



August 5, 2009

**Financial Results of the First Quarter ended June 30, 2009****Company name: NIKON CORPORATION**

Code number: 7731; Stock listings: Tokyo Stock Exchange

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

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Date for the filing of the Quarterly Securities Report (*Shihanki Houkokusho*): August 7, 2009

Note: Amounts less than 1 million yen are omitted.

## 1. Consolidated Results of the First Quarter ended June 30, 2009 (From April 1, 2009, to June 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 | % |
| Three months ended June 30, 2009 | 175,147     | (26.4) | 730              | (97.5) | (1,324)         | - | (3,997)     | - |
| Three months ended June 30, 2008 | 237,870     | -      | 28,720           | -      | 29,111          | - | 17,954      | - |

|                                  | Net income per share of common stock | Net income per share of common stock after dilution |
|----------------------------------|--------------------------------------|---|
|                                  | Yen                                  | Yen   |
| Three months ended June 30, 2009 | (10.09)                              | -   |
| Three months ended June 30, 2008 | 45.16                                | 43.30   |

## (2) Financial Position

|                                   | Total assets | Net assets  | Equity Ratio | Net assets per share of common stock |
|-----------------------------------|--------------|-------------|--------------|--------------------------------------|
|                                   | Million yen  | Million yen | %            | Yen                                  |
| First Quarter ended June 30, 2009 | 775,996      | 381,415     | 49.1         | 961.57                               |
| Year ended March 31, 2009         | 749,805      | 379,086     | 50.5         | 955.72                               |

(Reference) Equity: First Quarter ended June 30, 2009: 381,160 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                | -                   | 5.5      | 18.00  |
| Year ending March 31, 2010           | -                   |                      |                     |          |        |
| Year ending March 31, 2010 (Planned) |                     | 4.00                 | -                   | 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                                  |
| First Half ending September 30, 2009 | 340,000     | (30.2) | (32,000)         | - | (36,000)        | - | (29,000)    | - | (73.16)                              |
| Full year                            | 710,000     | (19.3) | (30,000)         | - | (36,000)        | - | (28,000)    | - | (70.64)                              |

(Note) Revision of forecast for this period: Yes

#### 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 4 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 Quarter ended June 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 Quarter ended June 30, 2009 4,485,845 shares

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

3. Average number of shares during the term:

First Quarter ended June 30, 2009 396,399,625 shares

First Quarter ended June 30, 2008 397,529,081 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 three months ended June 30, 2009, the Precision Equipment Business and the Instruments Business continued to suffer significantly from the impact of cutbacks in capital investments by clients since the prior fiscal year. Furthermore, the Imaging Products Business was heavily affected by the strong yen and weak market conditions.

As a result, net sales for the three months ended June 30, 2009 dropped 26.4% year-on-year to 175,147 million yen, operating income was down 97.5% to 730 million yen, ordinary loss totaled 1,324 million yen (compared with ordinary income of 29,111 million yen in the same period the previous year) and net loss posted 3,997 million yen (compared with net income of 17,954 million yen in the same period the previous year).

Performance by business segment is as follows.

The Precision Equipment Business recorded lower earnings on lower revenue year-on-year due to the significant slowdown in capital investments stemming from sluggish worldwide demand in the semiconductor-related market and the liquid crystal panel-related market.

The Imaging Products Business recorded a decrease in both revenue and earnings from the same period in the previous year, despite the stronger-than-expected sales of medium/high-end models and interchangeable lenses of SLR (single-lens reflex) cameras, due to the heavy impact of the stronger yen, in addition to the effects of weak market conditions.

In the Instruments Business, the industrial instruments business suffered heavily from the effect of cutbacks in capital investments, resulting in a decrease in both revenue and earnings from the same period in the previous year in spite of the solid performance by the bioscience business, mainly with respect to system products.

### **2. Qualitative information regarding the consolidated financial position**

During the three months ended June 30, 2009, total assets increased by 26,191 million yen from the end of the previous fiscal year to 775,996 million yen. This is due mainly to the increase in cash and deposits and in investment securities.

Total liabilities increased by 23,863 million yen from the end of the previous fiscal year to 394,581 million yen due mainly to the increase in bonds by 20 billion yen associated with the issue of unsecured bonds.

Total net assets rose by 2,328 million yen from the end of the previous fiscal year to 381,415 million yen. This is attributed to the increase in the valuation difference on available-for-sale securities, in spite of the posting of the net loss and the payment of cash dividends.

During the three months ended June 30, 2009, cash flows from operating activities amounted to an inflow of 6,584 million yen. This is due mainly to the posting of 8,069 million yen in depreciation and amortization and the increase in current liabilities including advances received, despite the posting of 2,808 million yen in loss before income taxes and the increase in notes and accounts receivable-trade by 3,737 million yen. Cash flows from investing activities amounted to an outflow of 8,472 million yen, due mainly to the expenditure in the amount of 7,037 million yen for the purchase of property, plant and equipment. Cash flows from financing activities amounted to an inflow of 14,814 million yen mainly because of the issuance of unsecured bonds to raise 20 billion yen.

### **3. Qualitative information regarding the consolidated financial forecasts**

In the Precision Equipment Business, while capital investments are expected to recover gradually in liquid crystal panel-related fields, semiconductor-related fields are considered to continue facing a tough business environment, as device manufacturers continue cutting back capital investments due to the sluggish market conditions. Under these circumstances, we will proceed with the reorganization of business location and structural reform in the Precision Equipment Business announced in May 2009 as planned, and plan to revalue inventories in consideration of market conditions in the semiconductor-related business. In the Imaging Products Business, while it is expected to continue recovering since bottoming out from the fourth quarter of previous fiscal year, lower earnings on lower revenue are expected to be recorded in contrast with the posting of high levels of revenue and earnings in the previous year, due to such factors as sluggish personal consumption in some regions and the transition to models at more affordable price levels, in addition to the impact of the strong yen. In the Instruments Business, the industrial instruments business is expected to be affected by cutbacks in capital investments as the semiconductors, automotive, and electronic component markets are expected to remain dull.

The consolidated financial forecasts for the first half ending September 30, 2009 and the year ending March 31, 2010 are as stated in the "Revision of the Forecasts of Consolidated Financial Results for the Year ending March 31, 2010" announced on August 5, 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 June 30, 2009 | As of March 31, 2009 |
|--|---------------------|----------------------|
| <b>Assets</b>                          |                     |                      |
| Current assets                         |                     |                      |
| Cash and deposits                      | 93,573              | 80,350               |
| Notes and accounts receivable-trade    | 125,762             | 121,155              |
| Inventories                            | 263,890             | 265,214              |
| Other                                  | 61,402              | 59,219               |
| Allowance for doubtful accounts        | (7,247)             | (7,005)              |
| Total current assets                   | 537,381             | 518,935              |
| Noncurrent assets                      |                     |                      |
| Property, plant and equipment          |                     |                      |
| Buildings and structures, net          | 43,169              | 43,054               |
| Machinery, equipment and vehicles, net | 38,108              | 38,930               |
| Land                                   | 14,999              | 14,970               |
| Construction in progress               | 8,183               | 6,860                |
| Other, net                             | 23,137              | 22,257               |
| Total property, plant and equipment    | 127,597             | 126,072              |
| Intangible assets                      | 25,811              | 25,379               |
| Investments and other assets           |                     |                      |
| Investment securities                  | 60,380              | 50,176               |
| Other                                  | 24,885              | 29,301               |
| Allowance for doubtful accounts        | (60)                | (60)                 |
| Total investments and other assets     | 85,205              | 79,417               |
| Total noncurrent assets                | 238,615             | 230,869              |
| Total assets                           | 775,996             | 749,805              |

|   | As of June 30, 2009 | As of March 31, 2009 |
|---|---------------------|----------------------|
| <b>Liabilities</b>                                    |                     |                      |
| Current liabilities                                   |                     |                      |
| Notes and accounts payable-trade                      | 116,413             | 119,469              |
| Short-term loans payable                              | 14,211              | 16,373               |
| Commercial papers                                     | 20,000              | 20,000               |
| Current portion of bonds                              | 10,000              | 10,000               |
| Income taxes payable                                  | 2,735               | 2,947                |
| Provision for product warranties                      | 6,182               | 6,685                |
| Other   | 123,469             | 113,858              |
| Total current liabilities                             | 293,012             | 289,335              |
| Noncurrent liabilities                                |                     |                      |
| Bonds payable   | 52,900              | 32,900               |
| Long-term loans payable                               | 26,690              | 26,756               |
| Provision for retirement benefits                     | 14,882              | 14,022               |
| Provision for directors' retirement benefits          | 446                 | 469                  |
| Other   | 6,650               | 7,234                |
| Total noncurrent liabilities                          | 101,569             | 81,382               |
| Total liabilities                                     | 394,581             | 370,718              |
| <b>Net assets</b>                                     |                     |                      |
| Shareholders' equity                                  |                     |                      |
| Capital stock   | 65,475              | 65,475               |
| Capital surplus                                       | 80,711              | 80,711               |
| Retained earnings                                     | 258,646             | 264,827              |
| Treasury stock  | (13,454)            | (13,439)             |
| Total shareholders' equity                            | 391,379             | 397,576              |
| Valuation and translation adjustments                 |                     |                      |
| Valuation difference on available-for-sale securities | 4,155               | (2,429)              |
| Deferred gains or losses on hedges                    | (181)               | (915)                |
| Foreign currency translation adjustments              | (14,192)            | (15,377)             |
| Total valuation and translation adjustments           | (10,218)            | (18,722)             |
| Subscription rights to shares                         | 254                 | 233                  |
| Total net assets                                      | 381,415             | 379,086              |
| Total liabilities and net assets                      | 775,996             | 749,805              |

(2) Consolidated Statement of Income  
First Quarter ended June 30, 2009

(Million yen)

|  | Three months ended June 30, 2008<br>(from April 1, 2008<br>to June 30, 2008) | Three months ended June 30, 2009<br>(from April 1, 2009<br>to June 30, 2009) |
|--|--|--|
| Net sales                                    | 237,870  | 175,147  |
| Cost of sales                                | 139,152  | 116,306  |
| Gross profit                                 | 98,718   | 58,840   |
| Selling, general and administrative expenses | 69,998   | 58,110   |
| Operating income                             | 28,720   | 730  |
| Non-operating income                         |  |  |
| Interest income                              | 371  | 56   |
| Dividends income                             | 608  | 444  |
| Dividends income of life insurance           | -  | 437  |
| Equity in earnings of affiliates             | 405  | 197  |
| Other  | 1,233  | 673  |
| Total non-operating income                   | 2,619  | 1,810  |
| Non-operating expenses                       |  |  |
| Interest expenses                            | 348  | 177  |
| Cash discount                                | 1,431  | 981  |
| Foreign exchange losses                      | -  | 2,109  |
| Other  | 447  | 595  |
| Total non-operating expenses                 | 2,227  | 3,864  |
| Ordinary income (loss)                       | 29,111   | (1,324)  |
| Extraordinary income                         |  |  |
| Gain on sales of noncurrent assets           | 25   | 5  |
| Total extraordinary income                   | 25   | 5  |
| Extraordinary loss                           |  |  |
| Loss on retirement of noncurrent assets      | 388  | 125  |
| Loss on sales of noncurrent assets           | 3  | 3  |
| Loss on valuation of investment securities   | -  | 36   |
| Restructuring loss                           | -  | 1,324  |
| Total extraordinary loss                     | 391  | 1,489  |
| Income (loss) before income taxes            | 28,745   | (2,808)  |
| Income taxes                                 | 10,790   | 1,189  |
| Net income (loss)                            | 17,954   | (3,997)  |

## (3) Consolidated Statement of Cash Flows

(Million yen)

|   | Three months ended<br>June 30, 2008<br>(from April 1, 2008<br>to June 30, 2008) | Three months ended<br>June 30, 2009<br>(from April 1, 2009<br>to June 30, 2009) |
|---|---|---|
| Cash flows from operating activities                        |   |   |
| Income (loss) before income taxes                           | 28,745  | (2,808)   |
| Depreciation and amortization                               | 7,313   | 8,069   |
| Increase in allowance for doubtful accounts                 | 86  | 314   |
| Decrease in provision for product warranties                | (840)   | (488)   |
| Increase in provision for retirement benefits               | 88  | 872   |
| Decrease in provision for directors' retirement benefits    | (112)   | (22)  |
| Interest and dividends income                               | (979)   | (501)   |
| Equity in earnings of affiliates                            | (405)   | (197)   |
| Interest expenses   | 348   | 177   |
| Gain on sales of noncurrent assets                          | (21)  | (2)   |
| Loss on retirement of noncurrent assets                     | 388   | 125   |
| Loss on revaluation of investment securities                | -   | 36  |
| Increase in notes and accounts receivable-trade             | (2,023)   | (3,737)   |
| Decrease(increase) in inventories                           | (7,265)   | 1,668   |
| Decrease in notes and accounts payable-trade                | (8,066)   | (2,641)   |
| Other, net  | 8,854   | 6,493   |
| Subtotal  | 26,108  | 7,359   |
| Interest and dividends income received                      | 909   | 1,261   |
| Interest expenses paid                                      | (409)   | (219)   |
| Income taxes paid   | (29,570)  | (1,817)   |
| Net cash provided(used) by operating activities             | (2,961)   | 6,584   |
| Cash flows from investing activities                        |   |   |
| Purchase of property, plant and equipment                   | (6,994)   | (7,037)   |
| Proceeds from sales of property, plant and equipment        | 312   | 49  |
| Purchase of investment securities                           | (1,310)   | (1)   |
| Net Decrease(increase) in loans receivable                  | (154)   | 49  |
| Other, net  | (4,180)   | (1,531)   |
| Net cash used in investing activities                       | (12,328)  | (8,472)   |
| Cash flows from financing activities                        |   |   |
| Net increase(decrease) in short-term loans payable          | 9,506   | (2,056)   |
| Proceeds from long-term loans payable                       | 1,700   | -   |
| Repayments of long-term loans payable                       | (2,209)   | (240)   |
| Redemption of bonds   | -   | 19,894  |
| Cash dividends paid   | (4,859)   | (1,948)   |
| Purchase of treasury stock                                  | (12,080)  | (21)  |
| Other, net  | (622)   | (813)   |
| Net cash provided(used) in financial activities             | (8,565)   | 14,814  |
| Effect of exchange rate change on cash and cash equivalents | 2,272   | 815   |
| Net Increase(decrease) in cash and cash equivalents         | (21,581)  | 13,741  |
| Cash and cash equivalents at beginning of period            | 112,957   | 79,806  |
| Cash and cash equivalents at end of period                  | 91,375  | 93,547  |



(4) Notes regarding Going Concern Assumption  
Not applicable

(5) Segment Information

[Industry Segments]

Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

(Million yen)

|                                | Precision Equipment | Imaging Products | Instruments | Other  | Total   | (Eliminations) or corporate | Consolidated |
|--------------------------------|---------------------|------------------|-------------|--------|---------|-----------------------------|--------------|
| Net sales                      |                     |                  |             |        |         |                             |              |
| 1) Outside customers           | 57,905              | 164,859          | 10,933      | 4,172  | 237,870 | -                           | 237,870      |
| 2) Intersegment sales/transfer | 385                 | 377              | 556         | 7,037  | 8,357   | (8,357)                     | -            |
| Total                          | 58,290              | 165,237          | 11,489      | 11,209 | 246,227 | (8,357)                     | 237,870      |
| Operating income (loss)        | 6,217               | 23,127           | (1,092)     | 691    | 28,944  | (224)                       | 28,720       |

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

|                                | Precision Equipment | Imaging Products | Instruments | Other  | Total   | (Eliminations) or corporate | Consolidated |
|--------------------------------|---------------------|------------------|-------------|--------|---------|-----------------------------|--------------|
| Net sales                      |                     |                  |             |        |         |                             |              |
| 1) Outside customers           | 27,308              | 135,429          | 8,160       | 4,249  | 175,147 | -                           | 175,147      |
| 2) Intersegment sales/transfer | 193                 | 65               | 200         | 6,676  | 7,136   | (7,136)                     | -            |
| Total                          | 27,501              | 135,494          | 8,361       | 10,926 | 182,283 | (7,136)                     | 175,147      |
| Operating income (loss)        | (10,087)            | 12,477           | (1,609)     | 101    | 882     | (151)                       | 730          |

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]

Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

(Million yen)

|                                | Japan   | North America | Europe | Asia/Oceania | Total   | (Eliminations) or corporate | Consolidated |
|--------------------------------|---------|---------------|--------|--------------|---------|-----------------------------|--------------|
| Net sales                      |         |               |        |              |         |                             |              |
| 1) Outside customers           | 77,199  | 63,482        | 60,788 | 36,400       | 237,870 | -                           | 237,870      |
| 2) Intersegment sales/transfer | 122,494 | 523           | 85     | 37,941       | 161,046 | (161,046)                   | -            |
| Total                          | 199,693 | 64,006        | 60,874 | 74,342       | 398,916 | (161,046)                   | 237,870      |
| Operating income               | 24,863  | 1,405         | 48     | 3,870        | 30,186  | (1,466)                     | 28,720       |

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

|                                | Japan   | North America | Europe | Asia/Oceania | Total   | (Eliminations) or corporate | Consolidated |
|--------------------------------|---------|---------------|--------|--------------|---------|-----------------------------|--------------|
| Net sales                      |         |               |        |              |         |                             |              |
| 1) Outside customers           | 31,893  | 63,294        | 47,745 | 32,213       | 175,147 | -                           | 175,147      |
| 2) Intersegment sales/transfer | 110,117 | 559           | 6      | 31,894       | 142,578 | (142,578)                   | -            |
| Total                          | 142,011 | 63,854        | 47,751 | 64,108       | 317,725 | (142,578)                   | 175,147      |
| Operating income (loss)        | (6,184) | (668)         | 2,174  | 4,756        | 79      | 650                         | 730          |

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]

Three months ended June 30, 2008 (From April 1, 2008, to June 30, 2008)

(Million yen)

|                     | North America | Europe | Asia/Oceania | Other | Total   |
|---------------------|---------------|--------|--------------|-------|---------|
| I. Export sales (A) | 59,924        | 57,388 | 61,225       | 4,037 | 182,575 |
| II. Net sales (B)   |               |        |              |       | 237,870 |
| III. (A)/(B)        | 25.2          | 24.1   | 25.8         | 1.7   | 76.8    |

Three months ended June 30, 2009 (From April 1, 2009, to June 30, 2009)

|                     | North America | Europe | Asia/Oceania | Other | Total   |
|---------------------|---------------|--------|--------------|-------|---------|
| I. Export sales (A) | 60,584        | 46,977 | 36,477       | 3,209 | 147,248 |
| II. Net sales (B)   |               |        |              |       | 175,147 |
| III. (A)/(B)        | 34.6          | 26.8   | 20.9         | 1.8   | 84.1    |

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.