



August 8th, 2012

## Consolidated Financial Results of the First Quarter ended June 30, 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 First Quarter ended June 30, 2012 (From April 1, 2012 to June 30, 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	%
Three months ended June 30, 2012	259,431	5.6	23,368	(36.7)	23,403	(38.0)	15,770	(48.6)
Three months ended June 30, 2011	245,567	19.7	36,920	226.4	37,753	196.3	30,682	276.3

(Note) Comprehensive Income: First Quarter ended, June 30, 2012: 5,857 million yen ; -79.5%

First Quarter ended, June 30, 2011: 28,596 million yen ; -%

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Three months ended June 30, 2012	39.77	39.72
Three months ended June 30, 2011	77.39	77.31

### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
First Quarter ended June 30, 2012	842,028	430,613	51.1
Year ended March 31, 2012	860,230	433,616	50.3

(Reference) Equity: First Quarter ended June 30, 2012: 429,957 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	—				
Year ending March 31, 2013 (Planned)		19.00	—	22.00	41.00

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

### 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
First Half ending September 30, 2012	485,000	(0.3)	34,000	(44.4)	37,000	(43.2)	27,000	(46.5)	68.09
Full year	1,020,000	11.0	85,000	6.1	90,000	0.7	60,000	1.2	151.31

(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):

First Quarter ended June 30, 2012 400,878,921 shares

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

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

First Quarter ended June 30, 2012 4,319,491 shares

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

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

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

First Quarter ended June 30, 2011 396,482,664 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 three months ended June 30, 2012, markets in both the Precision Equipment Business and the Instruments Business were affected by restraint in capital investment. In the Imaging Products Business, although the compact digital camera market shrank, the interchangeable lens type digital camera market continued to expand.

As a result of the foregoing, net sales for the three months ended June 30, 2012 increased by 13,864 million yen (5.6%) year on year to 259,431 million yen, operating income decreased by 13,551 million yen (36.7%) year on year to 23,368 million yen, ordinary income was down 14,349 million yen (38.0%) year on year to 23,403 million yen, resulting in net income of 15,770 million yen, a decrease of 14,911 million yen (48.6%) year on year.

Performance by business segment is as follows.

In the Precision Equipment Business amid the impact of restraint in capital investment, although the LCD steppers and scanners field posted sales from the previous fiscal year, conditions were challenging in the IC steppers and scanners field. As a result, the business overall recorded a decrease in revenue and profit.

In the Imaging Products Business, record high unit sales were recorded for quarterly sales of interchangeable lens type digital cameras and interchangeable lenses, and for first quarter sales of compact digital cameras. Although there was a decline in operating income due mainly to the effects of the strong yen against the euro, net sales for the quarter reached record high levels.

In the Instruments Business, the bioscience business was affected by government budgets cuts and deferred implementation primarily in Europe, and the industrial instruments business experienced a harsh business climate amid worsening market conditions. The impact of the exchange rate was also felt, resulting in a drop in revenue and profit across the business.

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

During the first quarter ended June 30, 2012, total assets decreased by 18,201 million yen from the end of the previous fiscal year to 842,028 million yen. This is due mainly to the decrease by 12,140 million yen in cash and deposits, and the decrease by 16,751 million yen in accounts receivable due mainly to insurance income relating to the Thailand flood, in spite of the increase by 11,469 million yen in inventory.

Total liabilities decreased by 15,198 million yen from the end of the previous fiscal year to 411,415 million yen. This is due mainly to the decrease by 12,063 million yen in income tax payable, and the decrease by 22,458 million yen in advances received, in spite of the increase by 20,999 million yen in notes and accounts payable-trade.

Total net assets decreased by 3,003 million yen from the end of the previous fiscal year to 430,613 million yen. This is due mainly to the decrease by 8,892 million yen in foreign currency translation adjustment due to the progressing yen appreciation, in spite of the increase by 6,790 million yen in retained earnings through the posting of net income.

During the three months ended June 30, 2012, cash flows from operating activities amounted to an inflow of 21,701 million yen (compared with an inflow of 9,708 million yen in the same period of the previous year). This is due mainly to the increase by 22,518 million yen in notes and accounts payable and posting of income before income taxes by 23,021 million yen, in spite of the increase in inventory by 16,204 million yen, and the decrease in advance received by 21,640 million yen.

Cash flows from investing activities amounted to an outflow of 21,968 million yen (compared with an outflow of 8,351 million yen in the same period of the previous year), due mainly to expenditure in the amount of 20,439 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities amounted to an outflow of 8,241 million yen (compared with an outflow of 5,847 million yen in the same period of the previous year) mainly because of 7,661 million yen in cash dividends paid.

### (3) Qualitative Information regarding the Consolidated Financial Forecasts

Challenging conditions are expected to persist in the Precision Equipment Business and the Instruments Business, due to weak capital investment in related fields. In the Imaging Products Business, both revenue and profit of interchangeable lens type digital cameras and compact digital cameras are expected to grow due to an increase in sales volume, although more intensifying competition is expected.

Based on business assumptions above, in view of the foregoing business environment, the consolidated forecast for the year ending March 31, 2013 announced on May 10, 2012 is revised as follows, since the economic situation is increasingly unpredictable and the impact of the strong yen against the euro is expected to exceed the Group's initial assumption.

\* Assumed exchange rates for the second and subsequent quarters are 80 yen to 1 U.S. dollar, and 100 yen to 1 euro.

Revised Consolidated Forecast for the First Half Ending September 30, 2012 (From April 1, 2012 to September 30, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share of common stock
	million yen	million yen	million yen	million yen	Yen
Previous Forecast (A)	485,000	35,000	38,000	29,000	73.14
Revised Forecast (B)	485,000	34,000	37,000	27,000	68.09
Difference (B-A)	-	(1,000)	(1,000)	(2,000)	-
Ratio (%)	-	(2.9)	(2.6)	(6.9)	-

Revised Consolidated Forecast for the Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share of common stock
	million yen	million yen	million yen	million yen	Yen
Previous Forecast (A)	1,030,000	90,000	94,000	65,000	163.93
Revised Forecast (B)	1,020,000	85,000	90,000	60,000	151.31
Difference (B-A)	(10,000)	(5,000)	(4,000)	(5,000)	-
Ratio (%)	(1.0)	(5.6)	(4.3)	(7.7)	-

## 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 June 30, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	132,404	120,264
Notes and accounts receivable-trade	137,533	132,020
Merchandise and finished goods	118,899	124,892
Work in process	112,143	117,881
Raw materials and supplies	31,991	31,728
Other	81,171	66,220
Allowance for doubtful accounts	(4,667)	(4,536)
Total Current Assets	609,474	588,471
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	37,807	39,276
Machinery, equipment and vehicles, net	35,200	42,309
Land	14,609	14,469
Construction in progress	23,809	24,397
Other, net	19,517	20,716
Total property, plant and equipment	130,943	141,168
Intangible assets		
Goodwill	5,157	4,978
Other	27,927	27,690
Total intangible assets	33,085	32,668
Investments and other assets		
Investment securities	55,355	49,976
Other	31,578	29,941
Allowance for doubtful accounts	(207)	(197)
Total investments and other assets	86,727	79,719
Total noncurrent assets	250,755	253,557
Total assets	860,230	842,028

(Million of yen)

	As of March 31, 2012	As of June 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	155,338	176,338
Short-term loans payable	18,350	18,449
Income taxes payable	15,076	3,013
Provision for product warranties	7,594	7,766
Other	145,650	121,949
Total current liabilities	342,009	327,515
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	22,900	22,900
Provision for retirement benefits	3,700	3,216
Asset retirement obligations	2,365	2,502
Other	15,638	15,280
Total noncurrent liabilities	84,604	83,899
Total liabilities	426,613	411,415
Net assets		
Shareholders' equity		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	319,823	326,614
Treasury stock	(12,992)	(12,924)
Total shareholders' equity	453,017	459,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,061	(623)
Deferred gains or losses on hedges	(1,592)	1,071
Foreign currency translation adjustment	(21,474)	(30,367)
Total accumulated other comprehensive income	(20,005)	(29,918)
Subscription rights to shares	604	655
Total net assets	433,616	430,613
Total liabilities and net assets	860,230	842,028

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

## ① Consolidated Statements of Income

Three months ended June 30, 2012

(Million of yen)

	Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)
Net sales	245,567	259,431
Cost of sales	144,687	162,456
Gross profit	100,880	96,975
Selling, general and administrative expenses	63,959	73,606
Operating income	36,920	23,368
Non-operating income		
Interest income	188	175
Dividends income	641	753
Dividends income of life insurance	470	479
Equity in earnings of affiliates	255	279
Other	515	556
Total non-operating income	2,071	2,244
Non-operating expenses		
Interest expenses	260	276
Foreign exchange losses	693	1,577
Other	284	354
Total non-operating expenses	1,239	2,209
Ordinary income	37,753	23,403
Extraordinary income		
Gain on sales of noncurrent assets	9	103
Total extraordinary income	9	103
Extraordinary loss		
Loss on retirement of noncurrent assets	37	—
Loss on sales of noncurrent assets	0	4
Impairment loss	—	352
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	75	128
Total extraordinary losses	112	485
Income before income taxes	37,650	23,021
Income taxes-current	6,968	7,251
Income before minority interests	30,682	15,770
Net income	30,682	15,770



② Consolidated Statements of Comprehensive Income

Three months ended June 30, 2012

(Million of yen)

	Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)
Income before minority interests	30,682	15,770
Other comprehensive income		
Valuation difference on available-for-sale securities	(775)	(3,684)
Deferred gains or losses on hedges	1,034	2,664
Foreign currency translation adjustment	(2,481)	(8,892)
Share of other comprehensive income of associates accounted for using equity method	137	0
Total other comprehensive income	(2,085)	(9,912)
Comprehensive income	28,596	5,857
(Breakdown)		
Comprehensive income attributable to owners of the parent	28,596	5,857

## (3) Consolidated Statement of Cash Flows

(Million of yen)

	Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)
Net cash provided by (used in) operating activities		
Income before income tax	37,650	23,021
Depreciation and amortization	7,587	7,774
Impairment loss	—	352
Increase (decrease) in allowance for doubtful accounts	(77)	100
Increase (decrease) in provision for product warranties	551	423
Increase (decrease) in provision for retirement benefits	(751)	(372)
Interest and dividends income	(829)	(928)
Equity in (earnings) losses of affiliates	(255)	(279)
Interest expenses	260	276
Loss (gain) on sales of noncurrent assets	(9)	(98)
Loss (gain) on sales of investment securities	0	—
Loss (gain) on valuation of investment securities	75	128
Decrease (increase) in notes and accounts receivable-trade	(6,797)	2,822
Decrease (increase) in inventories	(12,595)	(16,204)
Increase (decrease) in notes and accounts payable-trade	3,216	22,518
Increase (decrease) in advances received	(7,890)	(21,640)
Other, net	(6,222)	19,650
Subtotal	13,911	37,543
Interest and dividends income received	708	857
Interest expenses paid	(260)	(267)
Income taxes (paid) refund	(4,650)	(16,432)
Net cash provided by (used in) operating activities	9,708	21,701
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(6,486)	(20,439)
Proceeds from sales of property, plant and equipment	395	566
Purchase of investment securities	(576)	(0)
Decrease (increase) in loans receivable	57	(596)
Other, net	(1,741)	(1,498)
Net cash provided by (used in) investing activities	(8,351)	(21,968)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,301)	(0)
Cash dividends paid	(5,047)	(7,661)
Other, net	501	(580)
Net cash provided by (used in) financing activities	(5,847)	(8,241)
Effect of exchange rate change on cash and cash equivalents	(955)	(3,587)
Net increase (decrease) in cash and cash equivalents	(5,446)	(12,096)
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	176,151	120,045

(4) Notes regarding Going Concern Assumption  
Not applicable

(5) Segment Information

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

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 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	61,686	167,047	11,110	239,844	5,722	245,567	—	245,567
Intersegment sales or transfer	271	382	572	1,226	5,443	6,669	(6,669)	—
Total	61,957	167,430	11,682	241,070	11,166	252,237	(6,669)	245,567
Operating income (loss)	10,624	31,796	(1,957)	40,464	370	40,834	(3,913)	36,920

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 464 million yen and corporate expenses of minus 4,378 million yen.

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

Three months ended June 30, 2012 (From April 1, 2012 to June 30, 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	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. Segment income or loss adjustment includes 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.

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