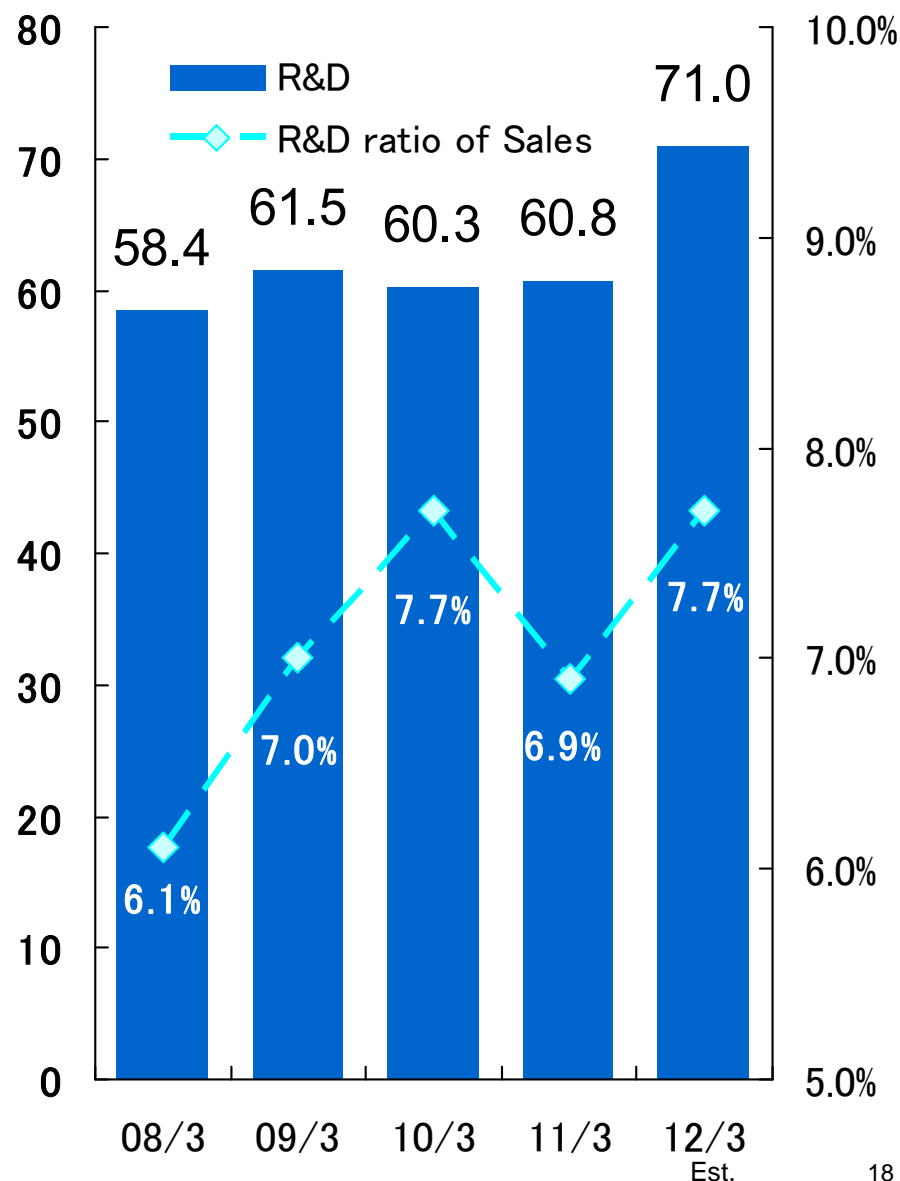
Capital Expenditure & Depreciation

Billions of yen



R&D

Billions of yen



* 09/3 ~: Include the amount of acquisition of Lease asset by change of Accounting Standard for Lease Transactions

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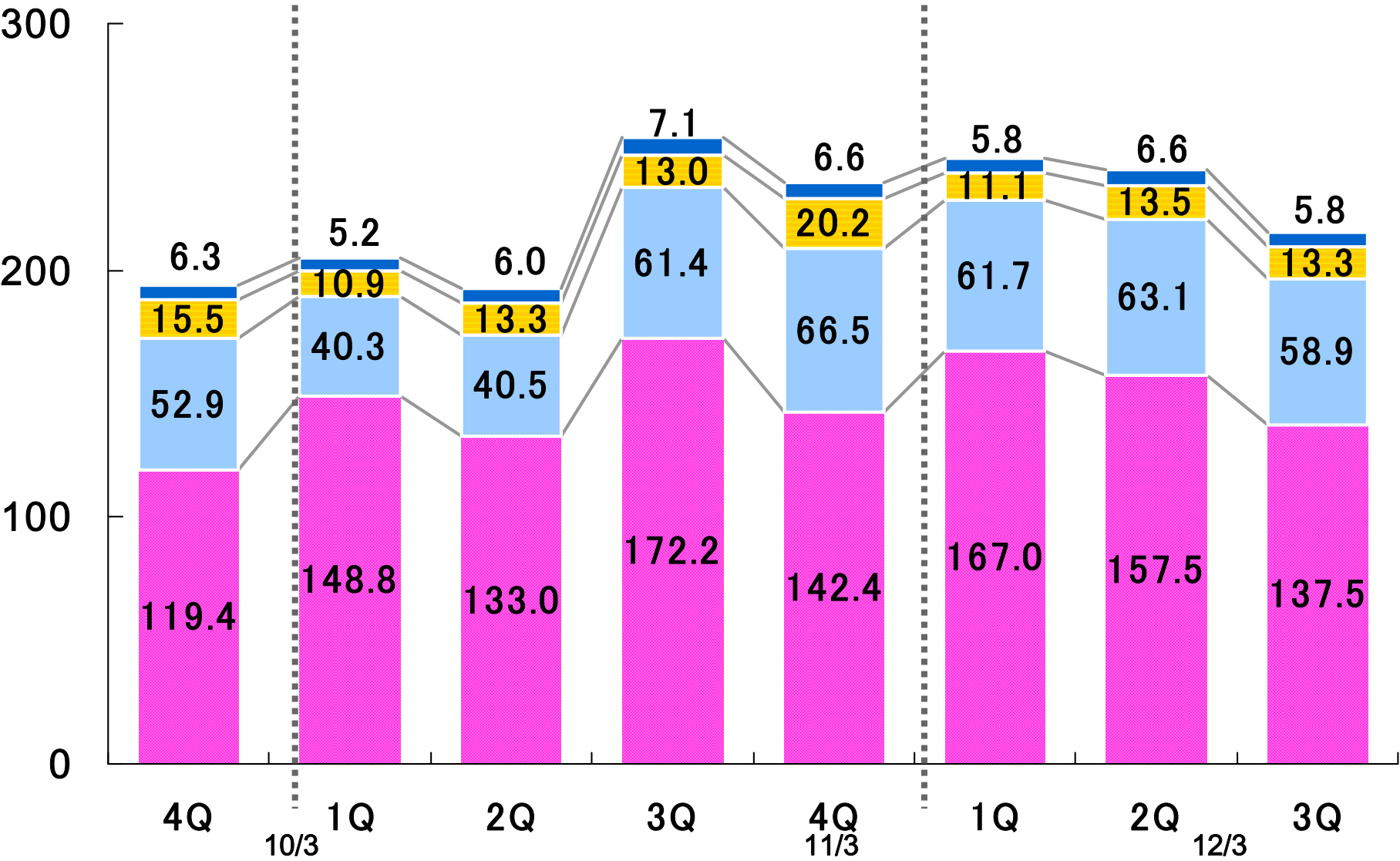
12/3 Estimation

Billions of yen	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	12/3 4Q Forecast	Net Sales 4Q	Operating Income 4Q
US\$	75 yen	Approx. 1.4	Approx. 0.2
EURO	100 yen	Approx. 0.4	Approx. 0.3

Quarterly Net Sales by segments



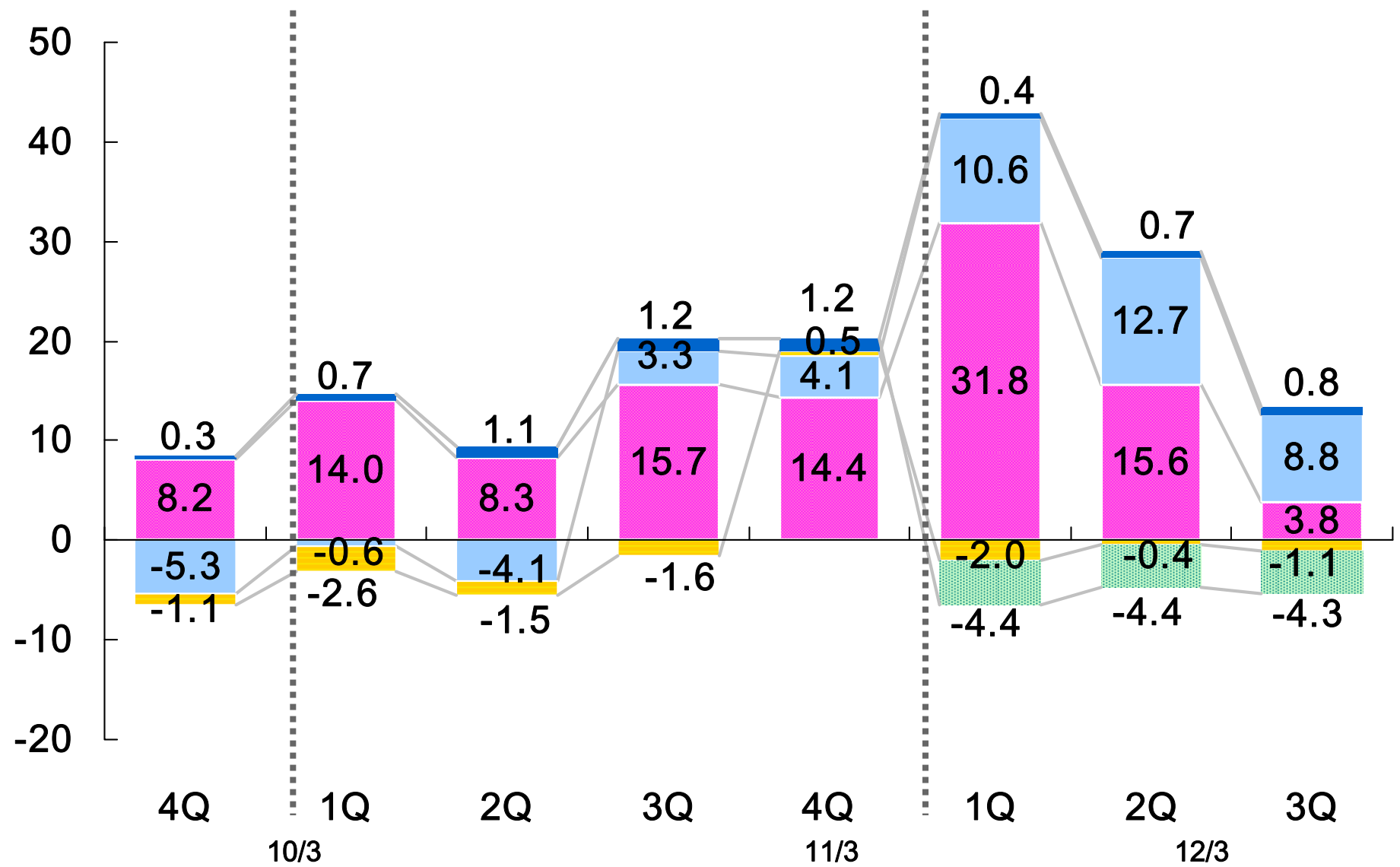
Billions of yen



Quarterly Operating Income by segments



Billions of yen



■ Imaging Company
■ Other Business

■ Precision Equipment Company
■ Corporate Expenses

■ Instruments Company



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