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**First Half of Fiscal Year 2000 Financial Results(Consolidated)****NIKON CORPORATION**

Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8331, Japan

Contact :Norio Matsuoka

General Manager, Corporate Communications Department.

**1. Results of First Half of Fiscal Year 2000 (From Apr. 1, to Sep. 30, 1999)**

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

**(1) Financial Results**

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per share of Common Stock
First Half of Fiscal Year 2000	162,844	4,052	620	1,778	4.81Yen
Fiscal Year 1999	305,764	(8,741)	(16,496)	(18,232)	(49.29)Yen

(Note) Equity in Earning of non-consolidated subsidiaries: First Half of Fiscal year 2000 : 94 Mill Yen (Fiscal Year 1999 : 96 Mill Yen)

**(2)Changes in Financial Position**

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share of Common Stock
First Half of Fiscal Year 2000	490,803	161,452	32.9%	436.45Yen
Fiscal Year 1999	474,964	160,990	33.9%	435.20Yen

**(3) Consolidated Policies**

Number of Consolidated Subsidiaries : 35 (Tochigi Nikon K.K., Mito Nikon K.K., Sendai Nikon K.K., Nikon Photo Products Inc., Nikon Inc., Nikon Precision Inc., others)  
Number of Non-consolidated Subsidiaries : 26 (Number of non-consolidated subsidiaries accounted for by equity method : 3 Nikon Life Co.,Ltd, Nikon Sales-Promotion Co.,Ltd., other)  
Number of Affiliates : 9

**(4)Changes in Consolidation and Accounting Policies**

- Changes in consolidation policies
  - Consolidation : Nikon Instrument SpA, Nikon Svenska AB are newly consolidated.
  - Equity method : Not applicable.
- Changes in accounting policies : Yes
- Tax allocation accounting is applied for First Half of Fiscal Year 2000 and the last Fiscal Year.

**2. Forecast for Fiscal Year 2000 (From Apr. 1, 1999 to Mar. 31, 2000)**

(Amount Unit : 1mill Yen)

	Net Sales	Ordinary Income	Net Income
Fiscal Year 2000	360,000	6,500	5,000

Expected net income per share of common stock for Fiscal Year 2000 : Consolidated 13.52Yen, Non-consolidated 12.16Yen

**(Reference) Results of Parent Company of First Half of Fiscal Year 2000 (From Apr. 1,1999 to Sep. 30,1999)**

(Amount Unit : 1mill Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share of Common Stock	Total Assets	Shareholders' Equity
First Half of Fiscal Year 2000	135,168	1,628	2,049	1,171	3.17Yen	383,351	147,013

**Balance Sheet (Consolidated)**

Amount Unit: 1 Mill Yen

	First Half of Fiscal Year 2000	Fiscal Year 1999	Increase(Decrease)		First Half of Fiscal Year 2000	Fiscal Year 1999	Increase(Decrease)
<b>Assets</b>				<b>Liabilities</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and time deposits	27,246	21,996	5,249	Notes and accounts payable-trade	73,409	53,913	19,495
Notes and accounts receivable-trade	104,383	100,836	3,546	Short-term bank loans	81,918	77,175	4,743
Marketable securities	18,667	20,600	(1,932)	Commercial papers	14,000	32,000	(18,000)
Inventories	159,299	150,576	8,723	Current portion of bonds	10,000	10,000	-
Deferred income taxes	14,259	10,065	4,194	Accrued income taxes	1,283	914	368
Other current assets	7,540	6,910	630	Accrued expenses	25,466	23,730	1,735
Allowance for doubtful receivables	(2,812)	(2,603)	(209)	Deferred income taxes	226	-	226
Total Current Assets	328,584	308,382	20,202	Other current liabilities	10,762	11,669	(906)
				Total Current Liabilities	217,067	209,404	7,663
<b>Fixed Assets</b>				<b>Long-term Liabilities</b>			
Tangible fixed assets				Bonds	90,000	80,000	10,000
Buildings and structures	39,506	41,375	(1,869)	Long-term bank loans	20,528	23,091	(2,562)
Machinery and vehicles	26,055	28,173	(2,117)	Deferred income taxes	159	-	159
Tools, furniture and fixtures	11,309	13,006	(1,697)	Other long-term liabilities	1,584	1,464	119
Land	14,783	15,170	(387)	Total Long-term Liabilities	112,271	104,555	7,716
Construction in progress	4,140	4,139	1				
	95,794	101,865	(6,071)	Total Liabilities	329,339	313,959	15,379
Intangible fixed assets	8,176	1,203	6,973				
Investments and other assets				<b>Minority interest</b>	12	14	(1)
Investment in securities	39,826	39,061	765				
Deferred income taxes	4,138	5,728	(1,589)	<b>Shareholders' Equity</b>			
Other fixed assets	7,311	15,804	(8,492)	Common Stock	36,660	36,660	-
Allowance for doubtful receivables	(44)	(43)	(1)	Capital Surplus	51,909	51,909	-
Total Fixed Assets	155,202	163,619	(8,416)	Retained Earnings	72,893	72,423	469
				Treasury Stock	(11)	(3)	(7)
Foreign Currency Translation Adjustments	7,016	2,963	4,053	Total Shareholders' Equity	161,452	160,990	461
<b>Total Assets</b>	490,803	474,964	15,839	<b>Total Liabilities and Shareholders' Equity</b>	490,803	474,964	15,839

**Profit and Loss Statements (Consolidated)**

Amount Unit: 1 Mill Yen

	First Half of Fiscal Year 2000 (From Apr. 1, to Sep. 30, 1999)	(From Apr. %	Fiscal Year 1999 (From Apr. 1, 1998 to Mar. 31, 1999)	(From Apr. %
1. Operating revenues		%		%
Net sales	162,844	100.0	305,764	100.0
2. Operating cost and expenses				
Cost of sales	106,414	65.3	205,984	67.4
Selling, general and administrative expenses	52,377	32.2	108,521	35.5
3. Operating income (loss)	4,052	2.5	(8,741)	(2.9)
4. Non-operating income				
Interest and dividend income	571	0.3	1,150	0.4
Other income	3,701	2.3	6,119	2.0
5. Non-operating expenses				
Interest expenses	2,632	1.6	5,641	1.8
Other expenses	5,072	3.1	9,384	3.1
6. Ordinary income (loss)	620	0.4	(16,496)	(5.4)
7. Special gains				
Gains on sales of fixed assets	32	0.0	2,289	0.8
Gains on sales of investment securities	-	-	292	0.1
Reversal of allowance for doubtful receivables	-	-	57	0.0
8. Special losses				
Losses on disposal of fixed assets	399	0.3	1,003	0.3
Losses on sales of investment securities	-	-	233	0.1
Loss on devaluation of investment securities	-	-	57	0.0
Additional retirement benefits for employees	19	0.0	2,296	0.8
9. Income (Loss) before income taxes	233	0.1	(17,447)	(5.7)
10. Income taxes-current	676	0.4	1,498	0.5
11. Income taxes-deferred	(2,219)	(1.4)	(709)	(0.2)
12. Minority Interest (deduction)	1	0.0	2	0.0
13. Net income (loss)	1,778	1.1	(18,232)	(6.0)
14. Retained earnings brought forward	72,423		91,210	
Retained earnings at beginning of year	-		77,669	
Legal reserve at beginning of year	-		4,814	
Adjustments of prior year deferred income taxes	-		8,725	
15. Increase				
Adjustment due to increase in consolidated subsidiaries	-		948	
16. Decrease				
Cash dividends	1,109		1,481	
Bonuses to directors and corporate auditors	-		20	
Adjustment due to increase in consolidated subsidiaries	198		-	
17. Retained earnings at end	72,893		72,423	

## Segment Information

### 1. Industry Segments

(Amount Unit: 1 Mill Yen)

	First Half of Fiscal Year 2000 (From Apr. 1, to Sep. 30, 1999)				
	Consumer Products	Industrial Instruments	Total	Elimination or Corporate	Consolidated
1. Net Sales					
1)Outside	75,158	87,685	162,844	-	162,844
2)Intersegment sales/transfer	-	-	-	(-)	-
Total	75,158	87,685	162,844	(-)	162,844
2. Operating Expenses	70,638	88,153	158,791	(-)	158,791
Operating income(loss)	4,520	(468)	4,052	(-)	4,052

Consumer Products : Cameras, Ophthalmic Products

Industrial Instruments : Semiconductor Equipment, Microscopes, Measuring Instruments, Surveying Instruments, etc.

### 2. Geographic Segments

(Amount Unit: 1 Mill Yen)

	First Half of Fiscal Year 2000 (From Apr. 1, to Sep. 30, 1999)						
	Japan	North-America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net Sales							
1)Outside	91,740	45,928	22,082	3,092	162,844	-	162,844
2)Intersegment sales	54,295	57	89	1,646	56,089	(56,089)	-
Total	146,036	45,985	22,172	4,738	218,933	(56,089)	162,844
2. Operating Expenses	145,814	43,100	22,011	3,982	214,909	(56,117)	158,791
Operating income(loss)	222	2,884	160	756	4,024	27	4,052

### 3. Export Sales

(Amount Unit: 1 Mill Yen)

	First Half of Fiscal Year 2000 (From Apr. 1, to Sep. 30, 1999)				
	North-America	Europe	Asia	Other	Total
Export Sales(A)	44,807	25,475	30,855	4,935	106,074
Net Sales(B)					162,844
(A)/(B)	27.5%	15.6%	18.9%	3.0%	65.1%