



First Half ended September 30, 2006 Financial Results (Consolidated)

Company name: NIKON CORPORATION

Code number: 7731

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Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange

Date of the Board Meeting for the First Half ended September 30, 2006: November 9, 2006

The accounting methods used in this report are not consistent with U.S. standards accounting methods.

1. Results of First Half ended September 30, 2006 (From April 1, to September 30, 2006)

(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
First Half ended September 30, 2006	¥377,285	10.0%	¥44,029	55.1%	¥37,077	84.8%
First Half ended September 30, 2005	¥342,851	9.8%	¥28,379	250.6%	¥20,067	330.1%
Year ended March 31, 2006	¥730,943		¥66,587		¥43,496	

	Net Income	Change	Net Income per share of Common Stock (Yen)	Net Income per share of Common Stock after dilution (Yen)
First Half ended September 30, 2006	¥23,188	147.4%	¥62.71	¥55.67
First Half ended September 30, 2005	¥9,373	20.0%	¥25.37	¥22.51
Year ended March 31, 2006	¥28,944		¥78.16	¥69.33

(Notes) 1. Equity in Earning of non-consolidated subsidiaries: First Half ended September 30, 2006: 863 Million Yen

First Half ended September 30, 2005: 514 Million Yen

Year ended March 31, 2006: 1,101 Million Yen

2. Average number of shares outstanding (Consolidated): First Half ended September 30, 2006: 369,781,254 shares

First Half ended September 30, 2005: 369,440,702 shares

Year ended March 31, 2006: 369,411,996 shares

3. Change in accounting method : Not 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.

(2) Financial Position

	Total Assets	Net Assets	Ratio of Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
First Half ended September 30, 2006	¥725,932	¥261,691	36.0%	¥706.83
First Half ended September 30, 2005	¥648,676	¥212,016	32.7%	¥573.93
Year ended March 31, 2006	¥690,919	¥243,122	35.2%	¥658.03

(Notes) Number of shares outstanding as of September 30, 2006 : 369,976,091 shares
as of September 30, 2005 : 369,412,018 shares
as of March 31, 2006 : 369,360,134 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
First Half ended September 30, 2006	¥34,458	¥(7,303)	¥(11,548)	¥61,492
First Half ended September 30, 2005	¥24,725	¥(8,440)	¥(9,642)	¥28,832
Year ended March 31, 2006	¥63,744	¥(22,427)	¥(20,515)	¥44,471

(4) Consolidated and Equity method Policies

Number of Consolidated Subsidiaries : 49

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 : 4 Exclusion : 2

Equity method New : 0 Exclusion : 0

2. Forecast for Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

Amount Unit : 1 Million Yen

	Net Sales	Ordinary Income	Net Income
Year ended March 31, 2007	¥797,000	¥74,000	¥45,000

Ref. Expected net income per share of common stock for year ended March 31, 2007 : 121.62 Yen

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.

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

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of September 30, 2006		As of September 30, 2005		As of March 31, 2006	
		%		%		%
Assets						
Current assets						
Cash and time deposits	61,514		29,214		44,865	
Notes and accounts receivable-trade	142,794		126,770		137,635	
Inventories	259,334		247,002		238,846	
Other current assets	47,907		41,684		50,589	
Allowance for doubtful receivables	(3,167)		(2,839)		(2,832)	
Total current assets	508,383	70.0	441,832	68.1	469,104	67.9
Fixed assets						
Tangible fixed assets						
Buildings and structures	40,551		39,112		40,480	
Machinery and vehicles	36,486		34,306		35,196	
Furniture and fixtures	14,699		13,681		13,299	
Land	15,919		15,825		15,916	
Construction in progress	5,464		6,479		5,431	
Total property plant & equipment	113,121	15.6	109,405	16.9	110,325	15.9
Intangible fixed assets	13,762	1.9	10,929	1.7	12,896	1.9
Investments and other assets						
Investment securities	81,482		71,964		88,632	
Other	9,288		14,649		10,065	
Allowance for doubtful receivables	(105)		(105)		(105)	
Total investments and other assets	90,665	12.5	86,508	13.3	98,593	14.3
Total fixed assets	217,549	30.0	206,844	31.9	221,815	32.1
Total assets	725,932	100.0	648,676	100.0	690,919	100.0

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

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of September 30, 2006		As of September 30, 2005		As of March 31, 2006	
		%		%		%
Liabilities						
Current liabilities						
Notes and accounts payable-trade	150,501		143,180		151,504	
Short-term debt	14,930		36,103		14,187	
Current portion of bonds	64,798		10,000		76,000	
Accrued income taxes	14,402		6,827		8,230	
Accrued expenses	43,993		39,770		41,029	
Warranty reserve	6,710		6,177		6,496	
Other current liabilities	59,607		34,041		37,493	
Total current liabilities	354,943	48.9	276,100	42.6	334,943	48.5
Long-term liabilities						
Bonds	69,500		135,500		69,500	
Long-term debt	19,383		5,577		19,143	
Liability for employees' retirement benefits	15,205		18,021		16,966	
Retirement allowances for directors and corporate auditors	399		313		339	
Other long-term liabilities	4,809		973		6,721	
Total long-term liabilities	109,297	15.1	160,385	24.7	112,671	16.3
Total liabilities	464,241	64.0	436,485	67.3	447,614	64.8
Minority interest	-	-	173	0.0	182	0.0
Shareholders' equity						
Common stock	-	-	36,660	5.7	36,660	5.3
Capital surplus	-	-	51,931	8.0	51,932	7.5
Retained earnings	-	-	112,310	17.3	130,404	18.9
Unrealized gain on available-for-sale securities	-	-	14,076	2.2	24,534	3.6
Foreign currency translation adjustments	-	-	(2,374)	(0.4)	286	0.0
Total	-	-	212,604	32.8	243,819	35.3
Treasury stock	-	-	(588)	(0.1)	(697)	(0.1)
Total shareholders' equity	-	-	212,016	32.7	243,122	35.2
Total liabilities and shareholders' equity	-	-	648,676	100.0	690,919	100.0

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of September 30, 2006		As of September 30, 2005		As of March 31, 2006	
		%		%		%
Net assets						
Shareholders' equity						
Common stock	37,262		-		-	
Capital surplus	52,534		-		-	
Retained earnings	151,282		-		-	
Treasury stock	(787)		-		-	
Total shareholders' equity	240,291	33.1	-	-	-	-
Valuation and translation adjustments						
Unrealized gains on available-for-sale securities	19,894		-		-	
Deferred gains or losses by hedging	(175)		-		-	
Foreign currency translation adjustments	1,497		-		-	
Total valuation and translation adjustments	21,216	2.9	-	-	-	-
Minority interests	182	0.0	-	-	-	-
Total net assets	261,691	36.0	-	-	-	-
Total liabilities and net assets	725,932	100.0	-	-	-	-

Consolidated Statements of Income

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006		First Half ended September 30, 2005		Year ended March 31, 2006	
		%		%		%
Net sales	377,285	100.0	342,851	100.0	730,943	100.0
Cost of sales	229,510	60.8	219,380	64.0	468,943	64.2
Selling, general and administrative expenses	103,745	27.5	95,091	27.7	195,413	26.7
Operating income	44,029	11.7	28,379	8.3	66,587	9.1
Non-operating income						
Interest and dividend income	810	0.2	666	0.2	1,137	0.2
Other income	2,640	0.7	2,005	0.6	4,011	0.5
Non-operating expenses						
Interest expenses	805	0.2	663	0.2	1,501	0.2
Other expenses	9,597	2.6	10,320	3.0	26,738	3.6
Ordinary income	37,077	9.8	20,067	5.9	43,496	6.0
Extraordinary gains						
Gain on sale of fixed assets	679	0.2	82	0.0	115	0.0
Gain on sale of investment securities	-	-	6	0.0	1,895	0.2
Proceeds from patents and know-how licenses	-	-	1,236	0.4	1,236	0.2
Extraordinary losses						
Loss on sale and disposal of fixed assets	407	0.1	710	0.2	1,930	0.2
Loss on impairment of fixed assets	-	-	243	0.1	245	0.0
Loss on Patent settlement	-	-	2,829	0.8	2,889	0.4
Loss on devaluation of investment securities	-	-	720	0.3	753	0.2
Income before income taxes	37,349	9.9	16,887	4.9	40,925	5.6
Income taxes	14,160	3.8	7,520	2.2	11,979	1.6
Minority interest	0	0.0	(6)	(0.0)	2	0.0
Net income	23,188	6.1	9,373	2.7	28,944	4.0

Consolidated Statements of Shareholders' Equity

Amount Unit: 1 Million Yen

	First Half ended September 30, 2005	Year ended March 31, 2006
(Capital surplus)		
Capital surplus (Beginning)	51,930	51,930
Increase of capital surplus		
Gain on sale of treasury stock	0	1
Capital surplus (Ending)	51,931	51,932
(Retained earnings)		
Retained earnings (Beginning)	104,478	104,478
Increase of retained earnings		
Net income	9,373	28,944
Decrease of retained earnings		
Cash dividends	1,477	2,955
Bonuses to directors and corporate auditors	62	62
Retained earnings (Ending)	112,310	130,404

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 in the term					
Conversion of convertible debenture	601	600			1,202
Cash dividends			(2,216)		(2,216)
Bonus to directors and corporate auditors			(72)		(72)
Net income			23,188		23,188
Increase in treasury stock				(126)	(126)
Decrease in treasury stock		1		35	37
Adjustment of retained earnings for newly consolidated subsidiaries			(21)		(21)
Net change of items other than shareholders' equity					
Total changes in the term	601	601	20,878	(90)	21,990
Balance of September 30,2006	37,262	52,534	151,282	(787)	240,291

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized gains on available-for-sale securities	Deferred gains or losses by hedging	Foreign currency translation adjustments	Total of valuation and translation adjustments		
Balance of March 31,2006	24,534	-	286	24,821	182	243,304
Changes in the term						
Conversion of convertible debenture						1,202
Cash dividends						(2,216)
Bonus of directors and corporate auditors						(72)
Net income						23,188
Increase in treasury stock						(126)
Decrease in treasury stock						37
Adjustment of retained earnings for newly consolidated subsidiaries						(21)
Net change of items other than shareholders' equity	(4,640)	(175)	1,211	(3,604)	0	(3,604)
Total changes in the term	(4,640)	(175)	1,211	(3,604)	0	18,386
Balance of September 30,2006	19,894	(175)	1,497	21,216	182	261,691

Consolidated Statements of Cash Flows

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006	First Half ended September 30, 2005	Year ended March 31, 2006
1. Cash flows from operating activities			
Income before income taxes	37,349	16,887	40,925
Depreciation and amortization	10,355	9,586	20,670
Impairment loss	-	243	245
Net increase in warranty reserve	152	810	1,055
Provision for employees' retirement benefits	(1,806)	(702)	(1,695)
Provision for retirement allowance for directors and corporate auditors	60	(721)	(696)
Interest and dividend income	(810)	(667)	(1,138)
Interest expenses	805	663	1,501
Gain on sale of fixed assets	(679)	(82)	(115)
Loss on sale and disposal of fixed assets	407	711	1,931
Gain on sale of investment securities	-	(6)	(1,895)
Loss on revaluation of investment securities	-	720	753
Net decrease (increase) in trade notes and accounts receivable	(1,811)	(468)	(8,838)
Net decrease (increase) in inventories	(17,184)	422	12,298
Net increase (decrease) in trade notes and accounts payable	(4,874)	7,512	15,651
Other, net (operating activities)	20,177	3,940	3,323
Sub total	42,141	38,850	83,975
Interests and dividends received	873	750	1,763
Interests paid	(867)	(791)	(1,482)
Income taxes paid	(7,689)	(14,083)	(20,511)
Net cash provided by operating activities	34,458	24,725	63,744
2. Cash flows from investing activities			
Payments for purchases of tangible fixed assets	(8,722)	(9,566)	(19,976)
Proceeds from sale of tangible fixed assets	1,065	1,624	2,446
Payments for purchase of investment securities	(528)	(111)	(838)
Proceeds from sale of investment securities	3,570	1,513	1,589
Net decrease (increase) in loans receivable	(40)	(145)	150
Other, net (investing activities)	(2,648)	(1,754)	(5,797)
Net cash used in investing activities	(7,303)	(8,440)	(22,427)
3. Cash flows from financing activities			
Increase (decrease) in short-term borrowings	712	(6,630)	(26,032)
Proceeds from long-term debt	1,200	1,849	16,689
Repayments of long-term debt	(1,160)	(3,322)	(8,050)
Repayments of bond redemption	(10,000)	-	-
Dividends paid	(2,211)	(1,470)	(2,944)
Other, net (financing activities)	(90)	(69)	(177)
Net cash used in financial activities	(11,548)	(9,642)	(20,515)
4. Foreign currency translation adjustments on cash and cash equivalents	902	682	2,163
5. Net increase in cash and cash equivalents	16,507	7,325	22,964
6. Cash and cash equivalents at beginning of year	44,471	21,507	21,507
7. Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	513	-	-
8. Cash and cash equivalents at end of period	61,492	28,832	44,471

1. 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 have non-contributory funded pension plans and a defined contribution pension plan amount covering substantially all of its employees. Major subsidiaries have non-contributory funded pension plans and 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 or speculative 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 income 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.

2. Changes in Accounting Policies

(1)Accounting Standard for Presentation of Net Assets in the Balance Sheet

"Accounting Standard for Net Assets of the Balance Sheet" (The 5th Accounting Standards on December 9, 2005) and "Guidance for the application of Accounting Standards for Net Assets of Balance Sheet" (The 8th Application Principle of the Accounting Standards on December 9, 2005) have been adopted from this interim accounting period.

The equivalent total amount of shareholders' equity under the previous presentation method as of September 30, 2006 was 261,684 million yen.

(2)Accounting Standard for Director's Bonuses

"Accounting Standard for Director's Bonuses" (The 4th Accounting Standards on November 29, 2005) have been adopted from this interim accounting period.

Segment Information**1. Industry Segments**

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	135,539	205,764	26,430	9,550	377,285	-	377,285
2)Intersegment sales/transfer	340	505	892	16,767	18,505	(18,505)	-
Total	135,880	206,269	27,322	26,318	395,791	(18,505)	377,285
Operating expenses	112,598	187,403	26,289	25,239	351,531	(18,275)	333,256
Operating income	23,281	18,865	1,033	1,078	44,259	230	44,029

Amount Unit: 1 Million Yen

	First Half ended September 30, 2005						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	115,781	195,925	23,525	7,618	342,851	-	342,851
2)Intersegment sales/transfer	429	471	765	15,163	16,830	(16,830)	-
Total	116,210	196,397	24,291	22,782	359,681	(16,830)	342,851
Operating expenses	103,765	180,914	23,545	22,690	330,916	(16,444)	314,472
Operating income	12,445	15,483	745	91	28,765	(386)	28,379

Amount Unit: 1 Million Yen

	Year ended March 31, 2006						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	242,317	415,685	53,280	19,660	730,943	-	730,943
2)Intersegment sales/transfer	889	920	1,594	30,172	33,576	(33,576)	-
Total	243,207	416,606	54,874	49,832	764,520	(33,576)	730,943
Operating expenses	216,831	382,237	50,789	47,903	697,762	(33,405)	664,356
Operating income	26,375	34,368	4,085	1,929	66,758	(171)	66,587

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

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

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

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

Segment Information

2. Geographic Segments

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	154,252	100,845	79,340	42,846	377,285	-	377,285
2)Intersegment sales/transfer	174,076	1,125	39	52,081	227,323	(227,323)	-
Total	328,328	101,971	79,380	94,928	604,608	(227,323)	377,285
Operating expenses	287,957	99,599	78,285	92,398	558,240	(224,984)	333,256
Operating income	40,371	2,371	1,095	2,529	46,368	(2,339)	44,029

Amount Unit: 1 Million Yen

	First Half ended September 30, 2005						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	126,425	104,104	76,988	35,333	342,851	-	342,851
2)Intersegment sales/transfer	162,692	1,085	103	44,561	208,443	(208,443)	-
Total	289,118	105,189	77,091	79,895	551,294	(208,443)	342,851
Operating expenses	269,696	101,080	74,923	73,463	519,164	(204,692)	314,472
Operating income	19,421	4,109	2,167	6,431	32,130	(3,751)	28,379

Amount Unit: 1 Million Yen

	Year ended March 31, 2006						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	274,907	216,848	166,733	72,454	730,943	-	730,943
2)Intersegment sales/transfer	328,525	2,132	154	92,649	423,461	(423,461)	-
Total	603,432	218,981	166,887	165,103	1,154,405	(423,461)	730,943
Operating expenses	558,229	210,589	162,061	156,630	1,087,510	(423,153)	664,356
Operating income	45,203	8,391	4,826	8,473	66,895	(308)	66,587

North America : U.S.A., Canada

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

Asia : China, South Korea, Taiwan, Thailand, etc.

Segment Information

3. Export sales

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006				
	North America	Europe	Asia	Other	Total
Export sales(A)	97,349	77,945	106,805	4,748	286,848
Net sales(B)					377,285
(A)/(B)	25.8%	20.6%	28.3%	1.3%	76.0%

Amount Unit: 1 Million Yen

	First Half ended September 30, 2005				
	North America	Europe	Asia	Other	Total
Export sales(A)	101,217	76,818	87,014	3,755	268,806
Net sales(B)					342,851
(A)/(B)	29.5%	22.4%	25.4%	1.1%	78.4%

Amount Unit: 1 Million Yen

	Year ended March 31, 2006				
	North America	Europe	Asia	Other	Total
Export sales(A)	209,675	166,127	173,307	8,688	557,799
Net sales(B)					730,943
(A)/(B)	28.7%	22.7%	23.7%	1.2%	76.3%

North America : U.S.A., Canada

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

Asia : China, South Korea, Taiwan, Singapore, etc.

Other : South and Central America, Oceania, Africa, etc.

Marketable Securities (Consolidated)

1. Fair Value of Available-for-sale securities

Amount Unit: 1 Million Yen

	As of September 30, 2006			As of September 30, 2005			As of March 31, 2006		
	Cost	Fair Value	Net unrealized gains	Cost	Fair Value	Net unrealized gains	Cost	Fair Value	Net unrealized gains
1) Equity securities	38,122	71,540	33,417	39,817	63,376	23,559	38,115	79,328	41,212
2) Debt securities	0	0	(0)	0	0	(0)	0	0	(0)
Total	38,123	71,540	33,417	39,817	63,376	23,559	38,115	79,328	41,212

2. Available-for-sale securities whose fair value is not readily determinable

Amount Unit: 1 Million Yen

	As of September 30, 2006	As of September 30, 2005	As of March 31, 2006
	Carrying Amount	Carrying Amount	Carrying Amount
Available-for-sale securities			
Equity securities	587	1,156	534

Derivatives (Consolidated)

Amount Unit: 1 Million Yen

Classification	Type	As of September 30, 2006			As of September 30, 2005			As of March 31, 2006		
		Contract or Notional Amount	Fair Value	Net unrealized gain (loss)	Contract or Notional Amount	Fair Value	Net unrealized gain (loss)	Contract or Notional Amount	Fair Value	Net unrealized gain (loss)
Currency	Forward exchange contracts									
	Selling positions	58,436	60,117	(1,681)	57,939	59,481	(1,542)	56,623	57,400	(777)
	Buying positions	2,837	2,842	5	2,668	2,683	14	2,679	2,676	(3)
Currency	Currency option contracts									
	Selling positions	-	-	-	1,933			249		
	Option premiums				18	31	(13)	10	16	(5)
	Buying positions	-	-	-	1,933			249		
	Option premiums				15	25	9	8	13	4
Interest rate	Interest swap agreements	30,000	32	32	30,000	37	37	30,000	28	28
Total		-	-	(1,643)	-	-	(1,493)	-	-	(753)

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



First Half ended September 30, 2006 Financial Results (Non-Consolidated)

Company name: NIKON CORPORATION

Code number: 7731

Representative: Michio Kariya, President, Member of the Board, C.E.O. and C.O.O.

Contact: Hideshi Hirai, Executive Officer and General Manager,

Corporate Communications & IR 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 First Half ended September 30, 2006: November 9, 2006

1. Results of First Half ended September 30, 2006 (From April 1, to September 30, 2006)

(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
First Half ended September 30, 2006	¥289,157	13.8%	¥34,311	132.1%	¥31,911	181.9%
First Half ended September 30, 2005	¥254,027	7.7%	¥14,780	-%	¥11,321	393.5%
Year ended March 31, 2006	¥521,140		¥31,340		¥18,854	

	Net Income	Change	Net Income per share of Common Stock (Yen)
First Half ended September 30, 2006	¥21,271	261.2%	¥57.53
First Half ended September 30, 2005	¥5,889	16.6%	¥15.94
Year ended March 31, 2006	¥12,171		¥32.75

(Note) 1. Average number of Shares outstanding: First Half ended September 30, 2006 :369,781,254 Shares

First Half ended September 30, 2005 :369,440,702 Shares

Year ended March 31, 2006 :369,411,996 Shares

2. Change in accounting method : Not Applicable

3. 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.

(2) Financial Position

	Total Assets	Net Assets	Ratio of Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
First Half ended September 30, 2006	¥593,909	¥207,058	34.9%	¥559.65
First Half ended September 30, 2005	¥543,879	¥176,600	32.5%	¥478.06
Year ended March 31, 2006	¥565,473	¥191,770	33.9%	¥519.00

(Note)1.Number of Shares outstanding as of September 30, 2006 :369,976,091 shares

as of September 30, 2005 :369,412,018 shares

as of March 31, 2006 :369,360,134 shares

2.Number of Shares outstanding held as Treasury stock : as of September 30, 2006 :616,519 Shares

as of September 30, 2005 :533,314 shares

as of March 31, 2006 :585,198 shares

2. Forecast for Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

Amount Unit : 1 Million Yen

	Net Sales	Ordinary Income	Net Income
Year ended March 31, 2006	¥609,000	¥60,900	¥39,200

Ref. Expected net income per share of common stock for year ended March 31, 2007: 105.95 Yen

3. Cash Dividends

	Interim Cash Dividends per Share of Common Stock (Yen)	Cash Dividends per Share of Common Stock for the year (Yen)	Total(Yen)
Year ended March 31, 2007	¥6.50	¥6.50 (forecast)	¥13.00
Year ended March 31, 2006	¥4.00	¥6.00	¥10.00

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.

Non-Consolidated Balance Sheets

Amount Unit : 1Million Yen

	As of September 30, 2006		As of September 30, 2005		As of March 31, 2006	
		%		%		%
[Assets]						
1. Current Assets						
Cash and time deposits	39,460		12,178		22,510	
Notes receivable	2,717		2,312		991	
Accounts receivable	137,396		130,645		124,284	
Inventories	174,109		158,221		161,841	
Short-term loans receivable	24,273		27,776		31,845	
Other current assets	27,797		28,987		31,937	
Allowance for doubtful receivables	(2,047)		(2,212)		(2,052)	
Total current assets	403,708	68.0	357,909	65.8	371,358	65.7
2. Fixed Assets						
Tangible fixed assets	66,583		66,630		65,228	
Buildings	18,724		19,434		19,015	
Machinery and equipment	24,863		24,696		24,049	
Other tangible fixed assets	22,995		22,499		22,163	
Intangible fixed assets	10,801		8,146		9,998	
Investments and other assets	112,817		111,192		118,888	
Investment securities	72,083		64,363		79,817	
Investments in subsidiaries and associated companies	26,965		25,408		26,509	
Other	13,842		21,495		12,635	
Allowance for doubtful receivables	(74)		(74)		(74)	
Total fixed assets	190,201	32	185,970	34	194,115	34
Total assets	593,909	100	543,879	100	565,473	100

Non-Consolidated Balance Sheets

Amount Unit : 1Million Yen

	As of September 30, 2006		As of September 30, 2005		As of March 31, 2006	
		%		%		%
[Liabilities]						
1. Current Liabilities						
Notes payable	694		612		681	
Accounts payable	118,654		119,616		123,375	
Short-term bank loans	8,550		23,600		9,500	
Current portion of long-term debt	440		2,447		144	
Current portion of bonds	64,798		10,000		76,000	
Accrued expenses	20,441		18,764		19,592	
Accrued income taxes	8,874		3,163		2,234	
Provision for warranty	4,066		4,021		4,035	
Other current liabilities	58,905		30,206		34,899	
Total current liabilities	285,425	48.1	212,434	39.1	270,462	47.8
2. Long-term Liabilities						
Bonds	69,500		135,500		69,500	
Long-term debt	17,500		2,300		16,800	
Liability for employees' retirement benefits	13,029		16,224		15,186	
Retirement allowance for directors and corporate auditors	399		279		339	
Other long-term liabilities	996		539		1,414	
Total long-term liabilities	101,425	17.0	154,844	28.4	103,240	18.3
Total liabilities	386,851	65.1	367,278	67.5	373,703	66.1
[Shareholders' Equity]						
1. Common stock						
	-	-	36,660	6.7	36,660	6.5
2. Capital surplus						
	-	-	51,931	9.5	51,932	9.2
3. Retained earnings						
	-	-	74,593	13.7	79,397	14.0
4. Unrealized gains on securities						
	-	-	14,004	2.7	24,476	4.3
5. Treasury stock						
	-	-	(588)	(0.1)	(697)	(0.1)
Total shareholders' equity	-	-	176,600	32.5	191,770	33.9
Total Liabilities and Shareholders' Equity	-	-	543,879	100.0	565,473	100.0
[Net Assets]						
1. Common stock						
	37,262	6.3	-	-	-	-
2. Capital surplus						
	52,534	8.8	-	-	-	-
3. Retained earnings						
	98,381	16.6	-	-	-	-
4. Treasury stock						
	(787)	(0.1)	-	-	-	-
5. Total valuation adjustments						
	19,667	3.3	-	-	-	-
Total net assets	207,058	34.9	-	-	-	-
Total Liabilities and Net Assets	593,909	100.0	-	-	-	-

Non-Consolidated Statements of Income

Amount Unit : 1Million Yen

	First Half ended September 30, 2006		First Half ended September 30, 2005		Year ended March 31, 2006	
		%		%		%
1. Operating revenues						
Net sales	289,157	100.0	254,027	100.0	521,140	100.0
2. Operating cost and expenses						
Cost of sales	207,942	71.9	198,173	78.0	407,700	78.2
Selling, general and administrative expenses	46,903	16.2	41,073	16.2	82,099	15.8
3. Operating income	34,311	11.9	14,780	5.8	31,340	6.0
4. Non-operating income	5,686	1.9	4,971	2.0	8,906	1.7
Interest income	266		262		506	
dividend income	3,037		2,249		3,076	
Other income	2,383		2,459		5,323	
5. Non-operating expenses	8,085	2.8	8,430	3.3	21,391	4.1
Interest expenses	155		110		218	
Interest expenses on bonds	299		211		550	
Loss on disposals of inventories	2,451		3,018		8,284	
Write-down of inventories	1,045		2,889		5,607	
Other expenses	4,135		2,200		6,730	
6. Ordinary income	31,911	11.0	11,321	4.5	18,854	3.6
7. Extraordinary gains	657	0.2	1,248	0.5	3,140	0.6
Gain on sales of fixed assets	657		11		13	
Gain on sales of investment securities	-		1		1,890	
Proceeds from patents and know-how licenses	-		1,236		1,236	
8. Extraordinary losses	332	0.1	4,373	1.7	5,324	1.0
Loss on disposal of fixed assets	331		588		1,449	
Loss on sales of fixed assets	0		27		29	
Loss on impairment of fixed assets	-		208		208	
Loss on devaluation of investment securities	-		310		310	
Loss on devaluation of investment in subsidiaries and associated companies	-		408		436	
Loss on Patent settlement	-		2,829		2,889	
9. Income before income taxes	32,236	11.1	8,197	3.3	16,670	3.2
10. Income taxes-current	9,079	3.1	3,520	1.4	5,867	1.1
11. Income taxes-deferred	1,886	0.6	(1,212)	(0.4)	(1,368)	(0.2)
12. Net income	21,271	7.4	5,889	2.3	12,171	2.3
13. Retained earnings brought forward	-		10,062		10,062	
14. Interim dividends paid	-		-		1,477	
15. Unappropriated retained earnings at end	-		15,951		20,756	

Non-Consolidated Statement of Changes In Net Assets

For the First Half of the Year ending March 2007

Amount Unit : 1Million Yen

	Shareholders' equity							Valuation adjustments			Total net assets
	Common stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity	Net Unrealized Gains on Securities	Deferred gains or losses by hedging	Total valuation adjustment	
		Additional paid-in capital	Other capital surplus	Legal reserves	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 in the term											
Coverion of convertible debenture	601	600					1,202				1,202
Cash dividends*					(2,216)		(2,216)				(2,216)
Bonus to directors and corporate auditors*					(72)		(72)				(72)
Net income					21,271		21,271				21,271
Increase of treasury stock						(126)	(126)				(126)
Decrease of treasury stock			1			35	37				37
Net change of items other than Shareholders' equity								(4,629)	(179)	(4,808)	(4,808)
Total changes in the term	601	600	1	-	18,983	(90)	20,096	(4,629)	(179)	(4,808)	15,287
Balance of September 30,2006	37,262	52,527	7	5,565	92,816	(787)	187,390	19,847	(179)	19,667	207,058

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 in the term						
Reversal of reserve for deferred capital gain for replacement of property*		(1,470)			1,470	-
Reversal of reserve for advanced depreciation of fixed assets*			(1,674)		1,674	-
Cash dividends*					(2,216)	(2,216)
Bonus to directors and corporate auditors*					(72)	(72)
Transfer to reserve of deferred capital gain for replacement of property*		1,314			(1,314)	-
Transfer to general reserve*				10,000	(10,000)	-
Net income					21,271	21,271
Total changes in the term	-	(156)	(1,674)	10,000	10,814	18,983
Balance of September 30,2006	2,056	8,978	-	50,211	31,570	92,816

*Appropriation of shareholders meeting held on June, 2006

Sales Performance (Non-Consolidated)

Amount Unit : 1Million Yen

Segment	First Half ended September 30, 2006		First Half ended September 30, 2005		Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
Precision Equipment	118,877	41.1	90,786	35.7	193,091	37.0
Imaging Products	150,996	52.2	147,551	58.1	291,075	55.9
Instruments	15,882	5.5	12,961	5.1	28,558	5.5
Other	3,401	1.2	2,727	1.1	8,415	1.6
Total	289,157	100.0	254,027	100.0	521,140	100.0
Domestic	71,937	24.9	58,336	23.0	132,479	25.4
Export	217,220	75.1	195,691	77.0	388,661	74.6