



The year ended March 31, 2004 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

Representative: Shoichiro Yoshida, Chairman of the Board and C.E.O.

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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, 2004: May 10, 2004

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

1. Results of Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(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(Loss)	Change
Year ended March 31, 2004	¥506,378	8.0%	¥3,674	(12.2)%	¥(4,280)	-
Year ended March 31, 2003	¥468,958	(2.9)%	¥4,186	(81.2)%	¥(6,741)	-

	Net Income(Loss)	Change	Net Income (Loss) per share of Common Stock (Yen)	Net Income (Loss) per share of Common Stock after dilution (Yen)	Ratio of Net Income(Loss) to Shareholders' Equity	Ratio of Ordinary Income (Loss) to Total Assets	Ratio of Ordinary Income (Loss) to Net Sales
Year ended March 31, 2004	¥2,409	-	¥6.52	¥6.02	1.4%	(0.7)%	(0.8)%
Year ended March 31, 2003	¥(8,142)	-	¥(22.03)	-	(4.8)%	(1.2)%	(1.4)%

(Note) 1. Equity in Earning of non-consolidated subsidiaries: Year ended March 31, 2004: 838 Mill Yen

Year ended March 31, 2003: 757 Mill Yen

2. Average number of shares outstanding (Consolidated): Year ended March 31, 2004: 369,361,047 shares

Year ended March 31, 2003: 369,650,771 shares

3. Change in accounting method : None

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

(Summary for reference only)

Date: May 10, 2004

(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, 2004	¥606,513	¥171,194	28.2 %	¥463.54
Year ended March 31, 2003	¥576,911	¥162,463	28.2 %	¥439.81

(Note) Number of shares outstanding as of March 31, 2004 : 369,318,736 shares
as of March 31, 2003 : 369,395,251 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, 2004	¥1,399	¥(8,327)	¥(184)	¥16,099
Year ended March 31, 2003	¥9,404	¥(18,532)	¥8,645	¥23,692

(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 : 3

(5) Changes in Consolidation and Equity method Policies

Consolidation New : 2, Exclusion : 1

Equity method New : 1, Exclusion : 0

2. Forecast for Year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

Amount Unit : 1 Million Yen

	Net Sales	Ordinary Income	Net Income
First Half ended September 30, 2004	¥320,000	¥1,000	¥3,000
Year ended March 31, 2005	¥700,000	¥19,000	¥19,000

Ref. Expected net income per share of common stock for year ended March 31, 2005: 51.45 Yen

NOTE: These forward-looking statements 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 forward-looking statements 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 March 31, 2004		As of March 31, 2003		Increase(Decrease)
		%		%	
Assets					
Current assets					
Cash and time deposits	17,618		25,656		(8,037)
Notes and accounts receivable-trade	119,900		104,900		15,000
Inventories	237,506		226,627		10,879
Deferred tax assets	19,674		23,605		(3,930)
Other current assets	17,203		10,464		6,739
Allowance for doubtful receivables	(2,572)		(2,940)		367
Total current assets	409,331	67.5	388,313	67.3	21,018
Fixed assets					
Tangible fixed assets					
Buildings and structures	39,890		41,380		(1,489)
Machinery, equipment and vehicles	33,161		34,595		(1,434)
Furniture and fixtures	11,229		10,825		404
Land	16,418		16,894		(475)
Construction in progress	6,138		6,815		(677)
Total tangible fixed assets	106,838	17.6	110,511	19.2	(3,672)
Intangible fixed assets	10,924	1.8	8,881	1.5	2,043
Investments and other assets					
Investment securities	61,575		42,475		19,100
Deferred tax assets	9,817		17,373		(7,556)
Other	8,076		9,504		(1,428)
Allowance for doubtful receivables	(50)		(147)		97
Total investments and other assets	79,418	13.1	69,205	12.0	10,213
Total fixed assets	197,181	32.5	188,598	32.7	8,583
Total assets	606,513	100.0	576,911	100.0	29,601

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of March 31, 2004		As of March 31, 2003		Increase(Decrease)
		%		%	
Liabilities					
Current liabilities					
Notes and accounts payable-trade	141,132		98,792		42,339
Short-term bank loans	46,645		49,052		(2,407)
Commercial papers	-		13,000		(13,000)
Current portion of bonds	10,000		20,000		(10,000)
Accrued income taxes	2,960		3,227		(266)
Accrued expenses	30,934		33,983		(3,049)
Warranty reserve	4,005		4,992		(987)
Other current liabilities	13,261		31,267		(18,005)
Total current liabilities	248,940	41.1	254,315	44.1	(5,375)
Long-term liabilities					
Bonds	155,500		131,000		24,500
Long-term debt	8,370		7,809		561
Liability for employees' retirement benefits	21,009		19,879		1,130
Other long-term liabilities	1,321		1,289		31
Total long-term liabilities	186,201	30.7	159,978	27.7	26,223
Total liabilities	435,142	71.8	414,294	71.8	20,847
Minority interest	176	0.0	153	0.0	22
Shareholders' equity					
Common stock	36,660		36,660		-
Capital surplus	51,927		51,924		2
Retained earnings	83,035		80,582		2,452
Unrealized gains on available-for-sale securities	6,109		(3,531)		9,640
Foreign currency translation adjustments	(5,885)		(2,628)		(3,256)
Total	171,847		163,008		8,839
Treasury stock	(653)		(544)		(108)
Total shareholders' equity	171,194	28.2	162,463	28.2	8,730
Total liabilities and shareholders' equity	606,513	100.0	576,911	100.0	29,601

Consolidated Statements of Operations

Amount Unit: 1 Million Yen

	Year ended March 31, 2004		Year ended March 31, 2003		Increase (Decrease)
		%		%	
Net sales	506,378	100.0	468,958	100.0	37,419
Cost of sales	346,897	68.5	307,503	65.6	39,394
Selling, general and administrative expenses	155,805	30.8	157,269	33.5	(1,463)
Operating income	3,674	0.7	4,186	0.9	(511)
Non-operating income					
Interest and dividend income	808	0.2	1,067	0.2	(258)
Other income	4,058	0.8	5,935	1.3	(1,877)
Non-operating expenses					
Interest expenses	2,355	0.5	2,626	0.6	(271)
Other expenses	10,466	2.1	15,303	3.2	(4,836)
Ordinary income (loss)	(4,280)	(0.8)	(6,741)	(1.4)	2,460
Extraordinary gains					
Gains on sales of fixed assets	13,359	2.6	9,269	2.0	4,089
Gains on sales of investment securities	3,418	0.7	1,548	0.3	1,870
Extraordinary losses					
Losses on sales and disposal of fixed assets	778	0.1	647	0.1	130
Losses on sales of investment securities	486	0.1	2,041	0.4	(1,554)
Additional retirement benefits paid to employees	1,070	0.2	11,019	2.4	(9,948)
Charge for transitional obligations for employees' retirement benefits	-		-		-
Other losses	672	0.1	1,496	0.3	(823)
Income (loss) before income taxes	9,489	1.9	(11,127)	(2.3)	20,617
Income taxes	7,056	1.4	(2,980)	(0.6)	10,036
Minority interest	23	0.0	(4)	(0.0)	27
Net Income (loss)	2,409	0.5	(8,142)	(1.7)	10,552

Consolidated Statements of Shareholders' Equity

Amount Unit: 1 Million Yen

	Year ended March 31, 2004	Year ended March 31, 2003	Increase (Decrease)
(Capital surplus)			
Capital surplus (Beginning)	51,924	51,924	-
Increase of Capital Surplus	2	-	2
Excess arising from			
retirement of treasury stock	2	-	2
Capital surplus (Ending)	51,927	51,924	2
(Retained earnings)			
Retained earnings (Beginning)	80,582	88,725	(8,142)
Increase of retained earnings	2,455	-	2,455
Net Income	2,409	-	2,409
Adjustment of retained earnings			
resulting merger of consolidated subsidiary	46	-	46
Decrease of retained earnings	3	8,142	(8,139)
Net loss	-	8,142	(8,142)
Adjustment of retained earnings for			
elimination of consolidated subsidiary	3	-	3
Retained earnings (Ending)	83,035	80,582	2,452

Consolidated Statements of Cash Flows

Amount Unit: 1 Million Yen

	Year ended March 31, 2004	Year ended March 31, 2003	Increase (Decrease)
1. Cash flows from operating activities			
Income (loss) before income taxes	9,489	(11,127)	20,617
Depreciation and amortization	20,145	20,367	(222)
Net increase (decrease) in warranty reserve	(684)	(1,034)	349
Provision for employees' retirement benefits	1,439	2,456	(1,017)
Interest and dividend income	(808)	(1,067)	258
Interest expenses	2,355	2,626	(271)
Gains on sales of fixed assets	(13,359)	(9,269)	(4,089)
Losses on sales and disposal of fixed assets	778	649	128
Gains on sales of investment securities	(3,418)	(1,548)	(1,870)
Losses on sales of investment securities	486	2,041	(1,554)
Losses on revaluation of investment securities	516	1,070	(554)
Net decrease (increase) in trade notes and accounts receivable	(19,374)	(2,223)	(17,150)
Net increase in inventories	(15,985)	(20,298)	4,312
Net increase (decrease) in trade notes and accounts payable	43,249	20,020	23,228
Other, net (operating activities)	(19,158)	6,516	(25,674)
Sub total	5,670	9,180	(3,510)
Interest and dividends received	1,417	1,158	258
Interest paid	(2,416)	(2,629)	213
Income taxes paid	(3,272)	1,694	(4,967)
Net cash provided by operating activities	1,399	9,404	(8,005)
2. Cash flows from investing activities			
Payments for purchases of tangible fixed assets	(18,185)	(19,759)	1,574
Proceeds from sales of tangible fixed assets	14,993	9,878	5,114
Payments for purchases of investment securities	(15,246)	(6,147)	(9,098)
Proceeds from sales of investment securities	15,389	5,973	9,416
Net decrease (increase) in loans receivable	105	(76)	182
Other, net (investing activities)	(5,384)	(8,400)	3,015
Net cash used in investing activities	(8,327)	(18,532)	10,204
3. Cash flows from financing activities			
Increase (decrease) in short-term borrowings	(2,906)	(20,755)	17,849
Increase (decrease) in commercial paper	(13,000)	(32,000)	19,000
Proceeds from long-term debt	38,390	78,317	(39,927)
Repayments of long-term debt	(22,600)	(16,523)	(6,077)
Dividends paid	(5)	(7)	2
Other, net (financing activities)	(63)	(383)	319
Net cash provided by (used in) financial activities	(184)	8,645	(8,830)
4. Foreign currency translation adjustments on cash and cash equivalents	(1,178)	(680)	(498)
5. Net decrease in cash and cash equivalents	(8,291)	(1,162)	(7,129)
6. Cash and cash equivalents, beginning of year	23,692	24,614	(922)
7. Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	916	240	676
8. Cash and cash equivalents of exclusive consolidated subsidiaries, end of year	(263)	-	(263)
9. Cash and cash equivalents of merged previously non-consolidated subsidiary	46	-	46
10. Cash and cash equivalents, end of year	16,099	23,692	(7,592)

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.

(7)Accounting Change in Revenue Recognition

The Emerging Issues Task Force in the United States of America reached a final consensus on Issue No.00-21("EITF 00-21"),"Revenue Arrangements with Multiple Deliverables". Certain foreign subsidiaries adopted the provisions of EITF 00-21 for their transactions. The revenue recognition for the stepper products was changed from the time of completion of the installation to the time of customer acceptance. As a result of adopting the provision of EITF 00-21, there is no change in operating income tax and income before tax for the year ended March 31, 2004, as compared with the amounts calculated by the previous.

(Summary for reference only)

Segment Information**1. Industry Segments**

Amount Unit: 1 Million Yen

	Year ended March 31, 2004						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Eliminations or corporate	Consolidated
1. Net sales							
1)Outside customers	156,571	283,346	46,705	19,754	506,378	—	506,378
2)Intersegment sales/transfer	1,482	1,366	1,287	19,888	24,024	(24,024)	—
Total	158,053	284,712	47,992	39,643	530,402	(24,024)	506,378
Operating expenses	178,860	259,490	45,307	42,874	526,532	(23,829)	502,703
Operating income	(20,806)	25,221	2,685	(3,231)	3,869	(194)	3,674
2.Assets, depreciation & capital expenditure							
Assets	236,542	180,212	35,217	58,818	510,791	95,722	606,513
Depreciation & amortization	9,684	5,063	1,132	4,332	20,213	—	20,213
Capital expenditure	5,133	13,381	1,839	1,912	22,266	—	22,266

Amount Unit: 1 Million Yen

	Year ended March 31, 2003						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Eliminations or corporate	Consolidated
1. Net sales							
1)Outside customers	131,126	270,326	48,696	18,809	468,958	—	468,958
2)Intersegment sales/transfer	1,975	1,628	1,175	23,066	27,845	(27,845)	—
Total	133,101	271,955	49,871	41,875	496,804	(27,845)	468,958
Operating expenses	157,697	244,210	48,030	43,134	493,072	(28,300)	464,772
Operating income	(24,595)	27,744	1,841	(1,259)	3,731	454	4,186
2.Assets, depreciation & capital expenditure							
Assets	268,859	134,167	35,542	38,975	477,545	99,366	576,911
Depreciation & amortization	14,661	3,447	823	1,502	20,435	—	20,435
Capital expenditure	12,297	6,404	860	662	20,225	—	20,225

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 revenue recognition as described in "Summary of Significant Accounting Policies-(7)" was nil for the fiscal year ended March 31, 2004.

(Summary for reference only)

Segment Information**2. Geographic Segments**

Amount Unit: 1 Million Yen

	Year ended March 31, 2004						
	Japan	North America	Europe	Asia	Total	Eliminations or Corporate	Consolidated
1. Net sales							
1)Outside customers	196,561	148,695	124,133	36,986	506,378	—	506,378
2)Intersegment sales/transfer	238,627	3,121	628	18,903	261,281	(261,281)	—
Total	435,189	151,817	124,762	55,889	767,659	(261,281)	506,378
Operating expenses	439,011	146,206	123,899	53,742	762,859	(260,156)	502,703
Operating income	(3,821)	5,610	863	2,147	4,799	(1,124)	3,674
2. Assets	468,544	58,828	53,039	33,151	613,563	(7,050)	606,513

Amount Unit: 1 Million Yen

	Year ended March 31, 2003						
	Japan	North America	Europe	Asia	Total	Eliminations or Corporate	Consolidated
1. Net sales							
1)Outside customers	179,721	158,675	100,611	29,949	468,958	—	468,958
2)Intersegment sales/transfer	218,900	1,740	237	15,287	236,166	(236,166)	—
Total	398,621	160,416	100,849	45,237	705,124	(236,166)	468,958
Operating expenses	405,862	154,713	101,270	42,676	704,522	(239,749)	464,772
Operating income	(7,240)	5,703	(420)	2,560	602	3,583	4,186
2. Assets	419,210	78,453	44,450	18,304	560,418	16,493	576,911

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 revenue recognition as described in "Summary of Significant Accounting Policies-(7)" was nil for the fiscal year ended March 31, 2004.

(Summary for reference only)

Segment Information**3. Export sales**

Amount Unit: 1 Million Yen

	Year ended March 31, 2004				
	North America	Europe	Asia	Other	Total
Export sales(A)	146,623	122,583	96,726	3,770	369,703
Net sales(B)					506,378
(A)/(B)	29.0%	24.2%	19.1%	0.7%	73.0%

Amount Unit: 1 Million Yen

	Year ended March 31, 2003				
	North America	Europe	Asia	Other	Total
Export sales(A)	157,163	100,577	76,864	12,849	347,454
Net sales(B)					468,958
(A)/(B)	33.5%	21.4%	16.4%	2.7%	74.0%

North America : U.S.A., Canada

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

Asia : South Korea, Taiwan, Singapore, etc.

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

Notes : The effect of the change in revenue recognition as described in "Summary of Significant Accounting Policies-(7)" was nil for the fiscal year ended March 31, 2004.

Marketable Securities (Consolidated)**1.Fair Value of Available-for-sale securities**

Amount Unit: 1 Million Yen

	As of March 31, 2004			As of March 31, 2003		
	Cost	Fair Value	Net unrealized gains	Cost	Fair Value	Net unrealized gains
1)Equity securities	39,547	49,818	10,270	39,291	33,367	(5,923)
2)Debt securities	0	0	0	49	49	0
Total	39,547	49,818	10,270	39,340	33,416	(5,923)

2.Available-for-sale securities sold in the year ended March 31, 2004 and 2003

Amount Unit: 1 Million Yen

Year ended March 31, 2004			Year ended March 31, 2003		
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
15,346	3,418	486	5,890	1,548	2,041

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

Amount Unit: 1 Million Yen

	As of March 31, 2004		As of March 31, 2003	
	Carrying Amount		Carrying Amount	
Available-for-sale securities Equity securities	4,773		4,116	
Total	4,773		4,116	

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, 2004		As of March 31, 2003	
	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	—	0	3
Total	0	—	0	3

Derivatives (Consolidated)

1. Currency Contracts

Amount Unit : 1mill Yen

	As of March 31, 2004				As of March 31, 2003			
	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	—	—	—	—	7,375	—	7,429	(53)
USD	19,523	—	19,201	321	6,779	—	6,818	(39)
EUR	19,787	—	19,088	699	19,974	—	20,342	(367)
Buying positions								
YEN	2,583	—	2,673	90	11,247	—	11,490	242
USD	579	—	573	(6)	548	—	540	(7)
EUR	4,656	—	4,539	(116)	1,674	—	1,671	(3)
GBP								
Total	—	—	—	987	—	—	—	(229)

2. Interest Rate Swap Agreements

Amount Unit : 1mill Yen

	As of March 31, 2004				As of March 31, 2003			
	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	30,000	30,000	14	14	30,000	30,000	89	89

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



English Translation of "KESSAN TANSHIN"
 (Not complete, just for reference)
 Date: May 10, 2004

Year ended March 31, 2004 Financial Results (Non-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 Year ended March 31, 2004: May 10, 2004

Date of the General Meeting of Shareholders: June 29, 2004

1. Results of Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(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(Loss)	Change	Ordinary Income(Loss)	Change
Year ended March 31, 2004	¥375,958	9.7%	¥(4,692)	-	¥(5,933)	-
Year ended March 31, 2003	¥342,626	5.4%	¥(9,826)	-	¥(12,564)	-

	Net Income(Loss)	Change	Net Income(Loss) per share of Common Stock	Ratio of Net Income(Loss) to Shareholders' Equity	Ratio of Ordinary Income(Loss) to Total Assets	Ratio of Ordinary Income(Loss) to Net Sales
Year ended March 31, 2004	¥4,063	-	¥11.00	2.8%	(1.2)%	(1.6)%
Year ended March 31, 2003	¥(9,706)	-	¥(26.26)	(6.7)%	(2.7)%	(3.7)%

(Note) 1. Average number of Shares outstanding: Year ended March 31, 2004 :369,361,047 Shares

Year ended March 31, 2003 :369,650,771 Shares

2. Change in accounting method: N/A

3. Percent Increase(Decrease): Year ended March 31, 2004/Year ended March 31, 2003

(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, 2004	¥4.00	¥0.00	¥4.00	¥1,477	36.4%	1.0%
Year ended March 31, 2003	¥0.00	¥0.00	¥0.00	-	-	-

(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, 2004	¥511,918	¥150,457	29.4%	¥407.39
Year ended March 31, 2003	¥471,148	¥136,873	29.1%	¥370.53

(Note)1.Number of Shares outstanding as of March 31, 2004 :369,318,736 shares
as of March 31, 2003 :369,395,251 shares

2.Number of Shares outstanding held as Treasury stock : As of March 31, 2004 :626,596 Shares
As of March 31, 2003 :550,081 Shares

2. Forecast for Year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

Amount Unit : 1 Million Yen

	Net Sales	Ordinary Income(Loss)	Net Income	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, 2004	¥250,000	¥(5,000)	¥1,000	¥4.00	-	-
Year ended March 31, 2005	¥530,000	¥6,000	¥7,000	-	¥4.00	¥8.00

Ref. Expected Net Income per Share of Common Stock for year ended March 31, 2005: 18.95 Yen

Non-Consolidated Balance Sheets

(Amount Unit : 1million Yen)

	As of March 31, 2004		As of March 31, 2003		Increase (Decrease)
		%		%	
[Assets]					
1. Current Assets					
Cash and time deposits	5,197		7,305		(2,108)
Notes receivable	575		27,528		(26,953)
Accounts receivable	123,299		86,686		36,613
Finished goods	56,836		53,585		3,251
Semi-finished products	174		523		(349)
Raw materials	46		39		7
Work in process	90,682		82,831		7,851
Supplies	3,282		3,035		246
Deferred tax assets	12,313		14,851		(2,538)
Short-term loans receivable to subsidiaries and associated companies	30,599		23,731		6,867
Other receivables	9,294		3,720		5,574
Other current assets	2,879		1,400		1,479
Allowance for doubtful receivables	(1,104)		(509)		(595)
Total current assets	334,078	65.3	304,731	64.7	29,347
2. Fixed Assets					
Tangible fixed assets	69,440	13.6	73,010	15.5	(3,570)
Buildings	21,424		23,003		(1,578)
Structures	1,105		1,265		(159)
Machinery and equipment	24,716		26,035		(1,319)
Automotive equipment	62		68		(5)
Tools, furniture and fixtures	7,690		7,119		570
Land	10,046		10,235		(189)
Construction in progress	4,394		5,281		(887)
Intangible fixed assets	7,921	1.5	6,304	1.3	1,617
Patent rights	3,598		2,511		1,086
Leasehold	4		4		(0)
Trademark	112		130		(17)
Software	4,062		3,504		558
Rights to use public facilities and other assets	143		153		(10)
Investments and other assets	100,478	19.6	87,101	18.5	13,376
Investment securities	54,492		37,327		17,164
Investments in subsidiaries and associated companies	24,010		22,646		1,363
Capital contributions	1,802		1,007		795
Capital contributions to subsidiaries and associated companies	5,526		4,143		1,383
Long-term loans receivable to employees	64		76		(11)
Long-term loans receivable to subsidiaries and associated companies	-		5		(5)
Long-term prepaid expenses	331		502		(170)
Deferred tax assets	10,639		17,607		(6,967)
Lease deposits and other assets	3,625		3,904		(279)
Allowance for doubtful receivables	(14)		(117)		103
Total fixed assets	177,840	34.7	166,417	35.3	11,423
Total assets	511,918	100.0	471,148	100.0	40,770

Non-Consolidated Balance Sheets

(Amount Unit : 1million Yen)

	As of March 31, 2004		As of March 31, 2003		Increase (Decrease)
		%		%	
[Liabilities]					
1. Current Liabilities					
Notes payable	803		468		334
Accounts payable	111,623		76,456		35,167
Short-term bank loans	32,050		39,150		(7,100)
Current portion of long-term debt	1,806		376		1,430
Commercial papers	-		13,000		(13,000)
Current portion of bonds	10,000		20,000		(10,000)
Accounts payable for construction	3,555		5,528		(1,972)
Other accrued expenses	12,685		12,057		628
Accrued income taxes	142		42		99
Advances received	1,573		1,171		402
Deposits received	4,000		9,048		(5,047)
Provision for warranty	1,900		1,639		261
Notes payable for construction	305		86		218
Other current liabilities	423		458		(35)
Total current liabilities	180,871	35.3	179,484	38.1	1,386
2. Long-term Liabilities					
Bonds	155,500		131,000		24,500
Long-term loans	5,151		6,046		(894)
Liability for severance indemnities	19,207		16,972		2,235
Other long-term liabilities	731		771		(40)
Total long-term liabilities	180,589	35.3	154,790	32.8	25,799
Total liabilities	361,461	70.6	334,274	70.9	27,186
[Shareholders' Equity]					
1. Common stock	36,660	7.2	36,660	7.8	-
2. Capital surplus	51,927	10.1	51,924	11.0	2
Additional paid in capital	51,924		51,924		-
Other capital surplus	2		-		2
3. Retained earnings	56,433	11.0	52,370	11.1	4,063
Legal reserve	5,565		5,565		-
Revenue reserve	42,335		54,097		(11,762)
Reserve for research and development	2,056		2,056		-
Reserve for retirement benefits	669		669		-
Reserve for special depreciation	8		11		(3)
Reserve for deferred capital gain for replacement of property	8,411		4,698		3,713
Reserve for advanced depreciation of fixed assets	979		1,451		(472)
General reserve	30,211		45,211		(15,000)
Unappropriated retained earnings (Loss) at end	8,532		(7,292)		15,825
4. Unrealized gains on securities	6,089	1.2	(3,537)	(0.7)	9,626
5. Treasury stock	(653)	(0.1)	(544)	(0.1)	(108)
Total shareholders' equity	150,457	29.4	136,873	29.1	13,583
Total Liabilities and Shareholders' Equity	511,918	100.0	471,148	100.0	40,770

Non-Consolidated Statements of operations

(Amount Unit : 1million Yen)

	Year ended March 31, 2004		Year ended March 31, 2003		Increase (Decrease)
		%		%	
1. Operating revenues					
Net sales	375,958	100.0	342,626	100.0	33,331
2. Operating cost and expenses					
Cost of sales	309,331	82.3	282,015	82.3	27,316
Selling, general and administrative expenses	71,319	19.0	70,437	20.6	881
3. Operating income (Loss)	(4,692)	(1.3)	(9,826)	(2.9)	5,133
4. Non-operating income	7,579	2.0	9,886	2.9	(2,306)
Interest income	185		121		64
Dividend income	3,309		4,797		(1,487)
Rental income from fixed assets	1,398		1,084		314
Foreign exchange gain	194		486		(291)
Royalties of industrial right	958		1,389		(431)
Other income	1,532		2,007		(475)
5. Non-operating expenses	8,820	2.3	12,624	3.7	(3,804)
Interest expenses	278		297		(19)
Interest expenses on bonds	1,477		1,788		(310)
Loss on disposals of inventories	359		2,000		(1,640)
Write-down of inventories	4,334		4,476		(142)
Rental expenses on fixed assets	1,685		979		706
Other expenses	685		3,082		(2,397)
6. Ordinary income (Loss)	(5,933)	(1.6)	(12,564)	(3.7)	6,630
7. Special gains	16,128	4.3	10,786	3.1	5,341
Gains on sales of fixed assets	12,774		9,251		3,523
Gains on sales of investment securities	3,353		1,535		1,818
8. Special losses	2,842	0.7	12,847	3.7	(10,005)
Losses on disposal of fixed assets	613		307		305
Losses on sales of fixed assets	6		11		(4)
Losses on sales of investment securities	482		2,036		(1,554)
Losses on devaluation of investment securities	392		626		(233)
Losses on devaluation of investments in subsidiaries and associated companies	-		918		(918)
Provision for losses on doubtful receivables	-		53		(53)
Provision for losses on doubtful loans receivable to subsidiaries and associated companies	514		193		321
Losses on devaluation of the golf club membership	-		14		(14)
Additional retirement benefits paid to employees	832		8,685		(7,852)
9. Income (Loss) before income taxes	7,352	2.0	(14,625)	(4.3)	21,977
10. Income taxes-current	343	0.1	1,195	0.3	(852)
11. Income taxes-deferred	2,946	0.8	(6,114)	(1.8)	9,060
12. Net income (Loss)	4,063	1.1	(9,706)	(2.8)	13,769
13. Retained earnings brought forward	4,469		2,413		2,055
14. Unappropriated retained earnings (Loss) at end	8,532		(7,292)		15,825

Non-Consolidated Statements of Retained Earnings
(Proposed)

(Amount Unit : 1million Yen)

	Year ended March 31, 2004	Year ended March 31, 2003	Increase (Decrease)
1. Unappropriated retained earnings (Loss) at year end	8,532	(7,292)	15,825
2. Reversal of reserves :			
Reversal of reserve for special depreciation	3	3	0
Reversal of reserve for deferred capital gain for replacement of property	1,445	820	624
Reversal of reserve for advanced depreciation of fixed assets	979	1,451	(472)
Reversal of reserve for general reserve	-	15,000	(15,000)
Total	10,961	9,983	978
3. Appropriation of retained earnings :			
Cash dividends	1,477	-	1,477
Transfer to reserve for deferred capital gain for replacement of property	2,395	4,534	(2,138)
Transfer to reserve for advanced depreciation of fixed assets	1,160	979	181
Total	5,033	5,513	(480)
4. Retained earnings carried forward	5,928	4,469	1,458

	Year ended March 31, 2004	Year ended March 31, 2003	Increase (Decrease)
1. Other capital surplus	2	-	2
Excess arising from retirement of treasury stock	2	-	2
Total	2	-	2
2. Other capital surplus carried forward	2	-	2
Excess arising from retirement of treasury stock	2	-	2

Sales Performance (Non-Consolidated)

(Amount Unit : 1million Yen)

Segment	Year ended March 31, 2004		Year ended March 31, 2003		Ratio to the previous period
	Amount	%	Amount	%	%
Precision Equipment	106,907	28.4	103,667	30.3	103.1
Imaging Products	237,182	63.1	210,227	61.4	112.8
Instruments	25,248	6.7	23,814	6.9	106.0
Other	6,619	1.8	4,916	1.4	134.6
Total	375,958	100.0	342,626	100.0	109.7
Domestic	104,604	27.8	87,922	25.7	119.0
Export	271,353	72.2	254,703	74.3	106.5