



February 6, 2013

## Consolidated Financial Results of the Third Quarter ended December 31, 2012 (Japanese Standards)

### Company name: NIKON CORPORATION

Code number: 7731; Stock listings: Tokyo Stock Exchange

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Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes (for institutional investors and analysts)

Note: Amounts less than 1 million yen are omitted.

### 1. Consolidated Results of the Third Quarter ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(1) Financial Results (Percentage represents comparison change to the corresponding previous quarterly period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2012	763,276	8.8	39,247	(43.4)	40,977	(46.2)	32,330	(30.8)
Nine months ended December 31, 2011	701,667	7.7	69,358	105.5	76,181	113.6	46,749	130.3

(Note) Comprehensive Income: Third Quarter ended, December 31, 2012: 42,058 million yen ; 31.1%  
Third Quarter ended, December 31, 2011: 32,093 million yen ; 198.9%

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Nine months ended December 31, 2012	81.53	81.42
Nine months ended December 31, 2011	117.91	117.80

### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
Third Quarter ended December 31, 2012	878,824	459,399	52.2
Year ended March 31, 2012	860,230	433,616	50.3

(Reference) Equity: Third Quarter ended December 31, 2012: 458,650 million yen  
Year ended March 31, 2012: 433,011 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, 2012	—	17.00	—	21.00	38.00
Year ending March 31, 2013	—	19.00	—		
Year ending March 31, 2013 (Planned)				12.00	31.00

(Note) Revision of cash dividend forecast for this period: Yes

### 3. Forecasts for Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(Percentage represents comparison to previous fiscal 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	1,000,000	8.9	48,000	(40.1)	48,000	(46.3)	38,000	(35.9)	95.82

(Note) Revision of forecast for this period: Yes

#### 4. Others

(1) Changes of significant subsidiaries during the current fiscal year: None

(Note) This refers to presence/absence of changes to specified subsidiaries accompanying changes in scope of consolidation in the period under review.

(2) Adoption of special accounting methods: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1. Changes in accounting policies with revision of accounting standards: Yes

2. Changes in accounting policies other than the above: None

3. Changes in accounting estimate: Yes

4. Revision restatements: None

(Note) Starting with the first quarter of this fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method. Such changes fall under "Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections." Please refer to P.5 "2. Notes Regarding Summary Information (Others) - (2) Changes in accounting policies, accounting estimates and restatement of corrections" for details.

(4) Number of shares issued (common stock)

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

Third Quarter ended December 31, 2012 400,878,921 shares

Year ended March 31, 2012 400,878,921 shares

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

Third Quarter ended December 31, 2012 4,296,781 shares

Year ended March 31, 2012 4,342,128 shares

3. Average number of shares during the term (consolidated total for quarter):

Third Quarter ended December 31, 2012 396,558,634 shares

Third Quarter ended December 31, 2011 396,495,961 shares

(※Indication of quarterly review procedures implementation status)

This quarterly financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

(※Appropriate use of business forecasts; other special items)

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

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## 1. Performance and Financial Position

### (1) Qualitative Information regarding the Consolidated Operating Results

During the nine months ended December 31, 2012, in the Precision Equipment Business, capital investment by manufacturers cooled off and both the semiconductor-related and LCD panel-related markets shrank. In the Imaging Products Business, the compact digital camera market continued to shrink, while the Digital camera—Interchangeable Lens Type market continued to expand. In the Instruments Business, the bioscience-related market worsened due to reductions and execution deferments in government budgets in countries such as Japan and the United States, and the industrial instruments-related markets worsened as a result of restrained capital investment in the semiconductor and electronics fields and other factors.

As a result, net sales for the nine months ended December 31, 2012 increased by 61,609 million yen (8.8%) year on year to 763,276 million yen, operating income decreased by 30,110 million yen (43.4%) year on year to 39,247 million yen, and ordinary income decreased by 35,203 million yen (46.2%) year on year to 40,977 million yen, resulting in net income of 32,330 million yen, a decrease of 14,419 million yen (30.8%) year on year.

Performance by business segment is as follows.

In the Precision Equipment Business, we worked to expand sales focusing on the foremost advanced ArF immersion scanners in the field of IC steppers and scanners, and on models compatible with high-resolution small and medium-sized panels in the LCD steppers and scanners field. However, the impact of shrinking markets led to a decline in both revenue and profit compared to the same period of the previous fiscal year.

In the Imaging Products Business, unit sales of compact digital cameras exceeded those of the same period of the previous year despite accelerated shrinkage of the market. On the other hand, retail prices for Digital cameras—Interchangeable Lens Type fell below forecast levels due to a sharp drop in the profit environment, and the operating income margin declined for Imaging Products Business overall.

In the Instruments Business, both the bioscience business and industrial instruments business recorded a year-on-year decrease in both revenue and profit due to deteriorating market conditions.

### (2) Qualitative information on Consolidated Financial Position

During the nine months ended December 31, 2012, total assets increased by 18,593 million yen from the end of the previous fiscal year to 878,824 million yen. This is due mainly to the increase by 20,511 million yen in notes and accounts receivable-trade, the increase by 34,618 million yen in inventories, and the increase by 24,088 million yen in property, plant and equipment, in spite of the decrease by 47,651 million yen in cash and deposits, and the decrease by 13,041 million yen in accounts receivable.

Total liabilities decreased by 7,188 million yen from the end of the previous fiscal year to 419,424 million yen. This is due mainly to the decrease by 11,743 million yen in income taxes payable, and the decrease by 13,168 million yen in advances received, in spite of the increase by 2,948 million yen in notes and accounts payable-trade, and the increase by 14,747 million yen in accrued expenses.

Total net assets increased by 25,782 million yen from the end of the previous fiscal year to 459,399 million yen. This is due mainly to the increase by 9,509 million yen in foreign currency translation adjustment due to the progressing yen depreciation, and the increase by 15,772 million yen in retained earnings through the posting of net income, etc.

During the nine months ended December 31, 2012, cash flows from operating activities amounted to an inflow of 16,212 million yen (compared with an inflow of 17,403 million yen in the same period of the previous year). This is due mainly to posting of income before income taxes by 47,974 million yen and the decrease by 16,647 million yen in accounts receivable, in spite of the increase by 12,135 million yen in notes and accounts receivable-trade, the increase in inventories by 25,197 million yen, and the decrease by 12,944 million yen in advances received.

Cash flows from investing activities amounted to an outflow of 51,650 million yen (compared with an outflow of 30,748 million yen in the same period of the previous year), due mainly to expenditure in the amount of 51,839 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities amounted to an outflow of 16,719 million yen (compared with an outflow of 13,730 million yen in the same period of the previous year) mainly because of 15,248 million yen in cash dividends paid.

(3) Qualitative Information regarding the Consolidated Financial Forecasts

Looking forward, although the challenging business climate is expected to continue in the Precision Equipment Business amid lingering uncertainty about market conditions, sales for the current fiscal year are expected to be on target. Meanwhile, in the Imaging Products Business, we expect to record sales as planned despite the shrinking market for compact digital cameras. As for Digital cameras – Interchangeable Lens Type, a decrease in unit sales is expected, along with a drop in selling prices resulting from increasing competition due to drastically worsening market conditions that started from the latter part of the third quarter, and the impact is expected to persist into the fourth quarter. Additionally, in the Instruments Business, conditions in the market are expected to be severe due to the impact of execution deferment of government budgets.

The consolidated financial forecasts for the year ending March 31, 2013 and the cash dividend forecasts shall be as stated in the “Revision of the Financial Forecast and Cash Dividends Forecast for the Fiscal Year Ending March 31, 2013,” announced on the same date (February 6, 2013).

2. Notes Regarding Summary Information (Others)

(1) Changes in Significant Consolidated Subsidiaries

Not applicable

(2) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

(Changes of method for depreciation)

The Company and its domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after April 1, 2012 due to the revision of Japan’s Corporation Tax Law from the first quarter ended June 30, 2012. The effect of this change was immaterial.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Million of yen)

	As of March 31, 2012	As of December 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	132,404	84,752
Notes and accounts receivable-trade	137,533	158,044
Merchandise and finished goods	118,899	133,712
Work in process	112,143	131,140
Raw materials and supplies	31,991	32,799
Other	81,171	70,231
Allowance for doubtful accounts	(4,667)	(4,817)
Total Current Assets	609,474	605,863
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	37,807	44,334
Machinery, equipment and vehicles, net	35,200	54,475
Land	14,609	14,826
Construction in progress	23,809	18,149
Other, net	19,517	23,246
Total property, plant and equipment	130,943	155,032
Intangible assets		
Goodwill	5,157	4,622
Other	27,927	27,583
Total intangible assets	33,085	32,205
Investments and other assets		
Investment securities	55,355	55,944
Other	31,578	29,994
Allowance for doubtful accounts	(207)	(215)
Total investments and other assets	86,727	85,723
Total noncurrent assets	250,755	272,960
Total assets	860,230	878,824

(Million of yen)

	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	155,338	158,286
Short-term loans payable	18,350	18,552
Income taxes payable	15,076	3,332
Provision for product warranties	7,594	8,099
Other	145,650	147,230
Total current liabilities	342,009	335,501
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	22,900	23,100
Provision for retirement benefits	3,700	3,186
Asset retirement obligations	2,365	2,519
Other	15,638	15,117
Total noncurrent liabilities	84,604	83,923
Total liabilities	426,613	419,424
Net assets		
Shareholders' equity		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	319,823	335,596
Treasury stock	(12,992)	(12,855)
Total shareholders' equity	453,017	468,927
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,061	3,590
Deferred gains or losses on hedges	(1,592)	(1,902)
Foreign currency translation adjustment	(21,474)	(11,965)
Total accumulated other comprehensive income (loss)	(20,005)	(10,277)
Subscription rights to shares	604	749
Total net assets	433,616	459,399
Total liabilities and net assets	860,230	878,824

## (2) Consolidated Statement of Income and Statements of Comprehensive Income

## ① Consolidated Statements of Income

Nine months ended December 31, 2012

(Million of yen)

	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)
Net sales	701,667	763,276
Cost of sales	428,155	496,693
Gross profit	273,512	266,583
Selling, general and administrative expenses	204,153	227,335
Operating income	69,358	39,247
Non-operating income		
Interest income	624	516
Dividends income	1,049	1,249
Foreign exchange gains	3,798	—
Equity in earnings of affiliates	594	891
Other	2,631	2,298
Total non-operating income	8,698	4,955
Non-operating expenses		
Interest expenses	788	823
Foreign exchange losses	—	1,130
Other	1,086	1,271
Total non-operating expenses	1,874	3,225
Ordinary income	76,181	40,977
Extraordinary income		
Gain on sales of noncurrent assets	139	216
Gain on sales of investment securities	20	5,132
Insurance income	500	2,331
Total extraordinary income	659	7,680
Extraordinary loss		
Loss on retirement of noncurrent assets	168	—
Loss on sales of noncurrent assets	3	18
Impairment loss	0	511
Loss on sales of investment securities	0	31
Loss on valuation of investment securities	206	121
Loss on disaster	10,904	—
Total extraordinary losses	11,283	683
Income before income taxes	65,558	47,974
Income taxes	18,808	15,644
Income before minority interests	46,749	32,330
Net income	46,749	32,330

② Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2012

(Million of yen)

	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)
Income before minority interests	46,749	32,330
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(5,801)	528
Deferred gains or losses on hedges	1,882	(309)
Foreign currency translation adjustment	(10,738)	9,509
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income (loss)	(14,656)	9,728
Comprehensive income	32,093	42,058
(Breakdown)		
Comprehensive income attributable to owners of the parent	32,093	42,058

## (3) Consolidated Statement of Cash Flows

(Million of yen)

	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	65,558	47,974
Depreciation and amortization	23,794	26,151
Impairment loss	5,746	511
Increase (decrease) in allowance for doubtful accounts	(2,391)	(78)
Increase (decrease) in provision for product warranties	23	353
Increase (decrease) in provision for retirement benefits	(10,816)	(605)
Increase (decrease) in provision for directors' retirement benefits	(606)	—
Interest and dividends income	(1,674)	(1,765)
Equity in (earnings) losses of affiliates	(594)	(891)
Interest expenses	788	823
Loss (gain) on sales of noncurrent assets	(135)	(197)
Loss on retirement of noncurrent assets	168	—
Loss (gain) on sales of investment securities	(20)	(5,101)
Loss (gain) on valuation of investment securities	206	121
Decrease (increase) in notes and accounts receivable-trade	(5,493)	(12,135)
Decrease (increase) in inventories	(26,764)	(25,197)
Increase (decrease) in notes and accounts payable-trade	(6,978)	337
Increase (decrease) in advances received	(20,254)	(12,944)
Increase (decrease) in accrued expenses	5,336	11,490
Other, net	1,205	11,560
Subtotal	27,097	40,405
Interest and dividends income received	1,913	1,930
Interest expenses paid	(802)	(781)
Income taxes (paid) refund	(10,805)	(25,342)
Net cash provided by (used in) operating activities	17,403	16,212
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(21,544)	(51,839)
Proceeds from sales of property, plant and equipment	1,277	2,494
Purchase of investment securities	(789)	(202)
Proceeds from sales of investment securities	45	5,277
Net decrease (increase) in loans receivable	(939)	(233)
Other, net	(8,798)	(7,146)
Net cash provided by (used in) investing activities	(30,748)	(51,650)

(Million of yen)

	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,303)	259
Proceeds from long-term loans payable	2,900	200
Repayment of long-term loans payable	(1,760)	(200)
Cash dividends paid	(11,695)	(15,248)
Other, net	(1,871)	(1,730)
Net cash provided by (used in) financing activities	(13,730)	(16,719)
Effect of exchange rate change on cash and cash equivalents	(5,283)	4,412
Net increase (decrease) in cash and cash equivalents	(32,359)	(47,744)
Cash and cash equivalents at beginning of period	181,061	131,711
Increase in cash and cash equivalents from newly consolidated subsidiary	536	429
Cash and cash equivalents at end of period	149,238	84,396

(4) Notes regarding Going Concern Assumption  
Not applicable

(5) Segment Information

Information on sales and income (loss) by business segment reported

For the Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(Million of yen)

	Business segments reported				Other <sup>1</sup>	Total	Adjustment <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	183,684	461,989	37,862	683,536	18,130	701,667	—	701,667
Intersegment sales or transfer	601	914	1,230	2,745	18,425	21,171	(21,171)	—
Total	184,285	462,903	39,093	686,282	36,556	722,839	(21,171)	701,667
Operating income (loss)	32,127	51,208	(3,458)	79,877	1,918	81,796	(12,437)	69,358

Notes: 1. The “Other Business” category incorporates operations not included in business segments reported, including the glass-related business and the customized products business.

2. Adjustment of segment income (loss) refers to elimination of intersegment transactions of 623 million yen and corporate expenses of minus 13,061 million yen.

3. Segment income is adjusted with reported operating income on the consolidated financial statements.

For the Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(Million of yen)

	Business segments reported				Other <sup>1</sup>	Total	Adjustment <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	120,154	588,411	35,879	744,444	18,831	763,276	—	763,276
Intersegment sales or transfer	731	582	865	2,179	26,743	28,922	(28,922)	—
Total	120,885	588,993	36,744	746,623	45,575	792,199	(28,922)	763,276
Operating income (loss)	5,083	52,444	(4,759)	52,768	2,303	55,072	(15,824)	39,247

Notes: 1. The “Other Business” category incorporates operations not included in business segments reported, including the glass-related business and the customized products business.

2. Segment income or loss adjustment includes elimination of intersegment transactions of 211 million yen and corporate expenses of minus 16,036 million yen.

3. Segment income is adjusted with reported operating income on the consolidated financial statements.

(6) Note in Event of Significant Change in Shareholders' Equity  
Not applicable