



(Summary for reference only)

Date: February 5, 2007

## Financial Results for the Third Quarter ended December 31, 2006 (Consolidated)

**Company name:** NIKON CORPORATION

**Code number:** 7731

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**Stock listings:** Tokyo Stock Exchange, Osaka Securities Exchange

The accounting methods used in this report are not consistent with U.S. standards accounting methods.

### 1. Notes to Consolidated Financial Statements

(1) Difference in Accounting Policies from the fiscal year ended March 31, 2006: Not Applicable

The practical estimation has been applied for the calculation of some allowances and tax expenses instead of actual basis.

(2) Changes in Consolidation and Equity method Policies

Consolidation New : 4, Exclusion : 2

Equity method New : 0, Exclusion : 0

### 2. Results of the Third Quarter ended December 31, 2006 (From April 1, 2006 to December 31, 2006)

(Notes) 1. Amount Unit: 1 Million Yen unless otherwise specified (Amounts less than 1 Million Yen are omitted)

#### (1) Financial Results

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
3rd Quarter ended December 31, 2006	¥611,599	14.1%	¥80,598	67.4%	¥71,380	91.0%	¥46,202	93.7%
3rd Quarter ended December 31, 2005	¥535,790	15.0%	¥48,147	244.3%	¥37,367	383.7%	¥23,854	1.9%
(Reference) Year ended March 31, 2006	¥730,943		¥66,587		¥43,496		¥28,944	

  

	Net Income per share of Common Stock (Yen)	Net Income Per Share of Common Stock after dilution (Yen)
3rd Quarter ended December 31, 2006	¥124.82	¥110.80
3rd Quarter ended December 31, 2005	¥64.57	¥57.28
(Reference) Year ended March 31, 2006	¥78.16	¥69.33

#### (2) Financial Position

	Total Assets	Net Assets	Ratio of Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
3rd Quarter ended December 31, 2006	¥737,133	¥286,767	38.9%	¥774.66
3rd Quarter ended December 31, 2005	¥693,521	¥234,523	33.8%	¥634.91
(Reference) Year ended March 31, 2006	¥690,919	¥243,122	35.2%	¥658.03

#### (3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of period
3rd Quarter ended December 31, 2006	¥50,464	¥(12,454)	¥(19,964)	¥66,596
3rd Quarter ended December 31, 2005	¥13,881	¥(14,496)	¥(1,056)	¥20,200
(Reference) Year ended March 31, 2006	¥63,744	¥(22,427)	¥(20,515)	¥44,471

### 3. Forecast for Year ending March 31, 2007 (Consolidated) (From April 1, 2006 to March 31, 2007)

	Net Sales	Ordinary Income	Net Income
Year ending March 31, 2007	¥800,000	¥82,000	¥51,000

(Reference) Forecasted earnings per share (full year) : 137.78Yen

#### (Reference) Forecast for Year ending March 31, 2007 (Unconsolidated) (From April 1, 2006 to March 31, 2007)

	Net Sales	Ordinary Income	Net Income
Year ending March 31, 2007	¥610,000	¥65,000	¥41,000

(Reference) Forecasted earnings per share (full year) : 110.76Yen

**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of December 31, 2006		As of March 31, 2006		Increase (Decrease)	As of December 31, 2005	
		%		%			%
<b>Assets</b>							
<b>Current assets</b>							
Cash and time deposits	66,619		44,865		21,754	20,591	
Notes and accounts receivable-trade	152,684		137,635		15,048	161,995	
Inventories	252,221		238,846		13,375	252,919	
Other current assets	48,367		50,589		(2,222)	45,671	
Allowance for doubtful receivables	(3,310)		(2,832)		(478)	(3,277)	
Total current assets	516,582	70.1	469,104	67.9	47,477	477,899	68.9
<b>Fixed assets</b>							
Tangible fixed assets							
Buildings and structures	41,262		40,480		781	40,918	
Machinery and vehicles	39,310		35,196		4,113	34,350	
Furniture and fixtures	15,126		13,299		1,827	13,492	
Land	15,930		15,916		14	15,955	
Construction in progress	3,608		5,431		(1,823)	5,370	
Total tangible fixed assets	115,237	15.6	110,325	15.9	4,912	110,088	15.9
Intangible fixed assets	13,664	1.9	12,896	1.9	767	12,465	1.8
Investments and other assets							
Investment securities	83,574		88,632		(5,057)	85,282	
Other	8,170		10,065		(1,895)	7,889	
Allowance for doubtful receivables	(95)		(105)		9	(105)	
Total investments and other assets	91,649	12.4	98,593	14.3	(6,943)	93,067	13.4
Total fixed assets	220,551	29.9	221,815	32.1	(1,263)	215,621	31.1
<b>Total assets</b>	<b>737,133</b>	<b>100.0</b>	<b>690,919</b>	<b>100.0</b>	<b>46,214</b>	<b>693,521</b>	<b>100.0</b>

**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of December 31, 2006		As of March 31, 2006		Increase (Decrease)	As of December 31, 2005	
		%		%			%
<b>Liabilities</b>							
<b>Current liabilities</b>							
Notes and accounts payable-trade	146,179		151,504		(5,325)	156,731	
Short-term debt	24,923		14,187		10,735	42,109	
Commercial papers	-		-		-	7,000	
Current portion of bonds	62,798		76,000		(13,202)	20,000	
Accrued expenses	42,606		41,029		1,576	32,843	
Accrued income taxes	16,699		8,230		8,468	5,876	
Warranty reserve	6,769		6,496		273	6,384	
Other current liabilities	51,485		37,493		13,992	38,948	
Total current liabilities	351,462	47.7	334,943	48.5	16,519	309,893	44.7
<b>Long-term liabilities</b>							
Bonds	59,500		69,500		(10,000)	125,500	
Long-term debt	18,837		19,143		(305)	5,208	
Liability for employees' retirement benefits	13,644		16,966		(3,322)	16,972	
Retirement allowances for directors and corporate auditors	431		339		92	340	
Other long-term liabilities	6,489		6,721		(231)	898	
Total long-term liabilities	98,903	13.4	112,671	16.3	(13,767)	148,919	21.5
Total liabilities	450,366	61.1	447,614	64.8	2,751	458,813	66.2
<b>Minority interests</b>	-	-	182	0.0	-	184	0.0
<b>Shareholders' equity</b>							
Common stock	-	-	36,660		-	36,660	
Capital surplus	-	-	51,932		-	51,932	
Retained earnings	-	-	130,404		-	125,314	
Unrealized gain on available-for-sale securities	-	-	24,534		-	21,641	
Foreign currency translation adjustments	-	-	286		-	(380)	
Total	-	-	243,819		-	235,168	
Treasury stock	-	-	(697)		-	(645)	
Total shareholders' equity	-	-	243,122	35.2	-	234,523	33.8
<b>Total liabilities and shareholders' equity</b>	-	-	690,919	100.0	-	693,521	100.0

**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of December 31, 2006		As of March 31, 2006		Increase (Decrease)	As of December 31, 2005	
		%		%			%
<b>Net assets</b>							
<b>Shareholders' equity</b>							
Common stock	38,262		-		-		-
Capital surplus	53,530		-		-		-
Retained earnings	171,892		-		-		-
Treasury stock	(855)		-		-		-
Total shareholders' equity	262,829	35.7	-	-	-	-	-
<b>Valuation and translation adjustments</b>							
Unrealized gain on available-for-sale securities	20,672		-		-		-
Deferred gains or losses on hedges	(266)		-		-		-
Foreign currency translation adjustments	3,340		-		-		-
Total valuation and translation adjustments	23,746	3.2	-	-	-	-	-
<b>Minority interests</b>	191	0.0	-	-	-	-	-
Total net assets	286,767	38.9	-	-	-	-	-
<b>Total liabilities and net assets</b>	737,133	100.0	-	-	-	-	-

**Consolidated Statements of Income**

Amount Unit: 1 Million Yen

	3rd Quarter ended December 31, 2006		3rd Quarter ended December 31, 2005		Increase (Decrease)	Year ended March 31, 2006	
		%		%			%
<b>Net sales</b>	611,599	100.0	535,790	100.0	75,808	730,943	100.0
Cost of sales	368,590	60.3	343,378	64.1	25,211	468,943	64.2
Selling, general and administrative expenses	162,410	26.5	144,264	26.9	18,146	195,413	26.7
<b>Operating income</b>	80,598	13.2	48,147	9.0	32,451	66,587	9.1
<b>Non-operating income</b>							
Interest and dividend income	1,288	0.2	921	0.2	367	1,137	0.2
Other income	3,599	0.6	4,344	0.8	(744)	4,011	0.5
<b>Non-operating expenses</b>							
Interest expenses	1,316	0.2	1,086	0.2	230	1,501	0.2
Other expenses	12,789	2.1	14,958	2.8	(2,168)	26,738	3.6
<b>Ordinary income</b>	71,380	11.7	37,367	7.0	34,012	43,496	6.0
<b>Extraordinary gains</b>							
Gain on sale of fixed assets	797	0.1	99	0.0	698	115	0.0
Gain on sale of investment securities	-	-	13	0.0	(13)	1,895	0.2
Proceeds from patents and know-how licenses	-	-	1,236	0.3	(1,236)	1,236	0.2
<b>Extraordinary losses</b>							
Loss on sales and disposal of fixed assets	592	0.1	988	0.2	(396)	1,930	0.2
Loss on impairment of fixed assets	-	-	243	0.0	(243)	245	0.0
Loss on patent settlement	-	-	2,889	0.6	(2,889)	2,889	0.4
Loss on devaluation of investment securities	-	-	720	0.2	(720)	753	0.2
<b>Income before income taxes</b>	71,585	11.7	33,872	6.3	37,712	40,925	5.6
<b>Income taxes</b>	25,373	4.1	10,013	1.8	15,360	11,978	1.6
<b>Minority interests</b>	9	0.0	4	0.0	4	2	0.0
<b>Net Income</b>	46,202	7.6	23,854	4.5	22,347	28,944	4.0