



August 8, 2013

Consolidated Financial Results of the First Quarter ended June 30, 2013 (Japanese Standards)

Company name: NIKON CORPORATION

Code number: 7731; Stock listings: Tokyo Stock Exchange

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

Representative: Makoto Kimura, Representative Director and President

Contact: Masayuki Hatori, General Manager, Corporate Communications & IR Department

TEL: +81-3-3216-1032

Date for the filing of the Quarterly Securities Report: August 8, 2013

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 First Quarter ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

(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	%
Three months ended June 30, 2013	238,981	(7.9)	6,032	(74.2)	5,150	(78.0)	4,436	(71.9)
Three months ended June 30, 2012	259,431	5.6	23,368	(36.7)	23,403	(38.0)	15,770	(48.6)

(Note) Comprehensive Income: First Quarter ended, June 30, 2013: 13,438 million yen ; 126.4%

First Quarter ended, June 30, 2012: 5,934 million yen ; -79.2%

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Three months ended June 30, 2013	11.19	11.17
Three months ended June 30, 2012	39.77	39.72

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
First Quarter ended June 30, 2013	893,422	500,212	55.9
Year ended March 31, 2013	864,667	490,217	56.6

(Reference) Equity: First Quarter ended June 30, 2013: 499,292 million yen

Year ended March 31, 2013: 489,421 million yen

2. Dividends

	Dividend per share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	—	19.00	—	12.00	31.00
Year ending March 31, 2014	—				
Year ending March 31, 2014 (Planned)		10.00	—	22.00	32.00

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

3. Forecasts for Year Ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(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
First Half ending September 30, 2013	477,000	(4.1)	14,500	(60.9)	12,500	(68.4)	8,000	(75.0)	20.17
Full year	1,040,000	2.9	65,000	27.4	63,000	30.3	50,000	17.8	126.07

(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: None

4. Revision restatements: None

(4) Number of shares issued (common stock)

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

First Quarter ended June 30, 2013 400,878,921 shares

Year ended March 31, 2013 400,878,921 shares

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

First Quarter ended June 30, 2013 4,256,889 shares

Year ended March 31, 2013 4,279,760 shares

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

First Quarter ended June 30, 2013 396,605,868 shares

First Quarter ended June 30, 2012 396,545,753 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.

Contents

1. Performance and Financial Position	4
(1) Qualitative Information regarding the Consolidated Operating Results	4
(2) Qualitative Information on Consolidated Financial Position	4
(3) Qualitative Information regarding the Consolidated Financial Forecasts	5
2. Notes Regarding Summary Information (Others)	5
(1) Changes in Significant Consolidated Subsidiaries	5
(2) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections	5
3. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets	8
(2) Consolidated Statement of Income and Comprehensive Income	8
(3) Consolidated Statement of Cash Flows	10
(4) Notes regarding Going Concern Assumption	11
(5) Segment Information	11
(6) Note in Event of Significant Change in Shareholders' Equity	11

1. Performance and Financial Position

(1) Qualitative Information regarding the Consolidated Operating Results

During the three months ended June 30, 2013, in the Precision Equipment Business, while the LCD panel-related market was supported by manufacturers' strong capital investment, the semiconductor-related market was affected by restraint in capital investment. In the Imaging Products Business, the compact digital camera market shrank considerably and the Digital camera—Interchangeable Lens Type market performed sluggishly for overseas market. In the Instruments Business, the industrial instruments-related market was affected by restraint in capital investment related to semiconductors and electronic components, while the bioscience-related market saw an increase in public spending in the USA.

As a result of the foregoing, net sales for the three months ended June 30, 2013 decreased by 20,450 million yen (7.9%) year on year to 238,981 million yen, operating income decreased by 17,336 million yen (74.2%) year on year to 6,032 million yen, ordinary income was down by 18,253 million yen (78.0%) year on year to 5,150 million yen, resulting in net income of 4,436 million yen, a decrease of 11,334 million yen (71.9%) year on year.

Performance by business segment is as follows.

In the Precision Equipment Business, despite the sale of devices used for mid-to-small size high definition displays in the LCD scanners field remaining strong from the previous fiscal year, conditions were challenging in the IC steppers and scanners field affected by restraint in capital investment. As a result, the business overall recorded a decrease in revenue and profit.

In the Imaging Products Business, despite compact digital cameras continuing to hold a high share of the market, sales volume decreased having been affected by the shrinking market. While the overseas market for the Digital camera—Interchangeable Lens Type performed sluggishly, the sales volume remained the same level as the same period of the previous year. As for the business overall, net sales remained the same level as the same period of the previous year and operating income decreased.

In the Instruments Business, the industrial instruments field was affected by restraint in capital investment related to semiconductors and electronic components. However, the bioscience field was favorably affected by the weak yen and an increase in public spending in the USA, and as a result, the business overall improved profit compared to the same period of the previous year.

(2) Qualitative information on Consolidated Financial Position

During the three months ended June 30, 2013, total assets increased by 28,754 million yen from the end of the previous fiscal year to 893,422 million yen. This is due mainly to the increase by 10,435 million yen in cash and deposits, the increase by 6,319 million yen in inventory, and the increase by 4,591 million yen in property, plant and equipment.

Total liabilities increased by 18,759 million yen from the end of the previous fiscal year to 393,209 million yen. This is due mainly to the increase by 19,687 million yen in notes and accounts payable-trade, and the increase by 2,908 million yen in deposits received, in spite of the decrease by 3,368 million yen in accrued expenses.

Total net assets increased by 9,994 million yen from the end of the previous fiscal year to 500,212 million yen. This is due mainly to the increase by 6,657 million yen in foreign currency translation adjustment due to the progressing yen depreciation.

During the three months ended June 30, 2013, cash flows from operating activities amounted to an inflow of 23,223 million yen (compared with an inflow of 21,701 million yen in the same period of the previous year). This is due mainly to the increase by 15,798 million yen in notes and accounts payable-trade, the decrease by 4,073 million yen in notes and accounts receivable-trade, and posting of income before income taxes by 5,153 million yen, in spite of the decrease by 4,927 million yen in accrued expenses.

Cash flows from investing activities amounted to an outflow of 12,186 million yen (compared with an outflow of 21,968 million yen in the same period of the previous year), due mainly to the expenditure in the amount of 9,021 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities amounted to an outflow of 4,519 million yen (compared with an outflow of 8,241 million yen in the same period of the previous year) mainly because of 4,347 million yen in cash dividends paid.

(3) Qualitative Information regarding the Consolidated Financial Forecasts

As regards the consolidated financial forecasts for the first half ending September 30, 2013 and the year ending March 31, 2014, in the Precision Equipment Business and the Instruments Business, although there is still uncertainty in the market climate and a continuing challenging business environment is expected, sales during the period are expected to continue nearly as forecasted.

Meanwhile in the Imaging Products Business, the Digital camera—Interchangeable Lens Type market is expected to remain expanding, but as there is uncertainty in current economic trends, unit sales are expected to fall due to weak market conditions. In addition, the compact digital camera market is expected to shrink further due to the accelerated spread of smart-phones, etc.

The consolidated financial forecasts for the first half ending September 30, 2013 and the year ending March 31, 2014 and the cash dividend forecasts shall be as stated in the “Revision of the Financial Forecast and Cash Dividend Forecast for the Fiscal Year Ending March 31, 2014,” announced on the same date (August 8, 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 in Accounting Policies)

Due to the application of IAS 19 "Employee Benefits" (revised in June 16, 2011) from January 1, 2013, the method of recognition and presentation of actuarial gains and losses, past service cost and interest cost changed from the first quarter of fiscal year ending March 31, 2014 in certain overseas subsidiaries.

Those overseas subsidiaries applied the revision in this policy retrospectively, and the consolidated quarterly financial statements for the first quarter of the previous year and the consolidated financial statements for the previous year changed due to the retrospective application. The effect of this retrospective application on the consolidated quarterly financial statements for the first quarter of the previous year and the consolidated financial statements for the previous year was immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million of yen)

	As of March 31, 2013	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	110,281	120,716
Notes and accounts receivable-trade	134,225	133,326
Merchandise and finished goods	116,504	121,598
Work in process	119,760	122,902
Raw materials and supplies	33,147	31,231
Other	65,523	72,315
Allowance for doubtful accounts	(3,795)	(4,053)
Total Current Assets	575,647	598,038
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	45,774	49,036
Machinery, equipment and vehicles, net	57,551	59,194
Land	15,025	15,111
Construction in progress	15,935	15,189
Other, net	27,317	27,663
Total property, plant and equipment	161,605	166,196
Intangible assets		
Goodwill	4,443	4,272
Other	27,826	28,544
Total intangible assets	32,270	32,816
Investments and other assets		
Investment securities	66,859	68,605
Other	28,517	28,201
Allowance for doubtful accounts	(231)	(436)
Total investments and other assets	95,114	96,371
Total noncurrent assets	289,019	295,384
Total assets	864,667	893,422

(Million of yen)

	As of March 31, 2013	As of June 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	124,676	144,363
Short-term loans payable	18,739	19,026
Current portion of bonds	—	10,000
Income taxes payable	1,395	2,566
Provision for product warranties	8,096	7,486
Other	146,277	145,195
Total current liabilities	299,186	328,638
Noncurrent liabilities		
Bonds payable	40,000	30,000
Long-term loans payable	22,600	22,600
Provision for retirement benefits	3,631	3,166
Asset retirement obligations	2,512	2,523
Other	6,519	6,281
Total noncurrent liabilities	75,263	64,571
Total liabilities	374,450	393,209
Net assets		
Shareholders' equity		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	345,698	346,508
Treasury stock	(12,804)	(12,735)
Total shareholders' equity	479,081	479,960
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,482	11,599
Deferred gains or losses on hedges	(216)	18
Foreign currency translation adjustment	2,135	8,792
Post retirement liability adjustment for foreign consolidated companies	(1,060)	(1,078)
Total accumulated other comprehensive income	10,340	19,332
Subscription rights to shares	795	842
Minority interests	—	77
Total net assets	490,217	500,212
Total liabilities and net assets	864,667	893,422

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

① Consolidated Statements of Income

Three months ended June 30, 2013

(Million of yen)

	Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)	Three months ended June 30, 2013 (from April 1, 2013 to June 30, 2013)
Net sales	259,431	238,981
Cost of sales	162,456	155,855
Gross profit	96,975	83,125
Selling, general and administrative expenses	73,606	77,093
Operating income	23,368	6,032
Non-operating income		
Interest income	175	167
Dividends income	753	588
Dividends income of life insurance	479	454
Equity in earnings of affiliates	279	287
Other	556	1,145
Total non-operating income	2,244	2,643
Non-operating expenses		
Interest expenses	276	429
Foreign exchange losses	1,577	2,683
Other	354	412
Total non-operating expenses	2,209	3,525
Ordinary income	23,403	5,150
Extraordinary income		
Gain on sales of noncurrent assets	103	27
Total extraordinary income	103	27
Extraordinary loss		
Loss on sales of noncurrent assets	4	10
Impairment loss	352	2
Loss on sales of investment securities	—	11
Loss on valuation of investment securities	128	—
Total extraordinary losses	485	25
Income before income taxes	23,021	5,153
Income taxes	7,251	715
Income before minority interests	15,770	4,438
Minority interests in income	—	2
Net income	15,770	4,436

② Consolidated Statements of Comprehensive Income

Three months ended June 30, 2013

(Million of yen)

	Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)	Three months ended June 30, 2013 (from April 1, 2013 to June 30, 2013)
Income before minority interests	15,770	4,438
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,684)	2,110
Deferred gains or losses on hedges	2,664	235
Foreign currency translation adjustment	(8,892)	6,665
Post retirement liability adjustment for foreign consolidated companies	77	(17)
Share of other comprehensive income of associates accounted for using equity method	0	6
Total other comprehensive income (loss)	(9,835)	9,000
Comprehensive income	5,934	13,438
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,934	13,427
Comprehensive income attributable to minority interests	—	10

(3) Consolidated Statement of Cash Flows

(Million of yen)

	Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)	Three months ended June 30, 2013 (from April 1, 2013 to June 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	23,021	5,153
Depreciation and amortization	7,774	9,769
Impairment loss	352	2
Increase (decrease) in allowance for doubtful accounts	100	248
Increase (decrease) in provision for product warranties	423	(719)
Increase (decrease) in provision for retirement benefits	(621)	(555)
Interest and dividends income	(928)	(756)
Equity in (earnings) losses of affiliates	(279)	(287)
Interest expenses	276	429
Loss (gain) on sales of noncurrent assets	(98)	(17)
Loss (gain) on sales of investment securities	—	11
Loss (gain) on valuation of investment securities	128	—
Decrease (increase) in notes and accounts receivable-trade	2,822	4,073
Decrease (increase) in inventories	(16,204)	(1,369)
Increase (decrease) in notes and accounts payable-trade	22,518	15,798
Increase (decrease) in advances received	(21,640)	2,361
Increase (decrease) in accrued expenses	(740)	(4,927)
Other, net	20,639	(2,500)
Subtotal	37,543	26,715
Interest and dividends income received	857	699
Interest expenses paid	(267)	(324)
Income taxes (paid) refund	(16,432)	(3,866)
Net cash provided by (used in) operating activities	21,701	23,223
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(20,439)	(9,021)
Proceeds from sales of property, plant and equipment	566	118
Purchase of investment securities	(0)	(66)
Proceeds from sales of investment securities	—	54
Net decrease (increase) in loans receivable	(596)	3
Other, net	(1,498)	(3,275)
Net cash provided by (used in) investing activities	(21,968)	(12,186)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(0)	310
Cash dividends paid	(7,661)	(4,347)
Other, net	(580)	(482)
Net cash provided by (used in) financing activities	(8,241)	(4,519)
Effect of exchange rate change on cash and cash equivalents	(3,587)	2,771
Net increase (decrease) in cash and cash equivalents	(12,096)	9,288
Cash and cash equivalents at beginning of period	131,711	110,094
Increase in cash and cash equivalents from newly consolidated subsidiary	429	1,082
Cash and cash equivalents at end of period	120,045	120,465

(4) Notes regarding Going Concern Assumption
Not applicable

(5) Segment Information

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

For the Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)

(Million of yen)

	Business segments reported				Other ¹	Total	Adjustment ²	Consolidated Statement of Income ³
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	52,293	190,132	10,841	253,266	6,164	259,431	—	259,431
Intersegment sales or transfer	245	185	198	629	12,309	12,939	(12,939)	—
Total	52,539	190,317	11,039	253,896	18,474	272,370	(12,939)	259,431
Operating income (loss)	10,290	19,610	(2,424)	27,476	932	28,408	(5,039)	23,368

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 34 million yen and corporate expenses of minus 5,073 million yen.

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

For the Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

(Million of yen)

	Business segments reported				Other ¹	Total	Adjustment ²	Consolidated Statement of Income ³
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	34,064	187,549	11,629	233,243	5,738	238,981	—	238,981
Intersegment sales or transfer	137	129	167	433	5,566	6,000	(6,000)	—
Total	34,202	187,678	11,796	233,677	11,304	244,982	(6,000)	238,981
Operating income (loss)	(1,572)	14,537	(2,372)	10,592	808	11,401	(5,368)	6,032

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 89 million yen and corporate expenses of minus 5,458 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