

**The year ended March 31, 2002 Financial Results (Consolidated)****Company name:** NIKON CORPORATION**Code number:** 7731**Address of headquarters:** Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8331, Japan**Contact:** Toshiyuki Masai, General Manager, Corporate Communications Department**Telephone:** +81-3-3216-1032**URL** <http://www.nikon.co.jp>**Stock listings:** Tokyo Stock Exchange, Osaka Securities Exchange**Date of the Board Meeting for the Year ended March 31, 2002:** May 13, 2002**Date of the General Meeting of shareholders:** June 27, 2002**The accounting methods used in this report are not consistent with U.S. standards accounting methods.****1. Results of Year ended March 31, 2002 (From April 1, 2001 to March 31, 2002)**

(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, 2002	¥482,975	(0.2)%	¥22,239	(63.8)%	¥12,213	(71.8)%
Year ended March 31, 2001	¥483,956	30.2%	¥61,422	233.2%	¥43,321	282.8%

	Net Income	Change	Net Income (Loss) per share of Common Stock (Yen)	Ratio of Net Income(Loss) to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Net Sales
Year ended March 31, 2002	¥(6,003)	-	¥(16.23)	(3.3)%	2.1%	2.5%
Year ended March 31, 2001	¥20,910	169.1%	¥56.53	11.9%	7.9%	9.0%

(Note) 1. Equity in Earning of non-consolidated subsidiaries: Year ended March 31, 2002: 548 Mill Yen

Year ended March 31, 2001: 39 Mill Yen

2. Average number of shares outstanding (Consolidated): Year ended March 31, 2002: 369,833,275 shares

Year ended March 31, 2001: 369,924,491 shares

3. Change in accounting method : Applicable

4. The percentage figures for net sales, operating income, ordinary income and net income represent the percentage of increase or decrease against the same period of the previous year.

(Summary for reference only)

Date: May 13, 2002

**(2) Financial Position**

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share of Common Stock (Yen)
Year ended March 31, 2002	¥561,275	¥176,960	31.5 %	¥478.52
Year ended March 31, 2001	¥593,453	¥186,118	31.4 %	¥503.12

(Note) Number of shares outstanding as of March 31, 2002 : 369,805,363 shares

as of March 31, 2001 : 369,926,952 shares

**(3) Cash Flows**

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Term-end
Year ended March 31, 2002	¥(9,470)	¥(25,851)	¥25,113	¥24,614
Year ended March 31, 2001	¥34,924	¥(15,693)	¥(20,634)	¥33,732

**(4) Consolidated and Equity method Policies**

Number of Consolidated Subsidiaries : 46

Number of Non-consolidated Subsidiaries accounted for by equity method : 0

Number of Affiliates accounted for by equity method : 2

**(5) Changes in Consolidation and Equity method Policies**

Consolidation New : 6, Exclusion : 1

Equity method New : 1, Exclusion : 0

**2. Forecast for Year ended March 31, 2003 (From April 1, 2002 to March 31, 2003)**

Amount Unit : 1 Million Yen

	Net Sales	Ordinary Income	Net Income
First Half ended September 30, 2002	¥230,000	¥(5,000)	¥(5,000)
Year ended March 31, 2003	¥510,000	¥0	¥(2,000)

Ref. Expected net income per share of common stock for year ended March 31, 2003: (5.41) Yen

English Translation of "RENKETSU KESSAN TANSHIN"  
(Summary for reference only)

**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of March 31, 2002		As of March 31, 2001		Increase(Decrease)
		%		%	
<b>Assets</b>					
<b>Current assets</b>					
Cash and time deposits	24,822		34,293		(9,470)
Notes and accounts receivable-trade	102,966		141,349		(38,382)
Inventories	208,410		199,797		8,613
Deferred tax assets	17,786		26,693		(8,906)
Other current assets	16,712		16,391		320
Allowance for doubtful receivables	(3,046)		(2,623)		(423)
Total current assets	367,652	65.5	415,902	70.1	(48,249)
<b>Fixed assets</b>					
Tangible fixed assets					
Buildings and structures	39,553		36,830		2,722
Machinery, equipment and vehicles	33,066		24,728		8,338
Furniture and fixtures	10,500		9,292		1,207
Land	16,811		15,866		945
Construction in progress	13,188		11,517		1,670
Total tangible fixed assets	113,119	20.1	98,235	16.5	14,883
Intangible fixed assets	8,310	1.5	8,153	1.4	157
Investments and other assets					
Investment securities	50,140		57,615		(7,475)
Deferred tax assets	14,911		5,369		9,541
Other	7,245		8,260		(1,015)
Allowance for doubtful receivables	(103)		(83)		(20)
Total investments and other assets	72,192	12.9	71,161	12.0	1,031
Total fixed assets	193,623	34.5	177,551	29.9	16,072
<b>Total assets</b>	561,275	100.0	593,453	100.0	(32,177)

English Translation of "RENKETSU KESSAN TANSHIN"  
(Summary for reference only)

**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of March 31, 2002		As of March 31, 2001		Increase(Decrease)
		%		%	
<b>Liabilities</b>					
<b>Current liabilities</b>					
Notes and accounts payable-trade	78,865		114,843		(35,978)
Short-term bank loans	73,335		56,347		16,988
Commercial papers	45,000		32,000		13,000
Current portion of bonds	10,000		20,000		(10,000)
Accrued income taxes	1,298		22,022		(20,723)
Accrued expenses	31,317		32,851		(1,534)
Warranty reserve	6,366		6,034		332
Other current liabilities	34,306		39,303		(4,997)
Total current liabilities	280,490	50.0	323,403	54.5	(42,912)
<b>Long-term liabilities</b>					
Bonds	75,000		60,000		15,000
Long-term debt	6,625		11,803		(5,177)
Liability for employees' retirement benefits	17,419		10,023		7,395
Other long-term liabilities	4,621		1,928		2,693
Total long-term liabilities	103,666	18.5	83,755	14.1	19,911
Total liabilities	384,157	68.5	407,158	68.6	(23,001)
<b>Minority interest</b>	158	0.0	175	0.0	(17)
<b>Shareholders' equity</b>					
Common stock	36,660		36,660		—
Additional paid-in capital	51,924		51,909		14
Retained earnings	88,725		96,560		(7,834)
Unrealized gains on available-for-sale securities	1,079		4,715		(3,636)
Foreign currency translation adjustments	(1,265)		(3,726)		2,460
Total	177,123		186,118		(8,996)
Treasury stock	(163)		(0)		(162)
Total shareholders' equity	176,960	31.5	186,118	31.4	(9,158)
<b>Total liabilities and shareholders' equity</b>	561,275	100.0	593,453	100.0	(32,177)

**Consolidated Statements of Operations**

Amount Unit: 1 Million Yen

	Year ended March 31, 2002		Year ended March 31, 2001		Increase (Decrease)
		%		%	
<b>Net sales</b>	482,975	100.0	483,956	100.0	(981)
Cost of sales	306,793	63.5	301,758	62.4	5,034
Selling, general and administrative expenses	153,943	31.9	120,775	24.9	33,167
<b>Operating income</b>	22,239	4.6	61,422	12.7	(39,183)
<b>Non-operating income</b>					
Interest and dividend income	1,149	0.2	1,412	0.3	(263)
Other income	5,759	1.2	4,949	1.0	809
<b>Non-operating expenses</b>					
Interest expenses	3,658	0.8	4,330	0.9	(672)
Other expenses	13,275	2.7	20,133	4.2	(6,857)
<b>Ordinary income</b>	12,213	2.5	43,321	9.0	(7,530)
<b>Extraordinary gains</b>					
Gains on sales of fixed assets	3,180	0.7	4,575	0.9	(1,394)
Gains on sales of investment securities	1,799	0.4	—		1,799
Gains on securities contributed to employees' retirement benefit trusts	—		1,724	0.4	(1,724)
<b>Extraordinary losses</b>					
Losses on sales and disposal of fixed assets	1,258	0.3	1,250	0.3	7
Losses on sales of investment securities	3,357	0.7	1,667	0.3	1,690
Charge for transitional obligations for employees' retirement benefits	9,754	2.0	16,459	3.4	(6,704)
Other losses	67	0.0	414	0.1	(347)
<b>Income before income taxes</b>	2,755	0.6	29,827	6.2	(27,072)
<b>Income taxes</b>	8,758	1.8	8,901	1.8	(143)
<b>Minority interest</b>	0	0.0	15	0.0	(14)
<b>Net income</b>	(6,003)	(1.2)	20,910	4.3	(26,914)

**Consolidated Statements of Shareholders' Equity**

Amount Unit: 1 Million Yen

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
<b>Retained earnings (Beginning)</b>	96,560	77,949	18,610
<b>Increase of retained earnings</b>			
Adjustment of retained earnings for newly consolidated subsidiaries	692	134	558
Adjustment of retained earnings for additional application of equity method	351	—	351
Adjustment of retained earnings resulting merger of consolidated subsidiary	133	—	133
<b>Decrease of retained earnings</b>			
Cash dividends	2,959	2,404	554
Directors' bonuses	50	30	20
<b>Net income</b>	(6,003)	20,910	(26,914)
<b>Retained earnings (Ending)</b>	88,725	96,560	(7,834)

## Consolidated Statements of Cash Flows

Amount Unit: 1 Million Yen

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
<b>1. Cash flows from operating activities</b>			
Income before income taxes	2,755	29,827	(27,072)
Depreciation and amortization	17,917	16,007	1,909
Net increase (decrease) in warranty reserve	82	2,424	(2,342)
Provision for employees' retirement benefits	7,303	10,023	(2,720)
Interest and dividend income	(1,149)	(1,412)	263
Interest expenses	3,658	4,330	(672)
Gains on sales of fixed assets	(3,180)	(4,575)	1,394
Losses on sales and disposal of fixed assets	1,258	1,250	7
Gains on sales of investment securities	(1,799)	—	(1,799)
Losses on sales of investment securities	3,357	1,667	1,690
Net decrease (increase) in trade notes and accounts receivable	42,718	(12,632)	55,351
Net decrease (increase) in inventories	(4,246)	(41,943)	37,697
Net increase (decrease) in trade notes and accounts payable	(40,806)	22,534	(63,341)
Other, net (operating activities)	(5,414)	19,621	(25,036)
Sub total	22,454	47,123	(24,699)
Interest and dividends received	1,119	1,399	(280)
Interest paid	(3,334)	(5,006)	1,671
Income taxes paid	(29,710)	(8,592)	(21,118)
<b>Net cash used in operating activities</b>	<b>(9,470)</b>	<b>34,924</b>	<b>(44,395)</b>
<b>2. Cash flows from investing activities</b>			
Payments for purchases of tangible fixed assets	(28,422)	(18,183)	(10,238)
Proceeds from sales of tangible fixed assets	3,517	5,452	(1,934)
Payments for purchases of investment securities	(8,811)	(5,089)	(3,721)
Proceeds from sales of investment securities	8,489	2,203	6,286
Net decrease (increase) in loans receivable	652	3,249	(2,597)
Other, net (investing activities)	(1,276)	(3,325)	2,048
<b>Net cash used in investing activities</b>	<b>(25,851)</b>	<b>(15,693)</b>	<b>(10,158)</b>
<b>3. Cash flows from financing activities</b>			
Increase (decrease) in short-term borrowings	14,814	(20,943)	35,757
Increase (decrease) in commercial paper	13,000	18,000	(5,000)
Proceeds from long-term debt	26,155	1,316	24,838
Repayments of long-term debt	(25,739)	(16,617)	(9,122)
Dividends paid	(2,950)	(2,391)	(559)
Other, net (financing activities)	(166)	1	(167)
<b>Net cash provided by (used in) financial activities</b>	<b>25,113</b>	<b>(20,634)</b>	<b>45,747</b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b>	<b>580</b>	<b>1,494</b>	<b>(914)</b>
<b>5. Net increase (decrease) in cash and cash equivalents</b>	<b>(9,628)</b>	<b>92</b>	<b>(9,720)</b>
<b>6. Cash and cash equivalents at beginning of year</b>	<b>33,732</b>	<b>32,573</b>	<b>1,158</b>
<b>7. Cash and cash equivalents of newly consolidated subsidiaries at beginning of year</b>	<b>351</b>	<b>1,066</b>	<b>(714)</b>
<b>8. Cash and cash equivalents of exclusive consolidated subsidiaries at end of year</b>	<b>(0)</b>	<b>—</b>	<b>(0)</b>
<b>9. Cash and cash equivalents of merged subsidiary</b>	<b>158</b>	<b>—</b>	<b>158</b>
<b>10. Cash and cash equivalents at end of year</b>	<b>24,614</b>	<b>33,732</b>	<b>(9,118)</b>

## **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 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 shareholders' equity. 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, except for work in process which is determined by the specific identification method. Inventories of foreign subsidiaries are stated at the lower of cost or market as determined principally using the first-in, first-out method.

### **(3)Tangible fixed assets**

Tangible fixed assets are stated at cost. Depreciation 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 and major subsidiaries have non-contributory funded pension plans covering substantially all of its employees. Certain foreign subsidiaries also have contributory pension plans.

### **(5)Foreign Currency Financial Statements**

The balance sheet accounts and revenue and expense accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rates except for shareholders' equity, which is translated at the historical exchange rate.

### **(6)Derivatives and Hedging Activities**

The Company and its significant subsidiaries (collectively 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 purpose.

All derivatives be 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 operations unless the instrument qualifies for hedge accounting. 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.

### **[Accounting Change]**

Effective April 1, 2001, after sales service revenue and its cost, which were previously recorded in selling, general and administrative expenses, are now recorded in net sales and cost of sales, respectively.

As a result, during the fiscal year ended March 31, 2002, net sales, cost of sales and selling, general and administrative expenses each increased by 25,735 million yen, 14,709 million yen and 11,025 million yen.

The accounting change have no effect on operating income, ordinary income and income before income taxes in the Companies' consolidated financial statements.



(Summary for reference only)

**Segment Information****1. Industry Segments**

Amount Unit: 1 Million Yen

	Year ended March 31, 2002						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	194,927	219,575	45,410	23,061	482,975	—	482,975
2)Intersegment sales/transfer	4,063	2,001	1,231	25,114	32,410	(32,410)	—
Total	198,991	221,577	46,641	48,175	515,385	(32,410)	482,975
Operating expenses	195,357	205,443	46,173	46,598	493,573	(32,836)	460,736
Operating income	3,634	16,134	467	1,577	21,812	426	22,239
2.Assets, depreciation & capital expenditure							
Assets	282,209	108,203	34,800	43,430	468,644	92,631	561,275
Depreciation & amortization	12,693	3,011	726	1,485	17,917	—	17,917
Capital expenditure	23,265	8,385	735	1,158	33,545	—	33,545

Amount Unit: 1 Million Yen

	Year ended March 31, 2001						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	230,565	176,219	57,792	19,379	483,956	—	483,956
2)Intersegment sales/transfer	4,242	3,891	1,215	24,230	33,581	(33,581)	—
Total	234,807	180,111	59,008	43,610	517,537	(33,581)	483,956
Operating expenses	190,320	169,608	53,817	41,881	455,628	(33,094)	422,533
Operating income	44,486	10,503	5,190	1,728	61,909	(486)	61,422
2.Assets, depreciation & capital expenditure							
Assets	312,964	87,307	41,453	43,603	485,328	108,124	593,453
Depreciation & amortization	11,223	2,595	1,225	962	16,007	—	16,007
Capital expenditure	18,960	4,655	1,152	1,227	25,996	—	25,996

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

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

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

Other ----- Binocular and telescope products, Ophthalmic frames, Surveying instruments .etc.

Notes : The effect of the change in the accounting method of after-sales revenue and expenses described in Accounting Change was to increase net sales and operating expenses of Precision Equipment, Imaging Products, Instruments and Other by 20,419 million yen, 3,796 million yen, 1,095 million yen, 926 million yen, respectively, and decrease them of Eliminations or Corporate by 502 million yen for the year ended March 31, 2002, from such segments in the prior year.

(Summary for reference only)

**Segment Information****2. Geographic Segments**

Amount Unit: 1 Million Yen

	Year ended March 31, 2002						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	173,601	203,817	83,252	22,304	482,975	—	482,975
2)Intersegment sales/transfer	200,860	1,994	146	17,630	220,631	(220,631)	—
Total	374,461	205,812	83,398	39,934	703,606	(220,631)	482,975
Operating expenses	368,751	198,918	81,127	36,984	685,781	(225,045)	460,736
Operating income	5,709	6,893	2,271	2,949	17,824	4,414	22,239
2. Assets	404,958	80,167	32,138	16,272	533,537	27,738	561,275

Amount Unit: 1 Million Yen

	Year ended March 31, 2001						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	251,354	143,225	77,532	11,844	483,956	—	483,956
2)Intersegment sales/transfer	172,853	1,064	111	13,162	187,192	(187,192)	—
Total	424,208	144,289	77,643	25,006	671,148	(187,192)	483,956
Operating expenses	369,468	136,282	73,230	21,114	600,095	(177,561)	422,533
Operating income	54,739	8,007	4,413	3,892	71,052	(9,630)	61,422
2. Assets	425,394	89,514	37,241	12,344	564,494	28,958	593,453

North America : U.S.A., Canada

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

Asia : South Korea, Taiwan, Thailand, etc.

Notes : The effect of the change in the accounting method of after-sales revenue and expenses described Accounting Change was to increase net sales and operating expenses of Japan, North America, Europe and Asia by 16,790 million yen, 8,437 million yen, 3,084 million yen, 5,189 million yen, respectively, and decrease them of Eliminations or Corporate by 7,766 million yen for the year ended March 31, 2002, from such segments in the prior year.

(Summary for reference only)

**Segment Information****3. Export sales**

Amount Unit: 1 Million Yen

	Year ended March 31, 2002				
	North America	Europe	Asia	Other	Total
Export sales(A)	202,242	81,815	65,172	5,239	354,470
Net sales(B)					482,975
(A)/(B)	41.9%	16.9%	13.5%	1.1%	73.4%

Amount Unit: 1 Million Yen

	Year ended March 31, 2001				
	North America	Europe	Asia	Other	Total
Export sales(A)	141,828	75,535	114,676	4,643	336,684
Net sales(B)					483,956
(A)/(B)	29.3%	15.6%	23.7%	1.0%	69.6%

North America : U.S.A., Canada

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

Asia : South Korea, Taiwan, Singapore, etc.

Other : South &amp; Central America, Oceania, Africa, etc.

Note: The effect of the change in the accounting method of after-sales revenue and expenses described Accounting Change was to increase sales of North America, Europe, Asia and Other Area by 8,310 million yen, 2,874 million yen, 2,961 million yen, 34 million yen, respectively, for the year ended March 31, 2002, from such segments in the prior year.

## **Marketable Securities (Consolidated)**

### **1.Fair Value of Available-for-sale securities**

Amount Unit: 1 Million Yen

	As of March 31, 2002			As of March 31, 2001		
	Cost	Fair Value	Net unrealized gains	Cost	Fair Value	Net unrealized gains
1)Equity securities	39,112	40,973	1,860	39,764	47,893	8,128
2)Debt securities	47	47	—	785	786	1
<b>Total</b>	<b>39,160</b>	<b>41,021</b>	<b>1,860</b>	<b>40,551</b>	<b>48,681</b>	<b>8,130</b>

### **2.Available-for-sale securities sold in the year ended March 31, 2002 and 2001**

Amount Unit: 1 Million Yen

Year ended March 31, 2002			Year ended March 31, 2001		
Proceeds from sale	Gross realized gain on sale	Gross realized loss on sale	Proceeds from sale	Gross realized gain on sale	Gross realized loss on sale
8,420	1,799	3,357	2,203	—	1,667

### **3.Available-for-sale securities whose fair value is not readily determinable**

Amount Unit: 1 Million Yen

	As of March 31, 2002		As of March 31, 2001	
	Carrying Amount		Carrying Amount	
Available-for-sale securities				
Equity securities	4,329		4,483	
Other securities	—		50	

### **4.The Carrying values of debt securities by contractual maturities for securities classified as Available-for-sale and held-to-maturity**

Amount Unit: 1 Million Yen

	As of March 31, 2002		As of March 31, 2001	
	Due in one year or less	Due after one year through five years	Due in one year or less	Due after one year through five years
Bonds				
National and local government bonds	0	4	0	2
Other bonds	—	—	0	2
<b>Total</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>

## Derivatives (Consolidated)

### 1. Currency Contracts

Amount Unit : 1mill Yen

	As of March 31, 2002				As of March 31, 2001			
	Contract or Notional amount		Fair Value	Net unrealized gain(loss)	Contract or Notional amount		Fair Value	Net unrealized gain(loss)
		Non-current				Non-current		
Forward exchange contracts								
Selling positions								
YEN	4,023	—	3,985	38	2,000	—	1,754	245
US\$	4,901	—	4,939	(37)	1,176	—	1,225	(49)
EUR	5,818	—	5,874	(56)	6,247	—	6,816	(568)
GBP	—	—	—	—	663	—	677	(13)
Buying positions								
YEN	4,952	—	4,425	(527)	21,793	—	18,125	(3,667)
US\$	331	—	333	2	156	—	161	5
EUR	2,300	—	2,328	28	3,327	—	3,378	50
DEM	—	—	—	—	1,926	—	1,914	(12)
GBP	188	—	188	(0)	828	—	856	28
Total	—	—	—	(553)	—	—	—	(3,981)

### 2. Interest Rate Swap Agreements

Amount Unit : 1mill Yen

	As of March 31, 2002				As of March 31, 2001			
	Contract or Notional amount		Fair Value	Net unrealized gain(loss)	Contract or Notional amount		Fair Value	Net unrealized gain(loss)
		Non-current				Non-current		
Interest swap agreements	50,000	20,000	32	32	50,000	40,000	508	508

(Note) Derivative which qualified for hedge accounting are excluded from disclosure of market value information.

## Year ended March 31, 2002 Financial Results (Non-Consolidated)

Company name: NIKON CORPORATION

Code number: 7731

Address of headquarters: Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8331, Japan

Contact: Toshiyuki Masai, General Manager, Corporate Communications Department

Telephone: +81-3-3216-1032

URL: <http://www.nikon.co.jp>

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange

Date of the Board Meeting for the Year ended March 31, 2002: May 13, 2002

Date of the General Meeting of Shareholders: June 27, 2002

### 1. Results of Year ended March 31, 2002 (From April 1, 2001 to March 31, 2002)

(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, 2002	¥325,222	(16.9)%	¥891	(97.9)%	¥390	(98.8)%
Year ended March 31, 2001	¥391,320	26.8%	¥43,021	512.7%	¥32,886	402.7%

	Net Income(Loss)	Change	Net Income(Loss) per share of Common Stock (Yen)	Ratio of Net Income(Loss) to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Net Sales
Year ended March 31, 2002	¥(5,302)	-	¥(14.34)	(3.4)%	0.1%	0.1%
Year ended March 31, 2001	¥11,804	152.7%	¥31.91	7.5%	7.6%	8.4%

(Note) 1. Average number of Shares outstanding: Year ended March 31, 2002: 369,833,275 Shares

Year ended March 31, 2001: 369,927,584 Shares

2. Change in accounting method: Applicable

3. Percent Increase(Decrease): Year ended March 31, 2002/Year ended March 31, 2001

#### (2) Cash Dividends

	Cash Dividends per Share of Common Stock for the year			Total Cash Dividends	Payment Ratio	Ratio of Cash Dividends to Shareholders' Equity
		Interim Cash Dividends per Share of Common Stock (Yen)	Year-end Cash Dividends per Share of Common Stock (Yen)			
Year ended March 31, 2002	¥4.00	¥4.00	¥0.00	¥1,479	-	1.0%
Year ended March 31, 2001	¥8.00	¥4.00	¥4.00	¥2,959	25.1%	1.8%

#### (3) Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share of Common Stock (Yen)
Year ended March 31, 2002	¥453,557	¥151,535	33.4%	¥409.77
Year ended March 31, 2001	¥469,025	¥163,618	34.9%	¥442.30

(Note) 1. Number of Shares outstanding as of March 31, 2002: 369,805,363 shares

as of March 31, 2001: 369,927,584 shares

2. Number of Shares outstanding held as Treasury stock: As of March 31, 2002: 139,969 Shares

### 2. Forecast for Year ended March 31, 2003 (From April 1, 2002 to March 31, 2003)

Amount Unit: 1 Million Yen

	Net Sales	Ordinary Income(Loss)	Net Income(Loss)	Cash Dividends per Share of Common Stock for the year		
				Interim Cash Dividends per Share of Common Stock (Yen)	Year-end Cash Dividends per Share of Common Stock (Yen)	
First Half ended September 30, 2002	¥165,000	¥(11,000)	¥(10,000)	¥0.00	-	-
Year ended March 31, 2003	¥380,000	¥(7,000)	¥(5,000)	-	-	-

Ref. Expected Net Income(Loss) per Share of Common Stock for year ended March 31, 2003: (13.52) Yen

**Non-Consolidated Balance Sheets**

(Amount Unit : 1million Yen)

	As of March 31, 2002		As of March 31, 2001		Increase (Decrease)
		%		%	
[ Assets ]					
<b>1. Current Assets</b>					
Cash and time deposits	8,726		15,692		(6,966)
Notes receivable	30,172		37,100		(6,927)
Accounts receivable	68,317		93,535		(25,218)
Treasury stock	-		0		(0)
Finished goods	45,963		36,135		9,828
Semi-finished products	1,201		408		792
Raw materials	71		80		(8)
Work in process	91,420		97,201		(5,780)
Supplies	3,057		2,842		214
Deferred income taxes	10,517		9,653		864
Short-term loans receivable to subsidiaries and associated companies	17,462		8,856		8,606
Other receivables	7,929		5,180		2,748
Other current assets	1,107		1,383		(276)
Allowance for doubtful receivables	(1,715)		(354)		(1,361)
<b>Total current assets</b>	<b>284,231</b>	<b>62.7</b>	<b>307,716</b>	<b>65.6</b>	<b>(23,485)</b>
<b>2. Fixed Assets</b>					
<b>Tangible fixed assets</b>	<b>74,899</b>	<b>16.5</b>	<b>64,959</b>	<b>13.8</b>	<b>9,939</b>
Buildings	21,447		19,821		1,625
Structures	1,157		1,128		28
Machinery and equipment	24,685		17,623		7,061
Automotive equipment	86		72		13
Tools, furniture and fixtures	6,752		6,218		534
Land	10,290		10,374		(84)
Construction in progress	10,481		9,719		761
<b>Intangible fixed assets</b>	<b>5,786</b>	<b>1.3</b>	<b>6,346</b>	<b>1.4</b>	<b>(560)</b>
Patent rights	1,930		1,953		(23)
Leasehold	37		77		(40)
Trademark	148		166		(17)
Software	3,510		3,980		(469)
Rights to use public facilities and other assets	159		169		(10)
<b>Investments and other assets</b>	<b>88,640</b>	<b>19.5</b>	<b>90,001</b>	<b>19.2</b>	<b>(1,361)</b>
Investment securities	45,092		52,232		(7,139)
Investments in subsidiaries and associated companies	23,565		22,683		881
Capital contributions	6		6		-
Capital contributions to subsidiaries and associated companies	2,639		2,639		-
Long-term loans receivable to employees	102		124		(21)
Long-term loans receivable to subsidiaries and associated companies	695		1,012		(317)
Long-term prepaid expenses	450		670		(220)
Deferred income taxes	12,679		6,379		6,299
Lease deposits and other assets	3,797		4,330		(533)
Allowance for doubtful receivables	(387)		(77)		(309)
<b>Total fixed assets</b>	<b>169,326</b>	<b>37.3</b>	<b>161,308</b>	<b>34.4</b>	<b>8,018</b>
<b>Total assets</b>	<b>453,557</b>	<b>100.0</b>	<b>469,025</b>	<b>100.0</b>	<b>(15,467)</b>

**Non-Consolidated Balance Sheets**

(Amount Unit : 1million Yen)

	As of March 31, 2002		As of March 31, 2001		Increase (Decrease)
		%		%	
<b>[ Liabilities ]</b>					
<b>1. Current Liabilities</b>					
Notes payable	707		1,338		(631)
Accounts payable	59,471		88,521		(29,049)
Short-term bank loans	57,350		31,850		25,500
Current portion of long-term debt	3,614		1,914		1,700
Commercial papers	45,000		32,000		13,000
Current portion of bonds	10,000		20,000		(10,000)
Accounts payable for construction	8,615		5,921		2,693
Other accrued expenses	11,868		16,780		(4,912)
Accrued income taxes	24		13,370		(13,346)
Advances received	3,645		5,306		(1,660)
Deposits received	5,412		10,039		(4,627)
Provision for warranty	1,503		2,653		(1,150)
Notes payable for construction	151		185		(33)
Other current liabilities	303		855		(551)
<b>Total current liabilities</b>	<b>207,668</b>	<b>45.8</b>	<b>230,737</b>	<b>49.2</b>	<b>(23,069)</b>
<b>2. Long-term Liabilities</b>					
Bonds	75,000		60,000		15,000
Long-term bank loans	4,022		6,637		(2,614)
Liability for severance indemnities	14,650		7,154		7,495
Other long-term liabilities	680		876		(195)
<b>Total long-term liabilities</b>	<b>94,353</b>	<b>20.8</b>	<b>74,668</b>	<b>15.9</b>	<b>19,684</b>
<b>Total liabilities</b>	<b>302,022</b>	<b>66.6</b>	<b>305,406</b>	<b>65.1</b>	<b>(3,384)</b>
<b>[ Shareholders' Equity ]</b>					
<b>1. Common stock</b>					
	36,660	8.1	36,660	7.8	-
<b>2. Additional paid in capital</b>					
	51,924	11.4	51,909	11.1	14
<b>3. Legal reserve</b>					
	5,565	1.2	5,412	1.2	153
<b>4. Retained earnings</b>					
Revenue reserve	52,882	12.5	50,913	13.8	1,969
Reserve for research and development	2,056		2,056		-
Reserve for retirement benefits	669		669		-
Reserve for losses on overseas investments	-		1		(1)
Reserve for special depreciation	15		19		(3)
Reserve for deferred capital gain for replacement of property	3,408		2,760		648
Reserve for advanced depreciation of fixed assets	1,522		195		1,326
General reserve	45,211		45,211		-
Unappropriated retained earnings	3,628		14,061		(10,433)
<b>5. Unrealized gains on securities</b>					
	1,036	0.2	4,660	1.0	(3,623)
<b>6. Treasury stock</b>					
	(163)	(0.0)	-	-	(163)
<b>Total shareholders' equity</b>	<b>151,535</b>	<b>33.4</b>	<b>163,618</b>	<b>34.9</b>	<b>(12,083)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>453,557</b>	<b>100.0</b>	<b>469,025</b>	<b>100.0</b>	<b>(15,467)</b>



## Non-Consolidated Statements of Operations

(Amount Unit : 1million Yen)

	Year ended March 31, 2002		Year ended March 31, 2001		Increase (Decrease)
		%		%	
<b>1. Operating revenues</b>					
Net sales	325,222	100.0	391,320	100.0	(66,097)
<b>2. Operating cost and expenses</b>					
Cost of sales	255,892	78.7	280,664	71.7	(24,771)
Selling, general and administrative expenses	68,439	21.0	67,635	17.3	804
<b>3. Operating income</b>	<b>891</b>	<b>0.3</b>	<b>43,021</b>	<b>11.0</b>	<b>(42,130)</b>
<b>4. Non-operating income</b>	<b>11,420</b>	<b>3.5</b>	<b>7,575</b>	<b>1.9</b>	<b>3,844</b>
Interest income	100		201		(101)
Dividend income	5,804		2,220		3,583
Gains on interest rate swap	12		947		(935)
Rental income from fixed assets	1,065		886		178
Foreign exchange gain	1,918		648		1,270
Other income	2,519		2,670		(150)
<b>5. Non-operating expenses</b>	<b>11,921</b>	<b>3.7</b>	<b>17,710</b>	<b>4.5</b>	<b>(5,789)</b>
Interest expenses	332		440		(107)
Interest expenses on bonds	2,230		2,600		(369)
Write-down of inventories	6,393		2,260		4,133
Loss on disposals of inventories	1,646		9,355		(7,709)
Rental expenses on fixed assets	826		719		106
Other expenses	492		2,333		(1,841)
<b>6. Ordinary income</b>	<b>390</b>	<b>0.1</b>	<b>32,886</b>	<b>8.4</b>	<b>(32,495)</b>
<b>7. Special gains</b>	<b>4,931</b>	<b>1.5</b>	<b>6,260</b>	<b>1.6</b>	<b>(1,328)</b>
Gains on sales of fixed assets	3,140		4,536		(1,395)
Gains on sales of investment securities	1,790		-		1,790
Gains on establishment of retirement benefits plan	-		1,724		(1,724)
<b>8. Special losses</b>	<b>14,854</b>	<b>4.5</b>	<b>19,154</b>	<b>4.9</b>	<b>(4,300)</b>
Losses on disposal of fixed assets	613		750		(136)
Losses on sales of fixed assets	84		85		(1)
Losses on sales of investment securities	3,357		1,667		1,689
Losses on sales of investments					
in subsidiaries and associated companies	-		159		(159)
Losses on devaluation of investment securities	41		258		(217)
Losses on devaluation of investments					
in subsidiaries and associated companies	-		329		(329)
Provision for liability for severance indemnities	9,053		15,764		(6,711)
Provision for losses on doubtful receivables	9		77		(68)
Provision for losses on doubtful loans receivable					
to subsidiaries and associated companies	1,689		-		1,689
Losses on devaluation of the golf club membership	5		59		(54)
<b>9. Income (Loss) before income taxes</b>	<b>(9,532)</b>	<b>(2.9)</b>	<b>19,992</b>	<b>5.1</b>	<b>(29,524)</b>
<b>10. Income taxes-current</b>	<b>310</b>	<b>0.1</b>	<b>14,820</b>	<b>3.8</b>	<b>(14,510)</b>
<b>11. Income taxes-deferred</b>	<b>(4,540)</b>	<b>(1.4)</b>	<b>(6,632)</b>	<b>(1.7)</b>	<b>2,092</b>
<b>12. Net income (loss)</b>	<b>(5,302)</b>	<b>(1.6)</b>	<b>11,804</b>	<b>3.0</b>	<b>(17,106)</b>
<b>13. Retained earnings brought forward</b>	<b>10,410</b>		<b>3,885</b>		<b>6,524</b>
<b>14. Interim dividends paid</b>	<b>1,479</b>		<b>1,479</b>		<b>(0)</b>
<b>15. Transfer to legal reserve</b>	<b>-</b>		<b>147</b>		<b>(147)</b>
<b>16. Unappropriated retained earnings at end</b>	<b>3,628</b>		<b>14,061</b>		<b>(10,433)</b>

**Non-Consolidated Statements of Retained Earnings**  
(Proposed)

(Amount Unit : 1million Yen)

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
1. Unappropriated retained earnings at year end	3,628	14,061	(10,433)
2. Reversal of reserves :			
Reversal of reserve for losses on overseas investments	-	1	(1)
Reversal of reserve for special depreciation	3	3	-
Reversal of reserve for deferred capital gain for replacement of property	232	97	134
Reversal of reserve for advanced depreciation of fixed assets	1,522	195	1,326
Total	5,387	14,360	(8,973)
3. Appropriation of retained earnings :			
Transfer to legal reserve	-	153	(153)
Cash dividends	-	1,479	(1,479)
Bonuses to directors and corporate auditors	-	50	(50)
Transfer to reserve for deferred capital gain for replacement of property	1,522	745	776
Transfer to reserve for advanced depreciation of fixed assets	1,451	1,522	(70)
Total	2,973	3,950	(977)
4. Retained earnings carried forward	2,413	10,410	(7,996)

**Sales Performance (Non-Consolidated)**

(Amount Unit : 1million Yen)

Segment	Year ended March 31, 2002		Year ended March 31, 2001		Ratio to the previous period
	Amount	%	Amount	%	%
Precision Equipment	139,619	42.9	222,587	56.9	62.7
Imaging Products	149,903	46.1	123,699	31.6	121.2
Instruments	26,039	8.0	35,233	9.0	73.9
Other	9,660	3.0	9,799	2.5	98.6
Total	325,222	100.0	391,320	100.0	83.1
Domestic	98,633	30.3	120,917	30.9	81.6
Export	226,589	69.7	270,402	69.1	83.8