



# Nikon Corporation

## Summary of Conference in Tokyo For the Financial Results of the Year Ended March 31, 2005

**Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.**



# Financial Results for the Year Ended March 31, 2005

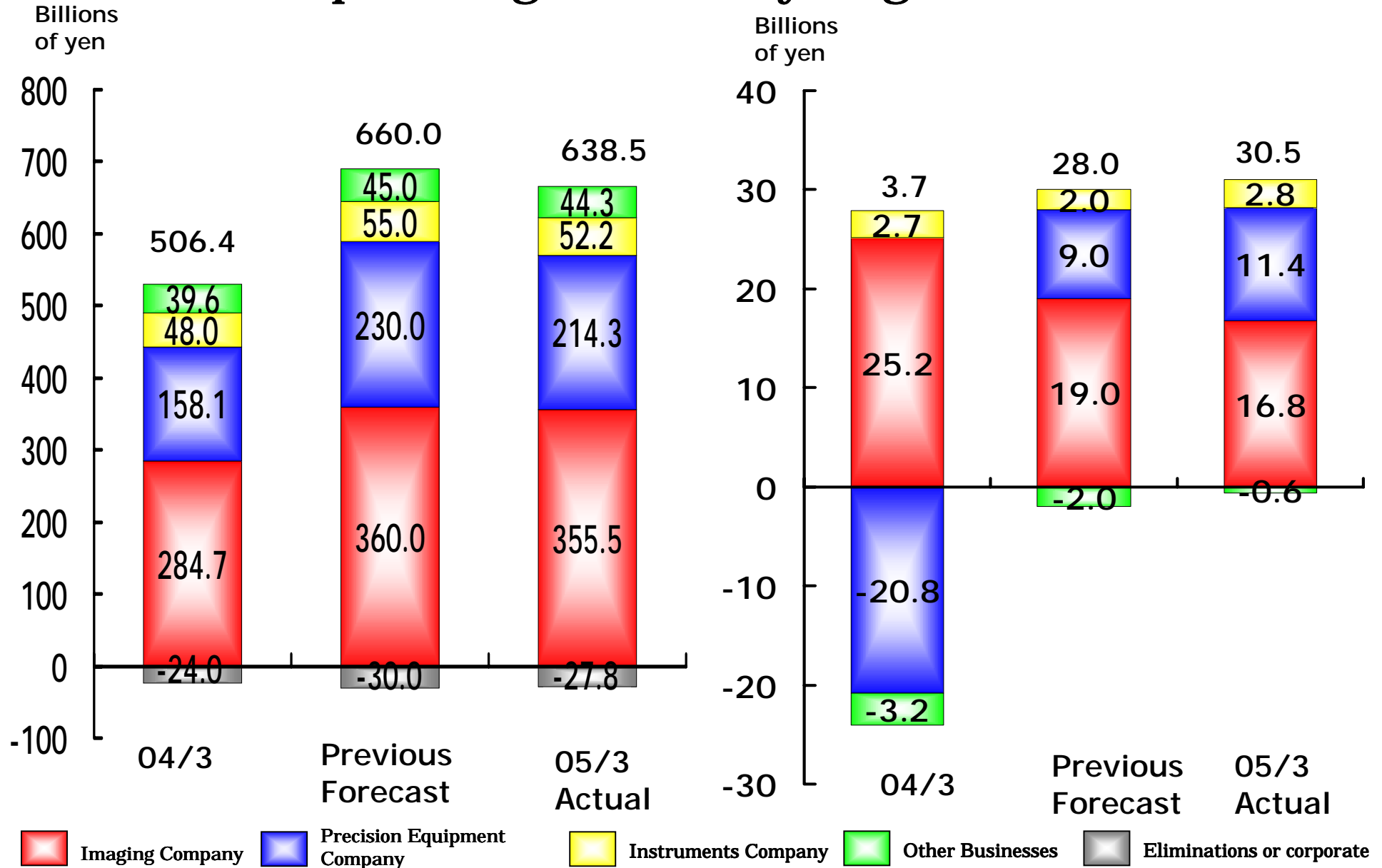


# Financial Highlights for the Year Ended March 31, 2005

Billions of Yen	04/3(A)	Previous Forecast(B)	05/3		
			Actual(C)	Change (C-A)	Change (C-B)
<b>Net Sales</b> (% vs Net Sales)	506.4 100%	660.0 100%	638.5 100%	+132.1	-21.5
<b>Operating Income</b> (% vs Net Sales)	3.7 0.7%	28.0 4.2%	30.5 4.8%	+26.8	+2.5
<b>Ordinary Income</b> (% vs Net Sales)	-4.3	19.0 2.9%	14.7 2.3%	+19.0	-4.3
<b>Net Income</b> (% vs Net Sales)	2.4 0.5%	28.6 4.3%	24.1 3.8%	+21.7	-4.5



# Sales and Operating Income by Segment





# Precision Equipment Company

	04/3	Previous Forecast	05/3 Actual Result
Net Sales (Billions of yen)	158.1	230.0	214.3
Operating Income (Billions of yen)	-20.8	9.0	11.4
New IC Steppers (Refurbished)	159(46)	210(55)	193(59)
LCD Steppers	52	85	87
Steppers TOTAL	257	350	339

Steppers(units sold)



# Imaging Company

	04/3	Previous Forecast	05/3 Actual Result
Net Sales (Billions of yen)	284.7	360.0	355.5
Operating Income (Billions of yen)	25.2	19.0	16.8
Single-Lens Reflex DSC	300	1,000	1,050
Compact DSC	5,100	5,600	5,560
Total DSC	5,400	6,600	6,610
Interchangeable Lenses	1,230	1,480	1,500
Film Single-Lens Reflex Camera	680	310	240
Film Compact Camera	600	60	50

**Cameras & Lenses(1,000 of units sold)**





# Summary for the Year Ended March 31, 2005

## The year of Earnings Recovery

Net sales fell short of our forecast as IC steppers sales missed the target, but easily reached an all-time high due to an increase in DSC sales.

Operating income exceeded our forecast, increasing to 30.5 billion yen, as improved profitability compensated more for reduced net sales.

Patent litigation against ASML, which had started in December 2001, was settled satisfactorily, resulting in a total of 145 million U.S. dollars (approximately 15.9 billion yen) in special profit. Profit for the period reached an all-time high.

The Company achieved positive free cash flow after four years of negative.

Interest-bearing debt was reduced to 195.3 billion yen, significantly less than our initial projection of 210 billion yen.

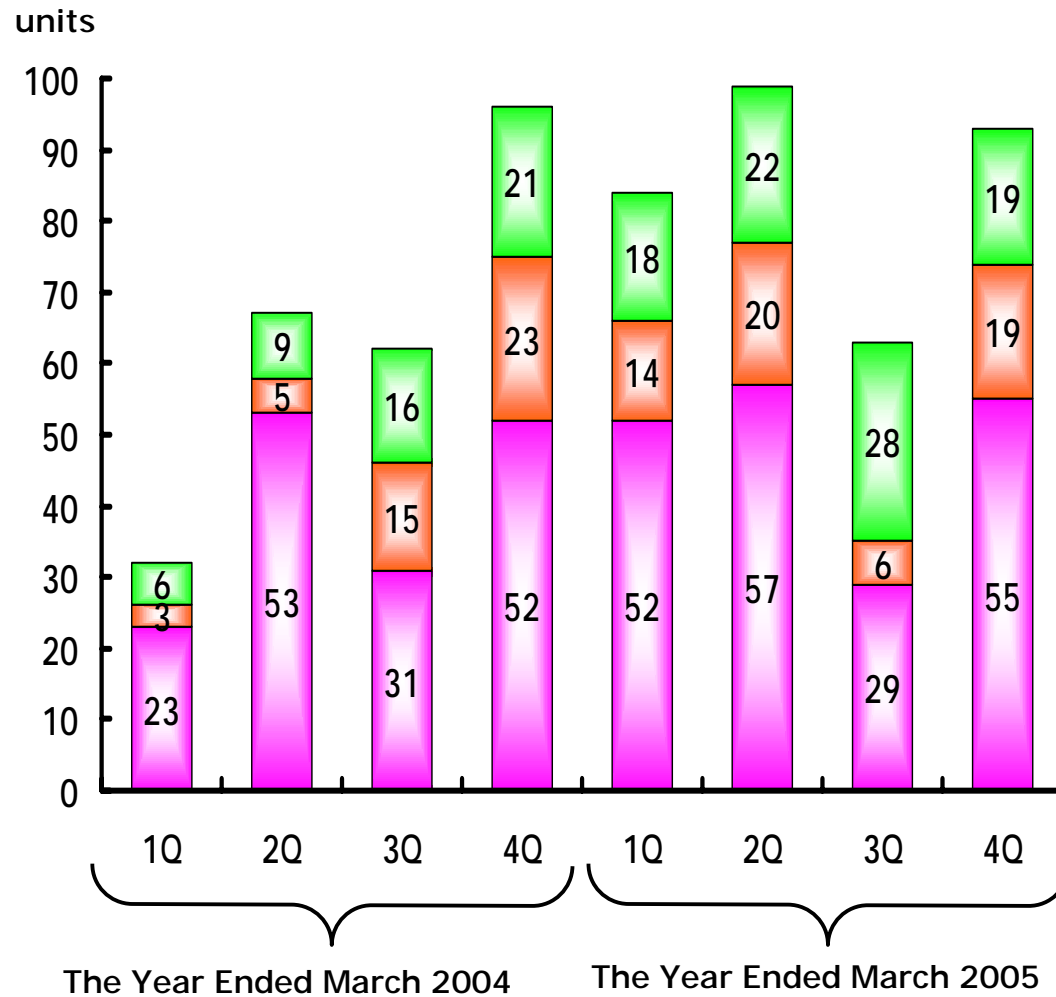


# Reference Data for the Year Ended March 31, 2005

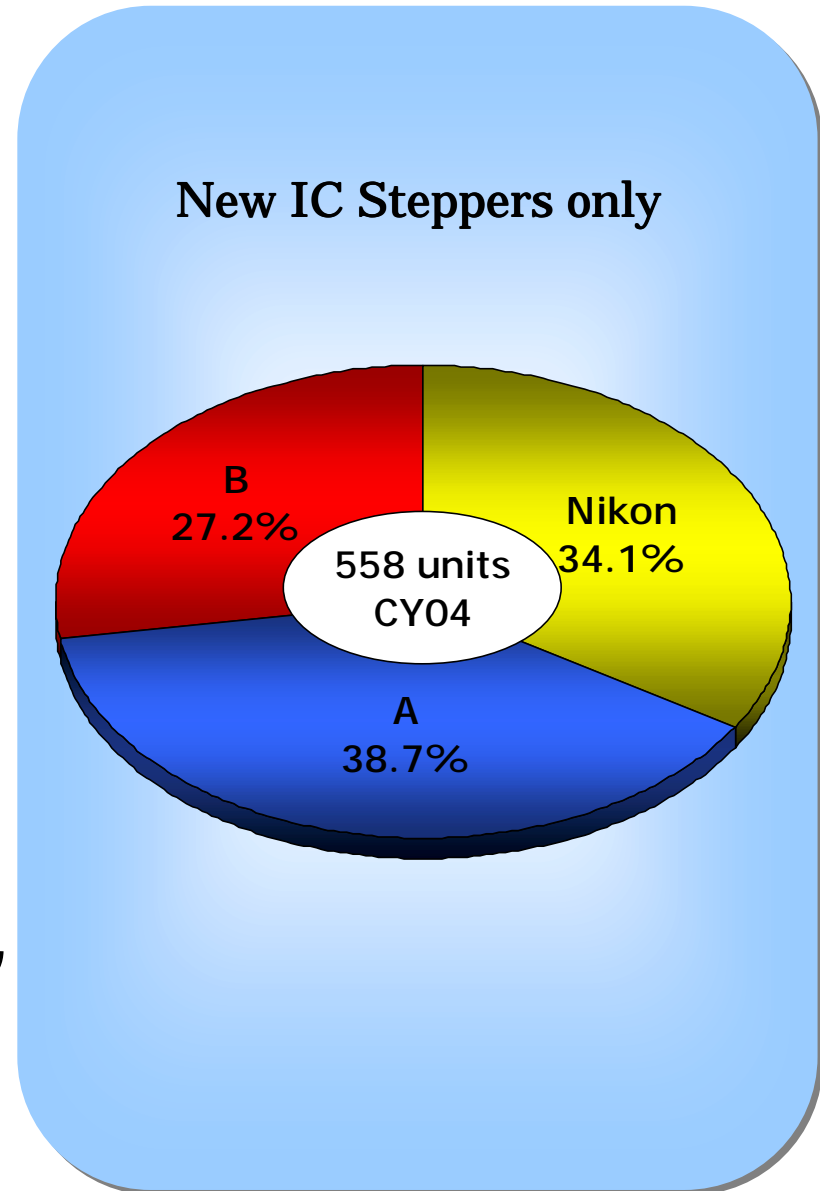




# Stepper Sales Volume and Market Share

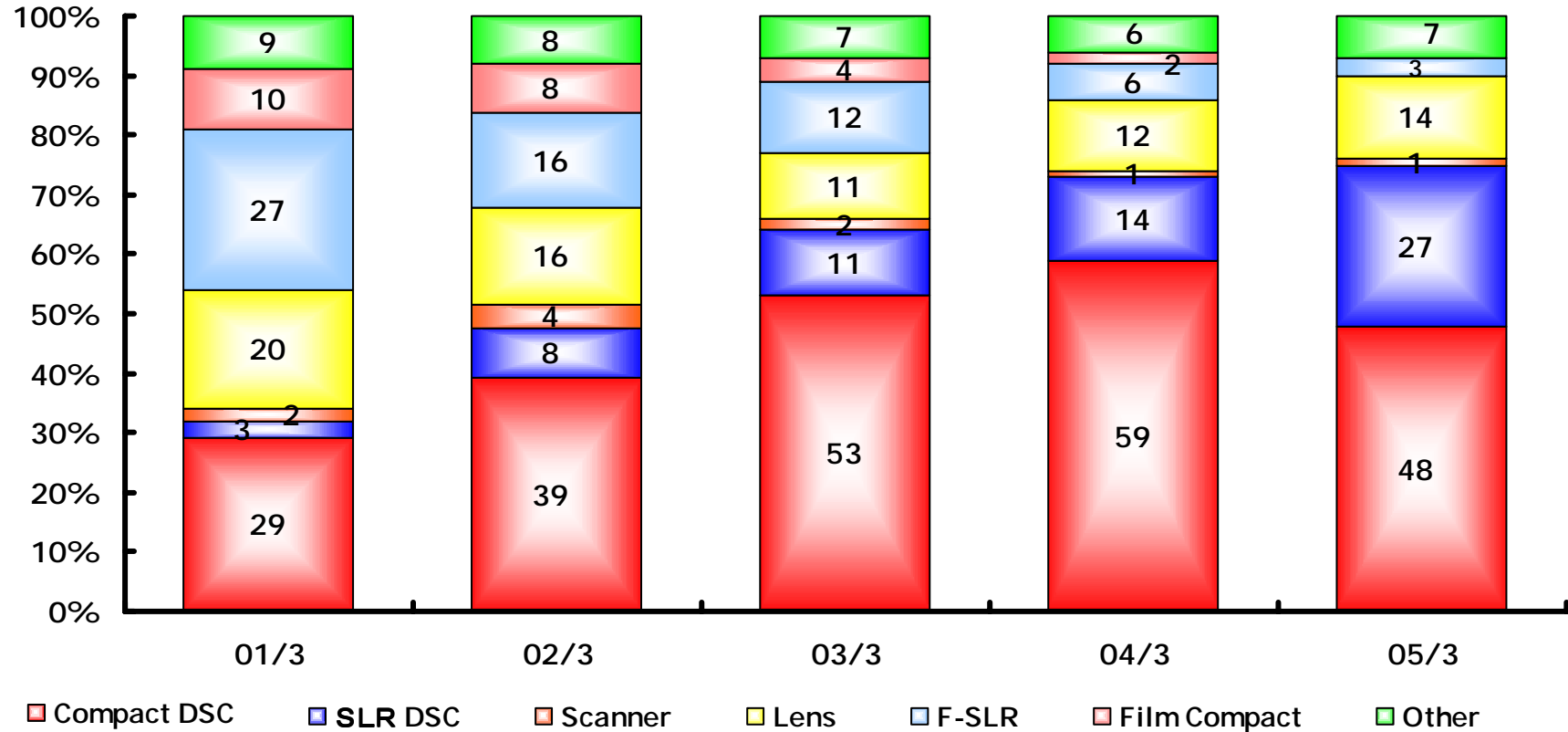


■ New IC Steppers  
 ■ Refurbished IC Steppers  
 ■ LCD Steppers

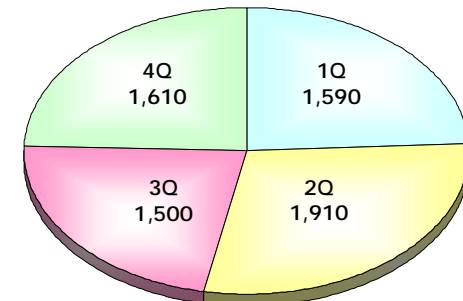




# Imaging Company: Sales by Product and DSC Shipments



**6,610 thousands units(05/3)**





# Forecasts for the Year Ending March 31, 2006

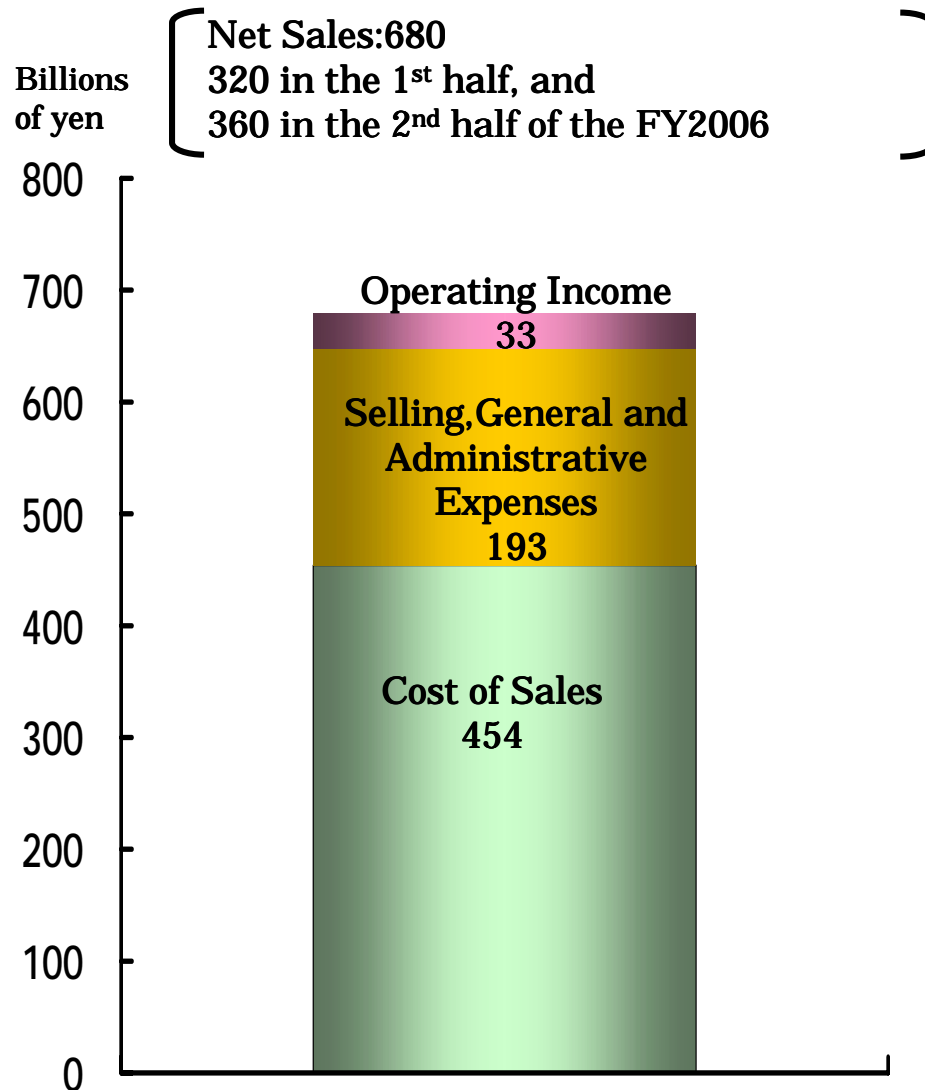


# Performance Forecasts for the Year ending March 31, 2006

Billions of Yen	05/3	06/3 Forecast	Change
<b>Net Sales</b> (% vs Net Sales)	638.5 100%	680.0 100%	+41.5
<b>Operating Income</b> (% vs Net Sales)	30.5 4.8%	33.0 4.9%	+2.5
<b>Ordinary Income</b> (% vs Net Sales)	14.7 2.3%	20.0 2.9%	+5.3
<b>Net Income</b> (% vs Net Sales)	24.1 3.8%	11.0 1.6%	-13.1



# Earnings Forecasts for the Year ending March 31, 2006



Operating Income	1 <sup>st</sup> half	¥33 billion	¥12 billion
	2 <sup>nd</sup> half		¥21 billion

Non-operating income	4.0
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Non-operating Expenses	17.0
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Ordinary Income	1 <sup>st</sup> half	¥20 billion	¥7.0 billion
	2 <sup>nd</sup> half		¥13.0 billion

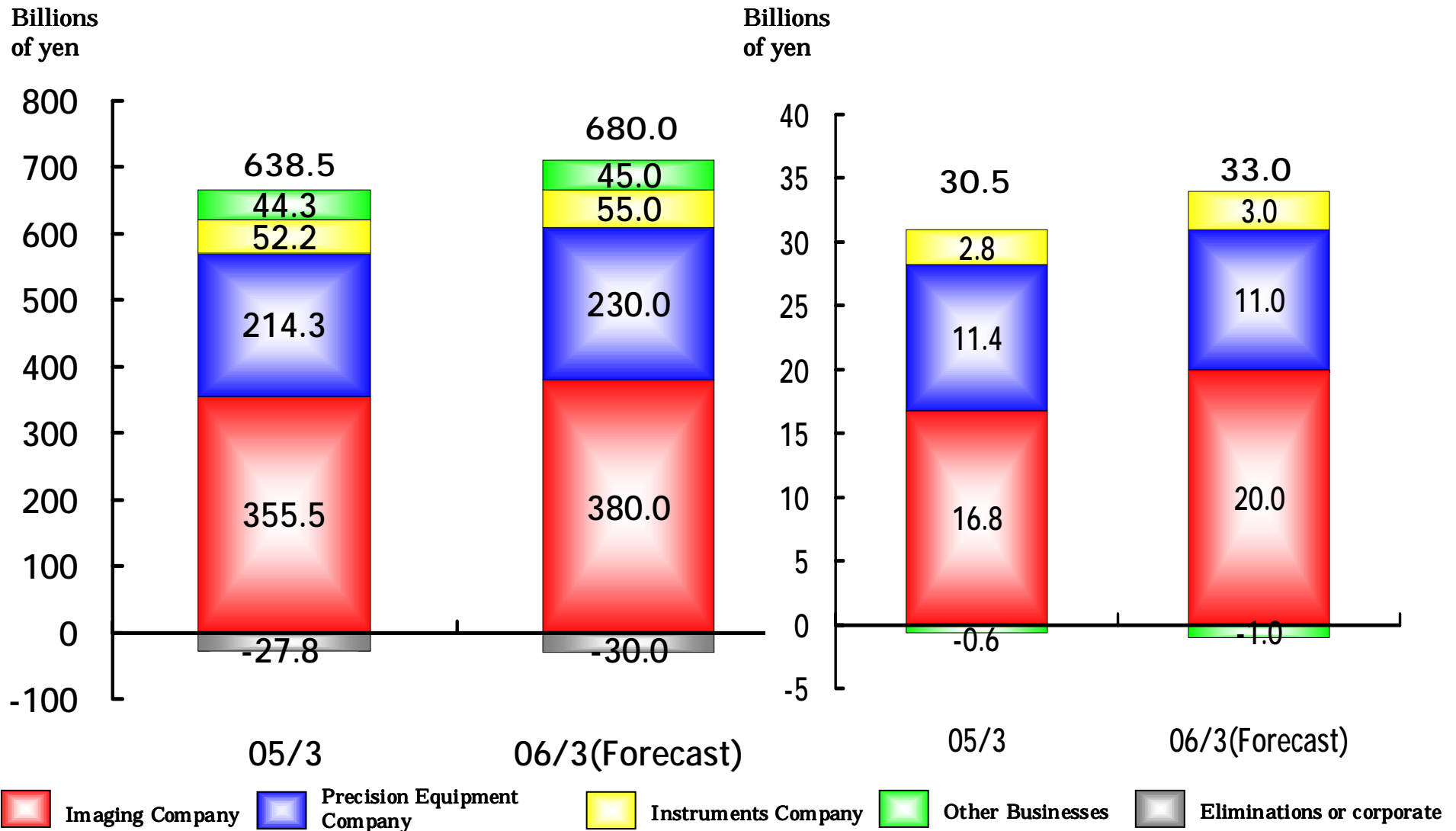
Extraordinary income	-2.0
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Income Taxes	7.0
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Net Income	1 <sup>st</sup> half	¥11.0 billion	¥4.0 billion
	2 <sup>nd</sup> half		¥7.0 billion



# Sales and Operating Income Forecasts by Segment for the Year ending March 31, 2006





# Forecasts for Precision Equipment Company

		05/3	1st Half	06/3	1st Half
		Actual Result	2nd Half	Forecast	2nd Half
Net Sales (Billions of yen)	214.3	108.6	230.0	110.0	
		105.7		120.0	
Operating Income (Billions of yen)	11.4	2.2	11.0	6.0	
		9.2		5.0	
New IC Steppers (Refurbished)	193(59)	109(34)	185(55)	85(20)	
		84(25)		100(35)	
LCD Steppers	87	40	65	35	
		47		30	
Steppers TOTAL	339	183	305	140	
		156		165	
Market Scale CY04/05	New IC Steppers	558		450	
	LCD Steppers	174		20~30% Decline from last Period	

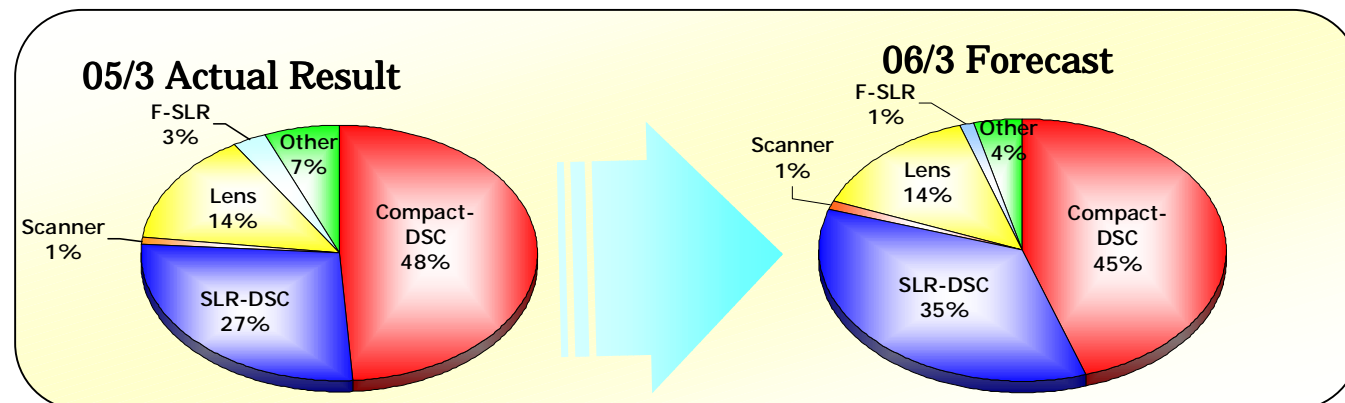
**Steppers(units sold)**



# Forecasts for Imaging Company

		05/3 Actual Result	1st Half 2nd Half	06/3 Forecast	1st Half 2nd Half
<b>Net Sales</b> (Billions of yen)		<b>355.5</b>	174.1	<b>380.0</b>	180.0
			181.4		200.0
<b>Operating Income</b> (Billions of yen)		<b>16.8</b>	7.2	<b>20.0</b>	6.0
			9.6		14.0
<b>Single-Lens Reflex DSC</b>		<b>1,050</b>	500	<b>1,600</b>	800
			550		800
<b>Compact DSC</b>		<b>5,560</b>	3,000	<b>6,000</b>	3,100
			2,560		2,900
<b>DSC Total</b>		<b>6,610</b>	3,500	<b>7,600</b>	3,900
			3,110		3,700
<b>Interchangeable Lenses</b>		<b>1,500</b>	740	<b>2,200</b>	1,150
			760		1,050
<b>Film Single-Lens Reflex Camera</b>		<b>240</b>	120	<b>140</b>	80
			120		60
<b>Market Scale FY</b>	<b>Compact-DSR</b>	<b>57,520</b>		<b>67,500</b>	
	<b>D-SLR</b>	<b>2,760</b>		<b>4,000 ~ 4,500</b>	

Cameras & Lenses (1,000 of units sold)







# Summary of Forecasts for the Year ending March 31, 2006

## The year of continued recovery

Net sales will continue to rise to new record highs, thanks to increasing unit prices for steppers and sales of DSCs.

Operating income will continue to rise due to more profitable business operations. Nikon will maintain the pace of recovery that it has sustained since March 2005.

Nikon aims to continue to reduce interest-bearing debt, to a level of 185 billion yen.

For each share of stock, the Company expects to pay a ¥4 cash dividend for the first half, and ¥8 for the entire fiscal year.



# Forecasts for the Year ending March 31, 2007



# Forecasts for the Year ending March 31, 2007

	Precision Equipment Company	Imaging Company	Instruments Company
Comments	Sales increase of ArF/immersion-ArF and 7G/8G LCD steppers	Expansion of SLR DSC Earnings improvement of C-DSC	Expansion of biotechnology Related
Net Sales	Increased	Increased	Increased
Operating Income	Increased	Increased	Increased