



November 5, 2009

Financial Results of the First Half ended September 30, 2009**Company name: NIKON CORPORATION**

Code number: 7731; Stock listing: Tokyo Stock Exchange

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

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Date for the filing of the Quarterly Securities Report (*Shihanki Houkokusho*): November 9, 2009

Date of commencement of dividend payment: December 8, 2009

Note: Amounts less than 1 million yen are omitted.

1. Consolidated Results of the First Half ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

(1) Financial Results

(%: change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half ended September 30, 2009	368,086	(24.4)	(19,521)	-	(22,310)	-	(17,666)	-
First Half ended September 30, 2008	487,141	-	54,069	-	53,102	-	33,624	-

	Net income per share of common stock	Net income per share of common stock after dilution
	Yen	Yen
First Half ended September 30, 2009	(44.57)	-
First Half ended September 30, 2008	84.78	81.29

(2) Financial Position

	Total assets	Net assets	Equity Ratio	Net assets per share of common stock
	Million yen	Million yen	%	Yen
First Half ended September 30, 2009	772,234	364,434	47.2	918.69
Year ended March 31, 2009	749,805	379,086	50.5	955.72

(Reference) Equity: First Half ended September 30, 2009: 364,155 million yen
Year ended March 31, 2009: 378,853 million yen

2. Dividends

	Dividend per share				
	First Quarter ended	Second Quarter ended	Third Quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	-	12.50	-	5.50	18.00
Year ending March 31, 2010	-	4.00	-	-	-
Year ending March 31, 2010 (Planned)		-	-	4.00	8.00

(Note) Revision of cash dividend forecast for this period: None

3. Forecasts for Year Ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(%: change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share of common stock
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	760,000	(13.6)	(18,000)	-	(24,000)	-	(21,000)	-	(52.98)

(Note) Revision of forecast for this period: None

4. Other

(1) Changes of significant subsidiaries during the current fiscal year (change of specified subsidiaries that affected the scope of consolidated reporting): None

(2) Adoption of simplified accounting methods and special accounting methods for quarterly consolidated financial statements: Yes

Note: Please see "4. Other" of [Qualitative Information, Financial Statements, etc.] on page 5 for further details.

(3) Changes of accounting policies applied, procedures and methods of presentation for preparing quarterly consolidated financial statements

1. Changes by revision of accounting standards: None

2. Changes other than the above: None

(4) Number of shares issued (common stock)

1. Number of shares issued as of the term end (including treasury stocks):

First Half ended September 30, 2009 400,878,921 shares

Year ended March 31, 2009 400,878,921 shares

2. Number of treasury stock as of the term end:

First Half ended September 30, 2009 4,490,861 shares

Year ended March 31, 2009 4,472,250 shares

3. Average number of shares during the term:

First Half ended September 30, 2009 396,394,868 shares

First Quarter ended June 30, 2008 396,623,077 shares

Statement regarding the proper use of financial forecasts and other special remarks

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.

- Qualitative Information, Financial Statements, etc.

1. Qualitative information regarding the consolidated operating results

During the first half ended September 30, 2009, conditions remained tough for Japan, the United States and Europe, even though the rapid deterioration in the world economy since the second half of 2008 showed signs of coming to a halt and a trend toward recovery was observed in China.

Amid this situation, the Nikon Group established the Management Reform Committee to address changes in the business environment, and promoted the reorganization and consolidation of domestic and overseas business locations, while establishing production systems capable of withstanding further strengthening of the yen and conducting thorough cost reduction. Meanwhile, the ability to develop cutting-edge products was strengthened and capital investments were made in addition to focusing efforts on developing new businesses, in order to develop and expand businesses.

On a business segment basis, the Precision Equipment Business and the Instruments Business continued to suffer from the impact of cutbacks in capital investments by clients since the prior fiscal year. The Imaging Products Business secured a shipping volume comparable to that of the same period in the previous year, achieving more than was initially expected, in spite of the harsh conditions with the digital camera market remaining sluggish, strengthening of the yen relative to other currencies and intensification of competition with competitors.

As a result of the foregoing, the first half ended September 30, 2009 saw net sales of 368,086 million yen, down by 119,055 million yen (24.4%) year-on-year, operating loss of 19,521 million yen (compared with operating income of 54,069 million yen in the same period of the previous year), ordinary loss of 22,310 million yen (compared with ordinary income of 53,102 million yen in the same period of the previous year), and net loss of 17,666 million yen (compared with net income of 33,624 million yen in the same period of the previous year).

Performance by business segment is as follows:

Precision Equipment Business

Of the Precision Equipment markets, the demand for devices was sluggish worldwide in the semiconductor-related market, while investments by liquid crystal panel manufacturers also remained slow in the liquid crystal panel-related market.

Under these conditions, efforts were made in the field of IC steppers and scanners to promote the steady sale mainly of leading edge devices, such as NSR-S610C ArF immersion scanner capable of mass production of semiconductors sized 45 nm node or less, in addition to beginning shipment of NSR-S620 ArF immersion scanner that is compatible with double patterning, a next-generation exposure technology.

In the field of LCD steppers and scanners, efforts were made to promote the stable sales of products, such as FX-101S stepper and scanner compatible with 10th generation large liquid crystal substrates and optimum models for the production of high-definition small- to mid-sized LCD panels for use in mobile phones and car-mounted display devices.

Ongoing efforts were also made to strengthen cost competitiveness by shortening manufacturing periods, as well as by adopting common platforms. Additionally, disposal and write-down of inventories were performed in the field of IC steppers and scanners to further strengthen the business constitution with a view to the future, while working on reforming the business and the profit structures through the restructuring of subsidiaries.

As a result of the foregoing, net sales for the Precision Equipment Business fell by 43.5% from the same period of the previous year to 66,274 million yen, and operating loss amounted to 43,991 million yen (compared to operating income of 12,162 million yen in the same period of the previous year).

Imaging Products Business

As regards Imaging Products markets, the size of the digital SLR camera market remained about the same as the corresponding period of the previous year, while the compact digital camera market decreased in size as personal consumption slumped and price competition intensified.

Under these circumstances, digital SLR cameras and interchangeable lenses suffered an inevitable decrease in sales due mainly to the impact of the strong yen and a decline in the unit price of products. However, new products D5000, D3000 and D300S, such existing medium/high-end models as D90 and D700, as well as digital SLR camera kits and FX format lenses performed well.

Although sales of compact digital cameras decreased due mainly to the effect of the strong yen, the shipment volume increased while the market continued to shrink, owing to the steady sales of high-power zoom models, such as COOLPIX P90 and COOLPIX L100, and COOLPIX S220 equipped with both functionality and stylish design. In addition, products designed to propose new ways of enjoying images have also been launched with the development of such products as COOLPIX S1000pj, the world's first camera with an ultra-small built-in projector.

Progress was made in the establishment of production systems capable of withstanding further strengthening of the yen, such as the stepping up of the shift to overseas production and expansion of foreign currency-based

procurement of component parts, while further promoting cost reduction and enhancing asset efficiency by reinforcing manufacturing.

As a result of the foregoing, net sales for the Imaging Products Business decreased by 18.4% from the same period of the previous year to 275,327 million yen, and operating income fell by 36.8% from the same period of the previous year to 26,534 million yen.

Instruments Business

In the instruments markets, the bioscience business showed solid performance mainly in fields dealing with live cells. However, the industrial instruments business was impacted significantly by cutbacks in capital investments by manufacturers.

Under these conditions, efforts were made in the bioscience business to promote the sale mainly of system products, such as the inverted research microscope ECLIPSE Ti and confocal microscope A1, in live cell-related fields. While the effect of the strong yen was felt in some areas, sales exceeded that of the same period of the previous year.

On the other hand, the industrial instruments business suffered a considerable drop in sales for industrial microscopes, measuring instruments and semiconductor inspection equipment, due to prolonged cutbacks in capital investments in related markets, in spite of the launch, in addition to the existing products, of the top-of-the-line esotropic stereomicroscope SMZ745T, which has a 7.5x zoom and is suitable for digital imaging, and the CNC image measurement system Confocal NEXIV VMZ-K6555 in an effort to expand sales.

As a result of the foregoing, net sales for the Instruments Business fell by 23.4% from the same period of the previous year to 17,758 million yen, and operating loss amounted to 2,573 million yen (compared to operating loss of 1,283 million yen in the same period of the previous year).

With the aim of expanding its business field and revenue base, Nikon proposed a takeover bid of the Belgian precision measuring instrument manufacturer Metris NV (the corporate name is to be changed to Nikon Metrology NV as of November 10, 2009), which is highly competent with respect to non-contact coordinate measuring machine and can be expected to have a synergic effect on Nikon products, making it a subsidiary as of August 2009.

Other

While the customized products business enjoyed an increase in revenue from space-related equipment, revenue from other optical components, solid-state lasers and customized products decreased due to deterioration in market conditions, resulting in a decline in sales. The glass-related business increased sales owing to the strong performance of large LCD photomask substrates. The telescope business saw a decline in sales, due to the impact of slumping personal consumption.

As a result, net sales for the Other segment dropped by 8.7% from the same period of the previous year to 8,725 million yen, and operating income decreased by 66.6% to 502 million yen.

2. Qualitative information regarding the consolidated financial position

During the first half ended September 30, 2009, total assets increased by 22,429 million yen from the end of the previous fiscal year to 772,234 million yen. This is due mainly to the increase in goodwill and investment securities.

Total liabilities increased by 37,081 million yen from the end of the previous fiscal year to 407,800 million yen. This is due mainly to the increase in notes and accounts payable-trade.

During the first half ended September 30, 2009, net assets decreased by 14,652 million yen from the end of the previous fiscal year to 364,434 million yen. This is due mainly to the decrease in retained earnings as a result of the posting of the net loss, in spite of an increase in the valuation difference on available-for-sale securities.

During the first half ended September 30, 2009, cash flows from operating activities amounted to an inflow of 41,454 million yen. The main causes of increase were the 16,561 million yen depreciation and amortization, a 23,762 million yen decrease in inventories, a 22,869 million yen increase in notes and accounts payable-trade, and an income taxes refund. On the other hand, the main causes of decrease were the posting of 24 billion yen as a loss before income taxes and a 10,716 million yen increase in notes and accounts receivable-trade. Cash flows from investing activities amounted to an outflow of 25,832 million yen. The main causes of the decrease were expenditure in the amount of 13,547 million yen for the purchase of property, plant and equipment, and expenditure in the amount of 8,411 million yen for the purchase of shares of affiliates in relation to the acquisition of Metris NV by TOB. Further, cash flows from financing activities amounted to an outflow of 6,272 million yen. The main causes of the decrease were a 2,037 million yen decrease in short-term loans payable and 2,183 million yen in cash dividends paid.

3. Qualitative information regarding the consolidated financial forecasts

As concerns the business segment of the Nikon Group, while liquid crystal panel-related fields in the Precision Equipment Business are expected to register tones of recovery, with capital investments by panel manufacturers picking up worldwide, it is believed that the business environment will remain tough for semiconductor-related fields, although a trend of recovery in capital investment can be observed with respect to some memory manufacturers. Conditions are expected to remain difficult in the digital camera market with the intensification of competition with competitors, deterioration of product unit prices, and anticipation of the yen basically remaining strong in terms of exchange rates. Also in the Instruments Business, conditions are expected to remain tough, due to cutbacks in capital investments in the semiconductor, automotive and electronic component markets.

Even in a difficult environment, the Nikon Group will continue to reform the business and the profit structures by focusing on further cost reduction, in addition to the continued integration and restructuring of production, sales and service sites, the stepping up of shift to overseas production, and the promotion of the expansion of foreign currency-based transaction for the purpose of strengthening the Group's earning power to enable sustainable growth even in a severe environment. Further, the Group will devote its efforts to the development of new products that exceed customer expectations, such as leading edge steppers, scanners and next-generation digital cameras, while promoting new businesses, searching for new domains, and developing and cultivating emerging markets.

The consolidated financial forecasts for the first half ended September 30, 2009 and the year ending March 31, 2010 are as stated in the "Revision of the Forecasts of Financial Results for the Year Ending March 31, 2010" announced on October 29, 2009.

4. Other

(1) Adoption of simplified accounting methods and special accounting methods for quarterly consolidated financial statements

Computation Method for Income Taxes and Deferred Tax Assets and Liabilities

As regards the computation of the amount of income taxes due, only significant add-subtract items and tax deduction items are taken into consideration.

An approach involving the application of the business forecast and tax planning as of the end of the previous fiscal year is used in determining the collectibility of deferred tax assets, when it is deemed that there has been no significant change in business environment, temporary differences, and other factors since the previous fiscal year.

Deferred income taxes are included in the "Income taxes."

(2) Changes of accounting policies applied, procedures and methods of presentation for preparing quarterly consolidated financial statements

Not applicable.

(Additional Information)

Effective from April 1, 2009, Nikon Corporation and its domestic wholly-owned subsidiaries have applied the consolidated tax system.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of September 30, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	87,907	80,350
Notes and accounts receivable-trade	132,816	121,155
Inventories	240,371	265,214
Other	62,320	59,219
Allowance for doubtful accounts	(7,559)	(7,005)
Total current assets	515,857	518,935
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,896	43,054
Machinery, equipment and vehicles, net	37,945	38,930
Land	14,986	14,970
Construction in progress	6,249	6,860
Other, net	23,297	22,257
Total property, plant and equipment	125,375	126,072
Intangible assets	43,829	25,379
Investments and other assets		
Investment securities	59,374	50,176
Other	28,505	29,301
Allowance for doubtful accounts	(708)	(60)
Total investments and other assets	87,171	79,417
Total noncurrent assets	256,376	230,869
Total assets	772,234	749,805

(Million yen)

	As of September 30, 2009	As of March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	143,125	119,469
Short-term loans payable	19,570	16,373
Commercial papers		20,000
Current portion of bonds	10,000	10,000
Income taxes payable	4,307	2,947
Provision for product warranties	6,243	6,685
Other	114,870	113,858
Total current liabilities	298,116	289,335
Noncurrent liabilities		
Bonds payable	52,900	32,900
Long-term loans payable	33,645	26,756
Provision for retirement benefits	15,796	14,022
Provision for directors' retirement benefits	575	469
Other	6,766	7,234
Total noncurrent liabilities	109,683	81,382
Total liabilities	407,800	370,718
Net assets		
Shareholders' equity		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	244,968	264,827
Treasury stock	(13,455)	(13,439)
Total shareholders' equity	377,700	397,576
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,544	(2,429)
Deferred gains or losses on hedges	880	(915)
Foreign currency translation adjustments	(17,970)	(15,377)
Total valuation and translation adjustments	(13,544)	(18,722)
Subscription rights to shares	278	233
Total net assets	364,434	379,086
Total liabilities and net assets	772,234	749,805

(2) Consolidated Statement of Income
 First Half ended September 30, 2009

(Million yen)

	First Half ended September 30, 2008 (from April 1, 2008 to September 30, 2008)	First Half ended September 30, 2009 (from April 1, 2009 to September 30, 2009)
Net sales	487,141	368,086
Cost of sales	288,463	270,672
Gross profit	198,678	97,413
Selling, general and administrative expenses	144,609	116,935
Operating income (loss)	54,069	(19,521)
Non-operating income		
Interest income	761	144
Dividends income	721	566
Equity in earnings of affiliates	818	391
Other	1,837	2,056
Total non-operating income	4,138	3,159
Non-operating expenses		
Interest expenses	699	413
Cash discount	2,853	1,977
Foreign exchange losses		2,085
Other	1,552	1,471
Total non-operating expenses	5,105	5,948
Ordinary income (loss)	53,102	(22,310)
Extraordinary income		
Gain on sales of noncurrent assets	55	14
Gain on sales of investment securities		54
Total extraordinary income	55	69
Extraordinary loss		
Loss on retirement of noncurrent assets	648	192
Loss on sales of noncurrent assets	23	3
Impairment loss	402	
Loss on valuation of investment securities	492	36
Loss on business restructuring		1,346
Environmental expenses		180
Total extraordinary loss	1,566	1,759
Income (loss) before income taxes	51,591	(24,000)
Income taxes	17,966	(6,334)
Net income (loss)	33,624	(17,666)

(3) Consolidated Statement of Cash Flows

(Million yen)

	First Half ended September 30, 2008 (from April 1, 2008 to September 30, 2008)	First Half ended September 30, 2009 (from April 1, 2009 to September 30, 2009)
Cash flows from operating activities		
Income (loss) before income taxes	51,591	(24,000)
Depreciation and amortization	15,594	16,561
Impairment loss	402	405
Increase (decrease) in allowance for doubtful accounts	(13)	552
Decrease in provision for product warranties	(646)	(376)
Increase in provision for retirement benefits	582	1,896
Increase (decrease) in provision for directors' retirement benefits	(94)	106
Interest and dividends income	(1,482)	(711)
Equity in earnings of affiliates	(818)	(391)
Interest expenses	699	413
Gain on sales of noncurrent assets	(32)	(1)
Loss on retirement of noncurrent assets	648	260
Loss on revaluation of investment securities	492	36
Increase in notes and accounts receivable-trade	(10,608)	(10,716)
Decrease(increase) in inventories	(39,120)	23,762
Decrease in notes and accounts payable-trade	9,321	22,869
Other, net	20,615	1,322
Subtotal	47,131	31,991
Interest and dividends income received	1,425	1,513
Interest expenses paid	(599)	(363)
Income taxes (paid) refund	(31,574)	8,313
Net cash provided by operating activities	16,383	41,454
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,787)	(13,547)
Proceeds from sales of property, plant and equipment	435	179
Purchase of investment securities	(3,076)	(219)
Proceeds from sales of investment securities		72
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation		(8,411)
Net Decrease(increase) in loans receivable	(159)	118
Other, net	(5,621)	(4,025)
Net cash used in investing activities	(24,209)	(25,832)
Cash flows from financing activities		
Net increase(decrease) in short-term loans payable	4,406	(2,037)
Proceeds from long-term loans payable	1,700	
Repayments of long-term loans payable	(2,320)	(304)
Proceeds from issuance of bonds		19,894
Decrease in commercial papers		(20,000)
Cash dividends paid	(5,386)	(2,183)
Purchase of treasury stock	(12,285)	(38)
Other, net	(1,283)	(1,603)
Net cash used in financial activities	(15,169)	(6,272)
Effect of exchange rate change on cash and cash equivalents	(890)	(1,274)

Net Increase(decrease) in cash and cash equivalents	(23,886)	8,075
Cash and cash equivalents at beginning of period	112,957	79,806
Cash and cash equivalents at end of period	89,071	87,881

(4) Notes regarding Going Concern Assumption
Not applicable

(5) Segment Information

[Industry Segments]

First Half ended September 30, 2008 (From April 1, 2008 to September 30, 2008)

(Million yen)

	Precision Equipment	Imaging Products	Instruments	Other	Total	(Eliminations) or corporate	Consolidated
Net sales							
1) Outside customers	117,208	337,205	23,171	9,557	487,141	-	487,141
2) Intersegment sales/transfer	689	660	1,093	17,700	20,143	(20,143)	-
Total	117,897	337,865	24,264	27,257	507,285	(20,143)	487,141
Operating income (loss)	12,162	41,986	(1,283)	1,507	54,373	(304)	54,069

First Half ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

	Precision Equipment	Imaging Products	Instruments	Other	Total	(Eliminations) or corporate	Consolidated
Net sales							
1) Outside customers	66,274	275,327	17,758	8,725	368,086	-	368,086
2) Intersegment sales/transfer	420	186	460	13,667	14,734	(14,734)	-
Total	66,694	275,513	18,219	22,392	382,821	(14,734)	368,086
Operating income (loss)	(43,991)	26,534	(2,573)	502	(19,528)	6	(19,521)

Notes: 1. Method for classifying industry segments: The Group's industries are segmented based on their proximity in terms of the type and markets of their products.

2. Leading products of each industry:

Precision Equipment: IC steppers, LCD steppers

Imaging Products: Digital cameras, Film cameras, Interchangeable camera lenses

Instruments: Microscopes, Measuring instruments, Inspection equipment

Other: LCD Photomask Substrates, Sport Optics

[Geographic Segments]

First Half ended September 30, 2008 (From April 1, 2008 to September 30, 2008)

(Million yen)

	Japan	North America	Europe	Asia/Oceania	Total	(Eliminations) or corporate	Consolidated
Net sales							
1) Outside customers	158,846	134,666	119,257	74,371	487,141	-	487,141
2) Intersegment sales/transfer	270,201	1,038	99	85,162	356,501	(356,501)	-
Total	429,047	135,704	119,356	159,533	843,642	(356,501)	487,141
Operating income	45,546	2,950	1,290	8,523	58,310	(4,241)	54,069

First Half ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

	Japan	North America	Europe	Asia/Oceania	Total	(Eliminations) or corporate	Consolidated
Net sales							
1) Outside customers	80,166	122,362	96,287	69,269	368,086	-	368,086
2) Intersegment sales/transfer	232,201	1,036	133	69,551	302,921	(302,921)	-
Total	312,367	123,398	96,421	138,821	671,008	(302,921)	368,086
Operating income (loss)	(32,499)	2,836	4,002	8,036	(17,623)	(1,898)	(19,521)

Notes: 1. The countries or regions are segmented by geographical vicinity.

2. Major countries or regions other than Japan:

(1) North America: U.S.A., Canada

(2) Europe: The Netherlands, Germany, The United Kingdom, France

(3) Asia/Oceania: China, South Korea, Taiwan, Thailand, Australia

[Export Sales]

First Half ended September 30, 2008 (From April 1, 2008 to September 30, 2008)

(Million yen)

	North America	Europe	Asia/Oceania	Other	Total
I. Export sales (A)	127,759	114,838	131,187	7,979	381,765
II. Net sales (B)					487,141
III. (A)/(B)	26.2%	23.6%	26.9%	1.7%	78.4%

First Half ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

	North America	Europe	Asia/Oceania	Other	Total
I. Export sales (A)	115,806	94,561	83,311	7,895	301,574
II. Net sales (B)					368,086
III. (A)/(B)	31.5	25.7	22.6	2.1	81.9

Notes: 1. The countries or regions are segmented by geographical vicinity.

2. Major countries or regions other than Japan:

(1) North America: U.S.A., Canada

(2) Europe: The Netherlands, Germany, The United Kingdom, France

(3) Asia/Oceania: China, South Korea, Taiwan, Singapore, Australia

(4) Other: Middle & South America, Africa

3. Export sales indicate the sales of the Company and its consolidated subsidiaries in countries or regions excluding Japan.