

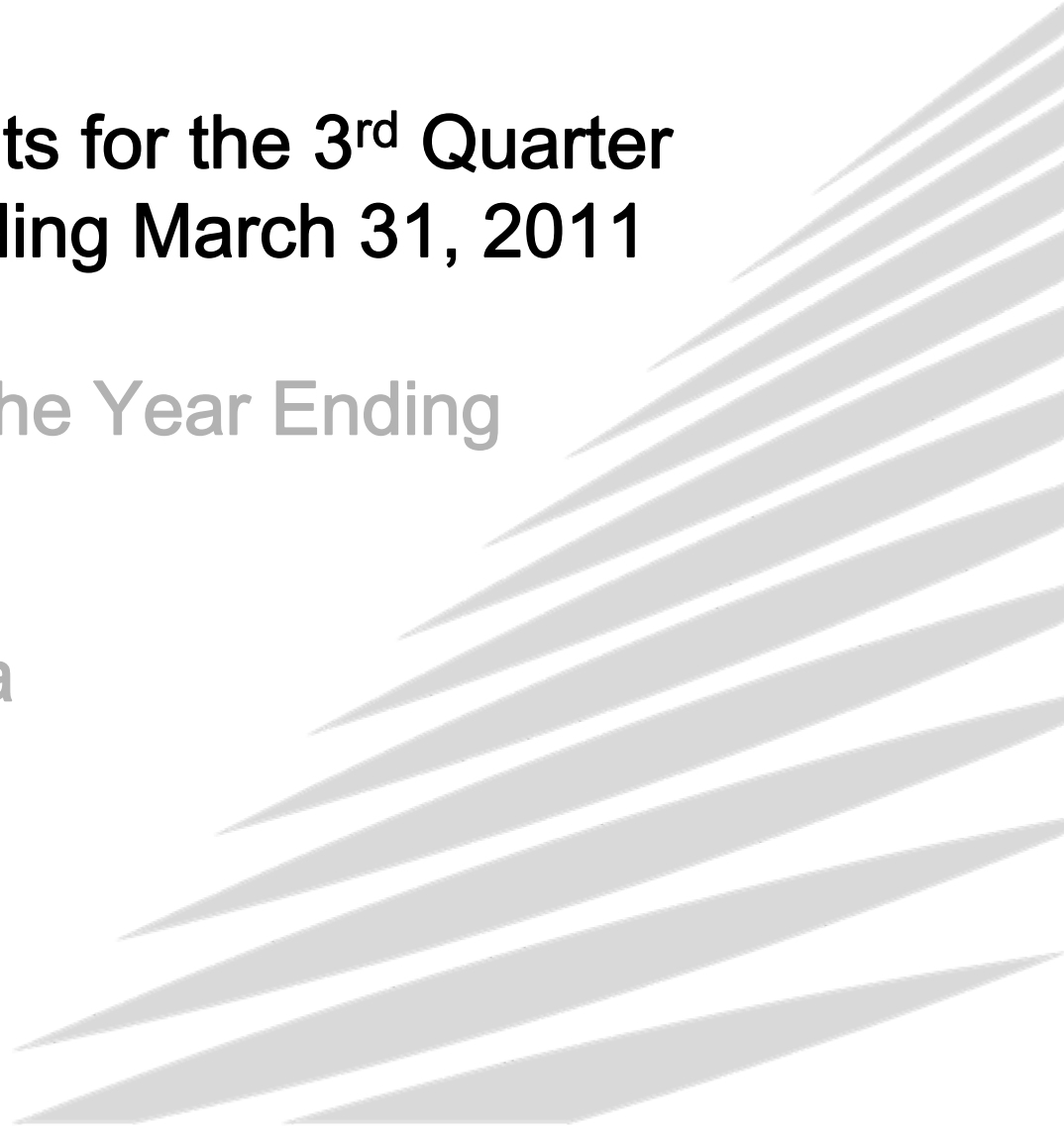


# Financial Results for the 3rd Quarter of the Year Ending March 31, 2011

## NIKON CORPORATION

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.

# Agenda

- I. **Financial Results for the 3<sup>rd</sup> Quarter  
of the Year Ending March 31, 2011**
  - II. Estimation for the Year Ending  
March 31, 2011
  - III. Reference Data
- 
- A decorative graphic consisting of several parallel, diagonal lines of varying lengths and shades of gray, extending from the bottom right towards the top right of the slide.

# Financial Highlights for the 3rd Quarter of the Year Ending March 31, 2011



Billions of yen	10/3 (A)		11/3 (B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
<b>Net Sales</b>	223.4	591.5	253.8	651.8	+30.4	+60.3
<b>Operating Income</b> % vs Net Sales	3.4 1.5%	-16.1 -%	18.6 7.3%	33.7 5.2%	+15.2	+49.8
<b>Ordinary Income</b> % vs Net Sales	3.7 1.7%	-18.6 -%	17.9 7.1%	35.7 5.5%	+14.2	+54.3
<b>Net Income</b> % vs Net Sales	0 -%	-17.6 -%	9.7 3.8%	20.3 3.1%	+9.7	+37.9
<b>FCF</b>	36.7		65.9		+29.2	
<b>Exchange : US\$</b>	90	94	83	87	Impact on Net Sales: - 18.4    - 43.2	
<b>Rate (YEN) EURO</b>	133	133	112	113	Impact on Op. Income: - 8.7     - 20.6	

Precision Equipment and Instruments businesses showed a recovery. Sales volume increase in Imaging Business repelled an impact by strong yen. Total sales and income increased year-on-year both for 3rd quarter and year-to-date results.

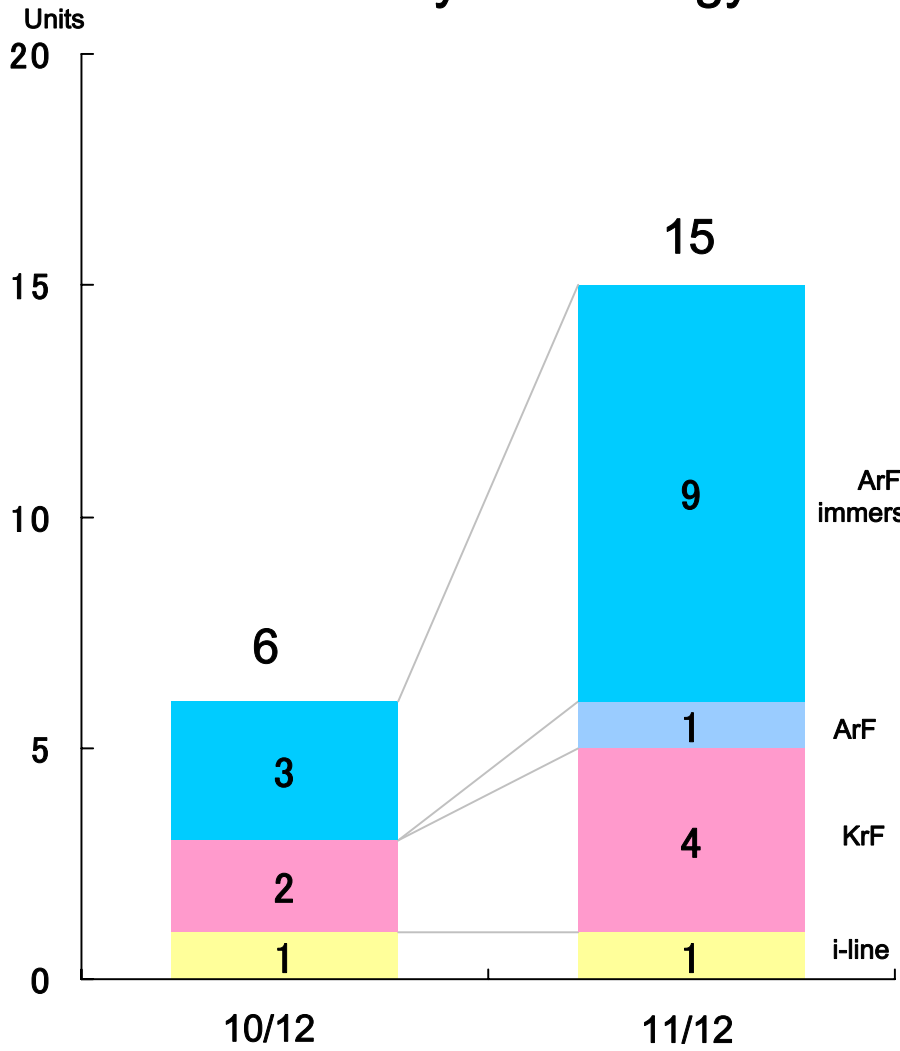
\* Values in this slide are rounded off to the nearest 100 million.

Billions of yen	10/3 (A)		11/3 (B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	30.9	97.2	61.4	142.2	+30.5	+45.0
Operating Income % vs Net Sales	- 9.2 -%	- 53.2 -%	3.3 5.4%	- 1.4 -%	+12.5	+51.8
IC Steppers & Scanners New / Refurbished (units sold)	6/1	24/5	15/5	33/17	+9/+4	+9/+12
LCD Steppers & Scanners (units sold)	14	30	18	41	+4	+11

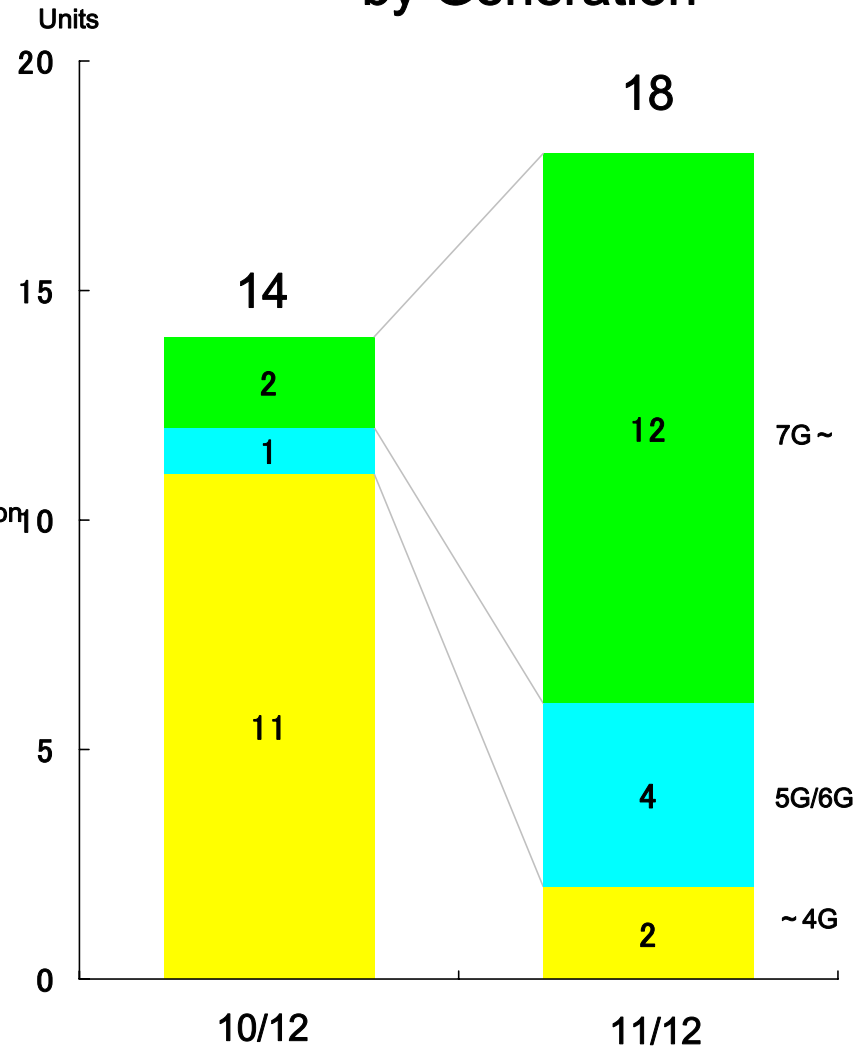
As the market conditions improve favorably for IC/LCD steppers/scanners, the sales volume up to 3rd quarter increased about 40% from the same period last year. This quarter achieved the profitable result for the first time in the last nine quarters.



## IC Steppers & Scanners Sales by Technology



## LCD Steppers & Scanners by Generation



# Imaging Company: 3rd Quarter

Billions of yen	10/3(A)		11/3(B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
Net Sales	174.8	450.1	172.2	454.0	- 2.6	+ 3.9
Operating Income % vs Net Sales	17.4 10.0%	44.0 9.8%	15.7 9.1%	38.0 8.4%	- 1.7	- 6.0
Single-Lens Reflex DSC (1,000 of units sold)	1,200	2,850	1,250	3,150	+ 50	+ 300
Interchangeable Lenses (1,000 of units sold)	1,750	4,200	1,850	4,800	+ 100	+ 600
Compact DSC (1,000 of units sold)	4,080	9,220	4,900	11,600	+ 820	+2,380

In all categories, the record sales was marked in terms of quarterly volume. Compact DSC posted 20% hike in sales volume despite the flat 3rd quarter market growth. Third quarter ended with reduced sales and profit, while the year-to-date results showed sales hike and profit reduction, but would have been posted sales/profit increases if yen appreciation impact is disregarded.

Billions of yen	10/3 (A)		11/3 (B)		(B)-(A)	
	3Q	3Qs	3Q	3Qs	3Q	3Qs
<b>Net Sales</b>	11.8	29.6	13.0	37.2	+1.2	+7.6
<b>Operating Income</b> % vs Net Sales	- 5.7 -%	- 8.3 -%	- 1.6 -%	- 5.8 -%	+4.1	+2.5

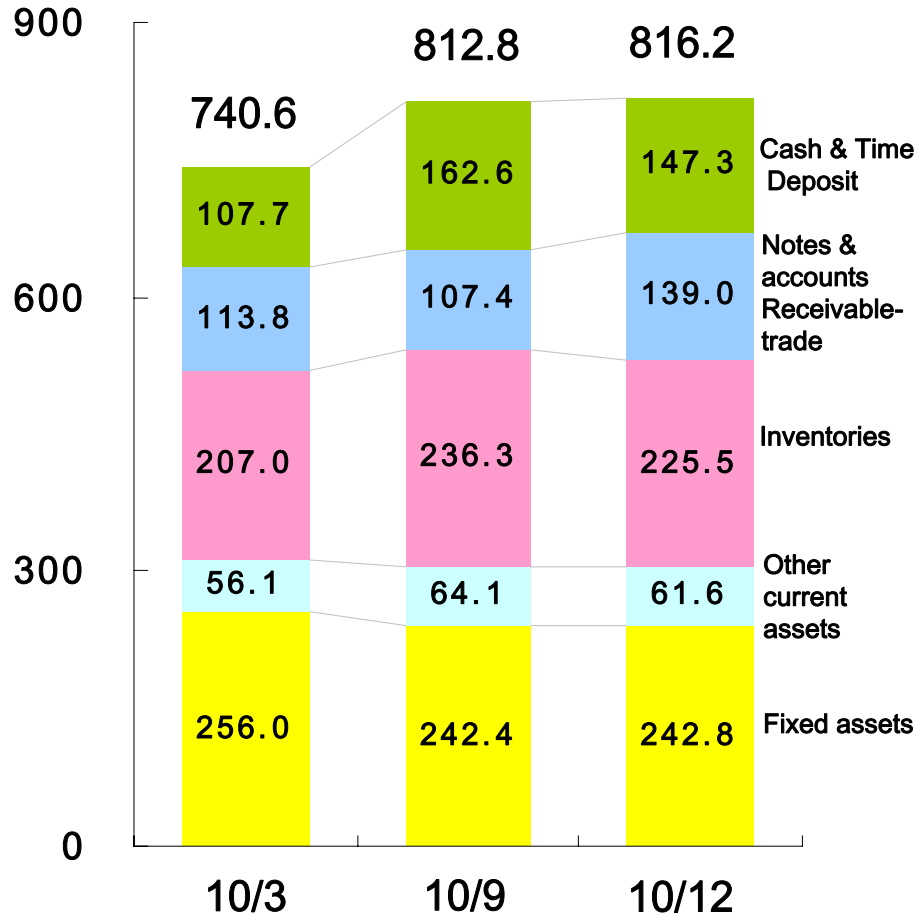
Growth in Bioscience has leveled off, while Industrial Instruments showed a recovery. Increased sales and significantly reduced loss was posted both for 3rd quarter and year-to-date results, compared from last year.

# Balance Sheet : 3<sup>rd</sup> Quarter



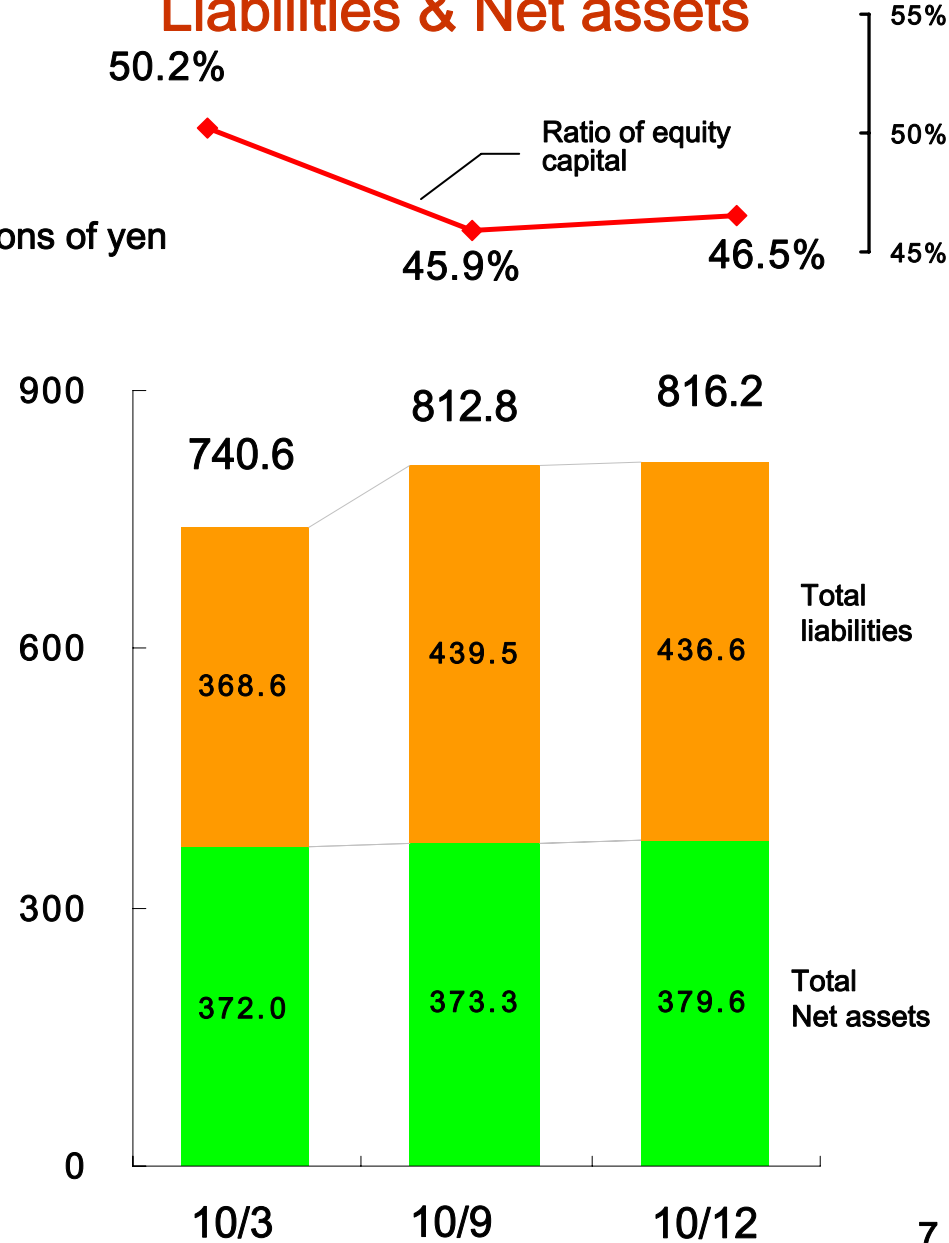
## Assets

Billions of yen



## Liabilities & Net assets

Billions of yen





Both 3rd quarter and year-to-date results posted increased sales and profit year-on-year in spite of progressing yen appreciation. Free cash flow to date generated additional 65.9 billion yen.

## Precision Equipment Company

- Brisk sales of ArF immersion scanner and LCD steppers/scanners for large panels contributed to the profitable quarter.
- Accumulated loss to 3rd quarter was significantly reduced close to the break-even point.

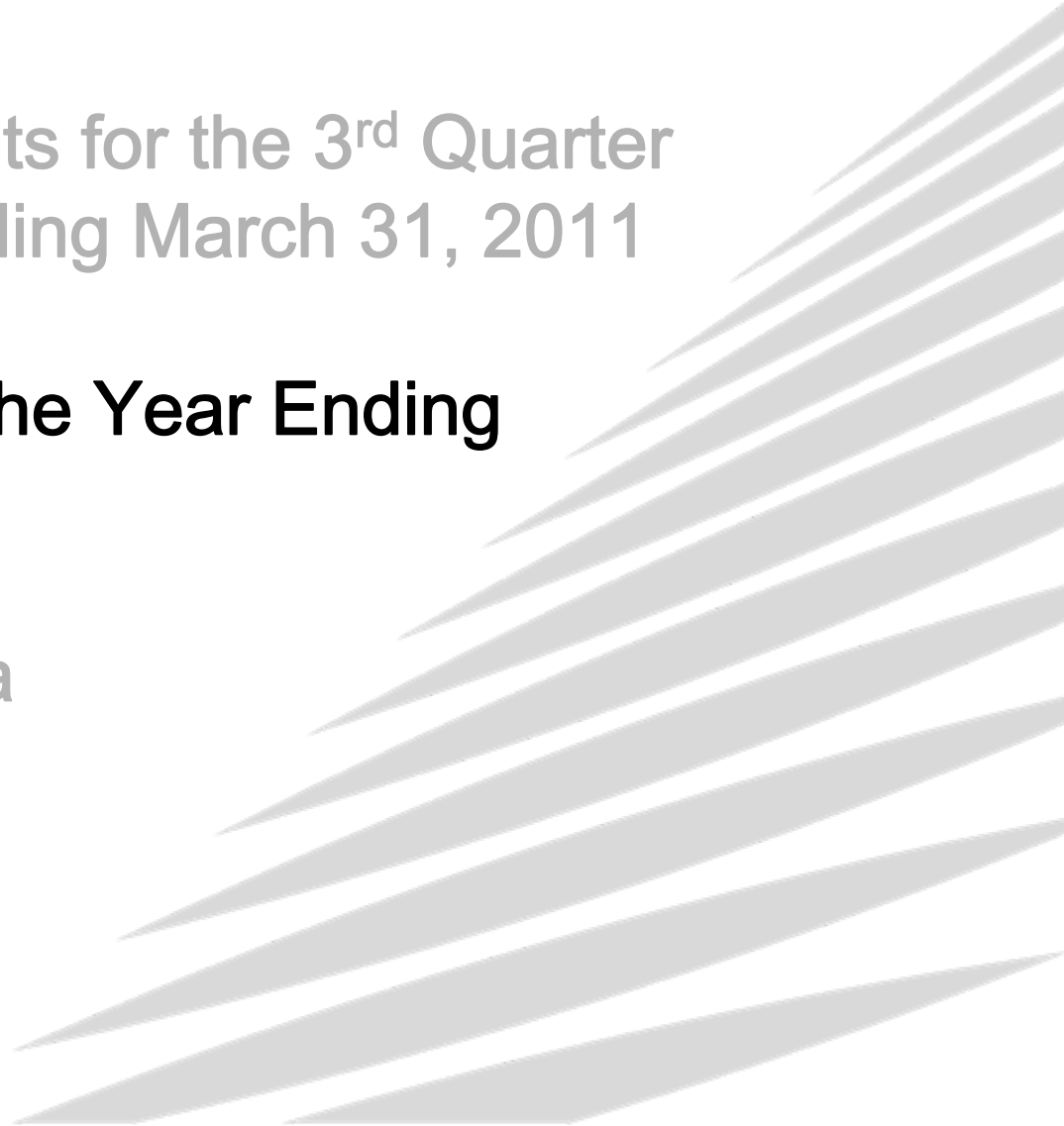
## Imaging Company

- Single-lens reflex DSC, interchangeable lenses, and compact DSC continued to enjoy favorable results, while Compact DSC continuously expanded the market share.
- Third quarter ended with reduced sales and profit, while the year-to-date results showed sales hike and profit reduction. But, sales volume increase almost offset the strong yen impact.

## Instruments Company

- New products including super resolution microscope, digital microscope ShuttlePix, and non-contact multi-sensor 3D metrology system were warmly received.
- Industrial instruments recovered, posting sales hike in 3rd quarter and year-to-date, and significantly shrinking the loss.

# Agenda

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# Performance Estimation for the Year Ending March 31, 2011



Billions of yen	10/3 (A)	3Qs 4Q	Previous est. as of Nov.4 2010 (B)	1H 2H	New est. (C)	3Qs 4Q	(C)-(A)	(C)-(B)
Net Sales	785.5	$\frac{591.5}{194.0}$	870.0	$\frac{398.0}{472.0}$	870.0	$\frac{651.8}{218.2}$	+84.5	-
Operating Income % vs Net Sales	- 13.9 -%	$\frac{-16.1}{2.2}$	48.0 5.5%	$\frac{15.2}{32.8}$	48.0 5.5%	$\frac{33.7}{14.3}$	+61.9	-
Ordinary Income % vs Net Sales	- 15.3 -%	$\frac{-18.6}{3.3}$	49.0 5.6%	$\frac{17.8}{31.2}$	49.0 5.6%	$\frac{35.7}{13.3}$	+64.3	-
Net Income % vs Net Sales	- 12.6 -%	$\frac{-17.6}{5.0}$	30.0 3.4%	$\frac{10.6}{19.4}$	30.0 3.4%	$\frac{20.3}{9.7}$	+42.6	-
FCF	56.4		65.0		67.0			-
Exchange : US\$	93	$\frac{94}{91}$	84	$\frac{89}{80}$	85	$\frac{87}{80}$		
Rate (YEN) EURO	131	$\frac{133}{125}$	112	$\frac{114}{110}$	112	$\frac{113}{110}$		

Forecasts for whole year are unchanged, as the market deterioration and fiercer competitions are expected. Cash dividend per share of common stock is 19 yen as planned (5 yen paid for interim dividend).

# Estimation for Precision Equipment Company

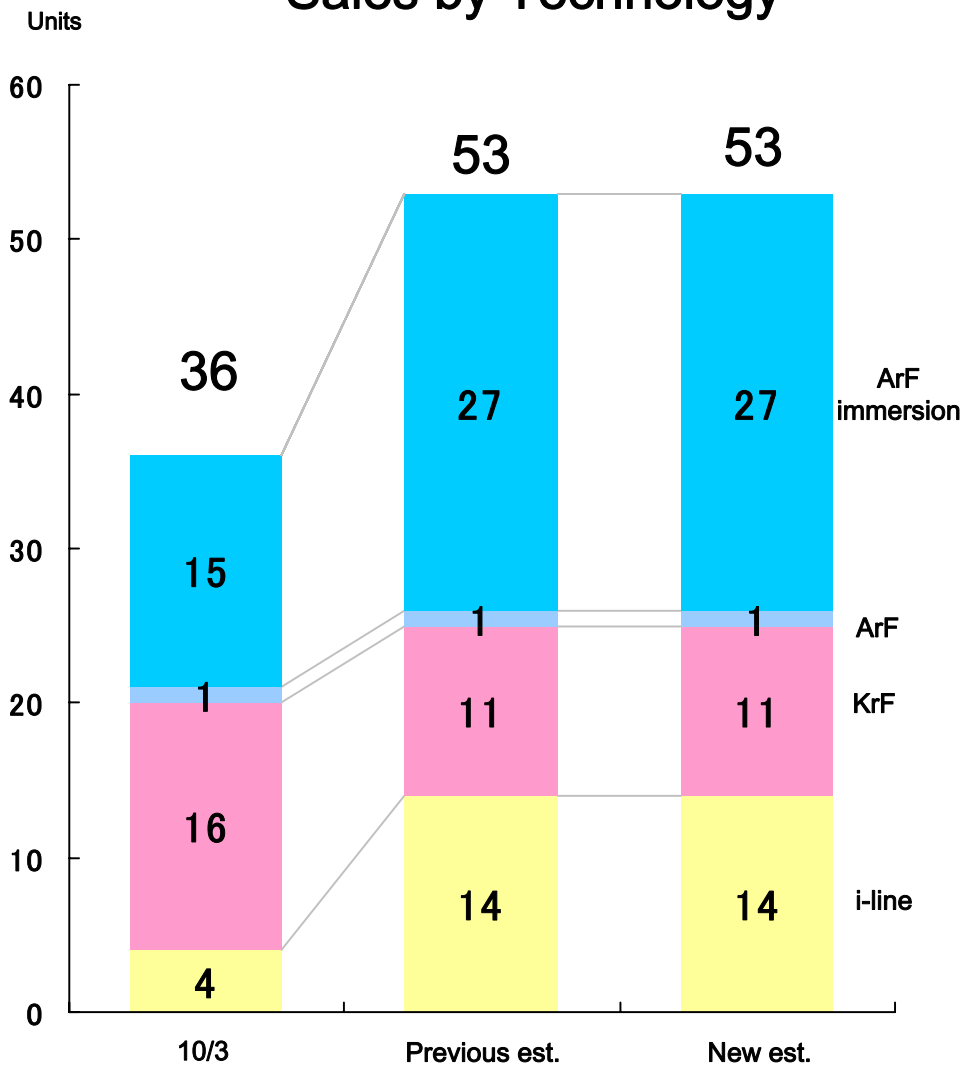


Billions of yen	10/3	3Qs 4Q	Previous est. as of Nov.4 2010	1H 2H	New est.	3Qs 4Q
<b>Net Sales</b>	150.1	<u>97.2</u> 52.9	215.0	<u>80.7</u> 134.3	215.0	<u>142.2</u> 72.8
<b>Operating Income</b> % vs Net Sales	-58.6 -%	<u>-53.2</u> -5.4	4.0 1.9%	<u>-4.7</u> 8.7	4.0 1.9%	<u>-1.4</u> 5.4
IC Steppers & Scanners New / Refurbished (units sold)	36/13	<u>24/5</u> 12/8	53/24	<u>18/12</u> 35/12	53/24	<u>33/17</u> 20/ 7
LCD Steppers & Scanners (units sold)	45	<u>30</u> 15	62	<u>23</u> 39	62	<u>41</u> 21
Market Scale IC Steppers & Scanners (units sold)	112		Approx. 220		Approx. 220	
Market Scale LCD Steppers & Scanners (units sold)	74		Approx. 110		Approx. 110	

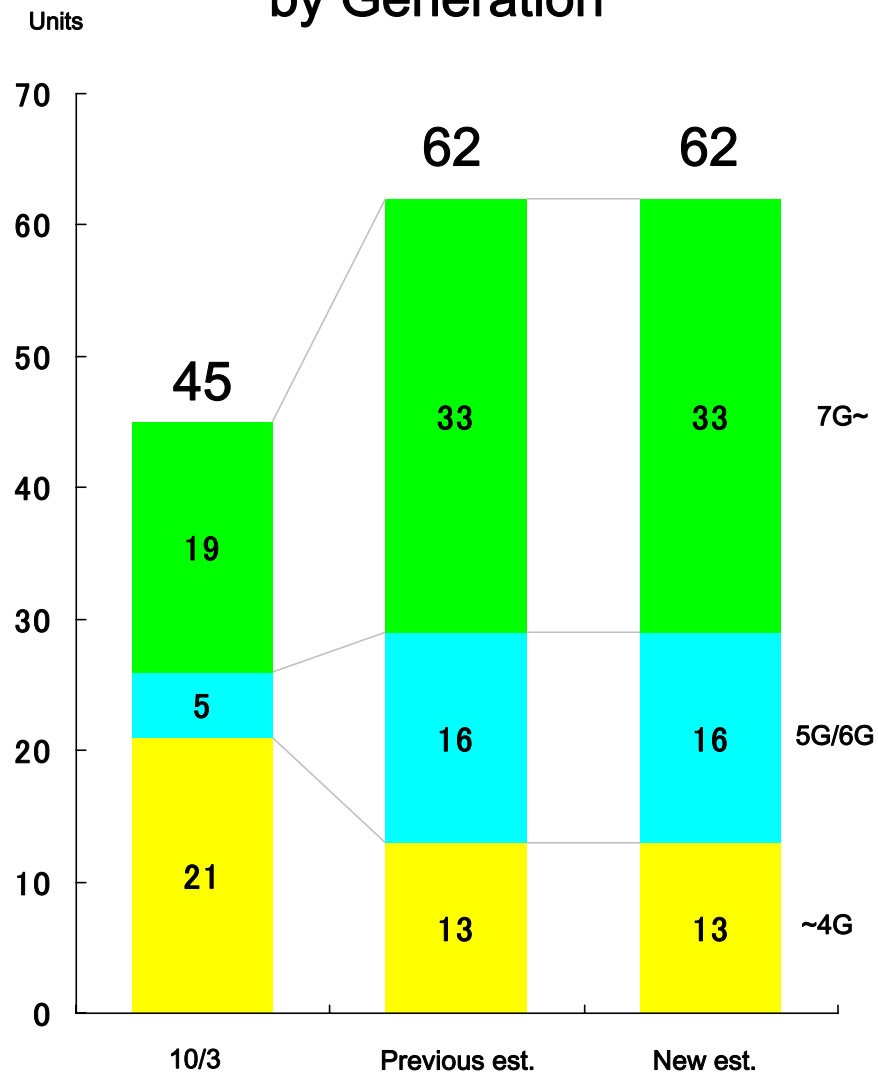
Third quarter turned the bottom line into black. In 4th quarter, sales and profit growth from 3rd quarter is expected, aiming to be a profitable year and stepping up to a full-scale recovery in the next fiscal year.

# Estimation for Precision Equipment Company

## IC Steppers & Scanners Sales by Technology



## LCD Steppers & Scanners by Generation



# Estimation for Imaging Company

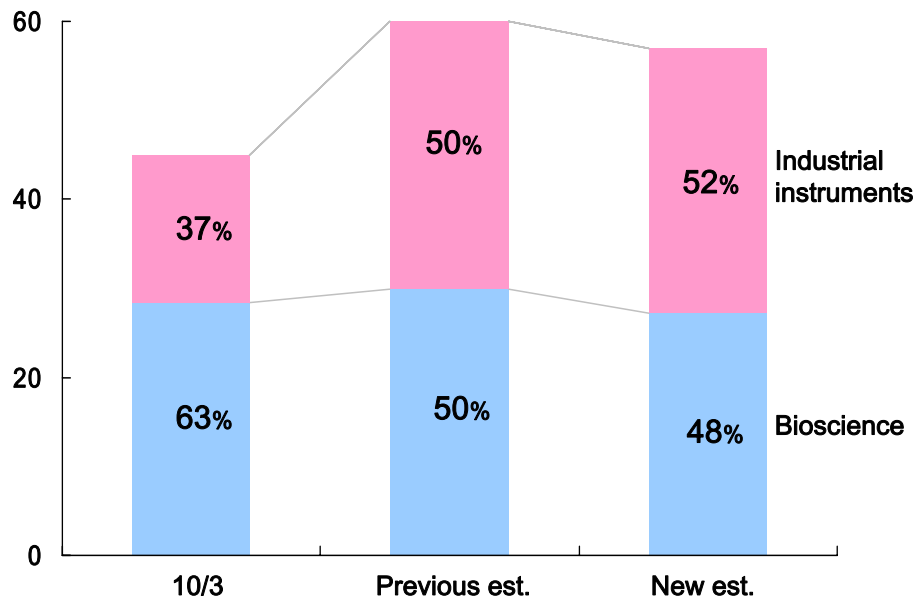
Billions of yen	10/3	3Qs 4Q	Previous est. as of Nov.4 2010	1H 2H	New est.	3Qs 4Q
<b>Net Sales</b>	<b>569.5</b>	<u>450.1</u> 119.4	<b>575.0</b>	<u>281.8</u> 293.2	<b>575.0</b>	<u>454.0</u> 121.0
<b>Operating Income</b> % vs Net Sales	<b>52.1</b> 9.1%	<u>44.0</u> 8.1	<b>46.0</b> 8.0%	<u>22.3</u> 23.7	<b>46.0</b> 8.0%	<u>38.0</u> 8.0
Single-Lens Reflex DSC (1,000 of units sold)	<b>3,670</b>	<u>2,850</u> 820	<b>4,250</b>	<u>1,900</u> 2,350	<b>4,250</b>	<u>3,150</u> 1,100
Interchangeable Lenses (1,000 of units sold)	<b>5,450</b>	<u>4,200</u> 1,250	<b>6,350</b>	<u>2,950</u> 3,400	<b>6,350</b>	<u>4,800</u> 1,550
Compact DSC (1,000 of units sold)	<b>11,510</b>	<u>9,220</u> 2,290	<b>14,000</b>	<u>6,700</u> 7,300	<b>14,000</b>	<u>11,600</u> 2,400
Market Scale SLR-DSC (1,000 of units sold)	<b>10,880</b>		<b>13,000</b>		<b>13,000</b>	
Market Scale Interchangeable Lenses (1,000 of units sold)	<b>17,720</b>		<b>22,000</b>		<b>22,000</b>	
Market Scale C-DSC (1,000 of units sold)	<b>102,740</b>		<b>112,000</b>		<b>112,000</b>	

Sales will remain strong: however, due to concerns over weaker consumer spending and intensified competitions, the yearly forecast is not changed.

# Estimation for Instruments Company

Billions of yen	10/3	3 Qs 4Q	Previous est. as of Nov.4 2010	1H 2H	New est.	3Qs 4Q
<b>Net Sales</b>	45.1	<u>29.6</u> 15.5	60.0	<u>24.2</u> 35.8	57.0	<u>37.2</u> 19.8
<b>Operating Income</b> % vs Net Sales	-9.3 -%	<u>-8.3</u> -1.0	-5.0 -%	<u>-4.1</u> -0.9	-5.5 -%	<u>-5.8</u> 0.3

Billions of yen

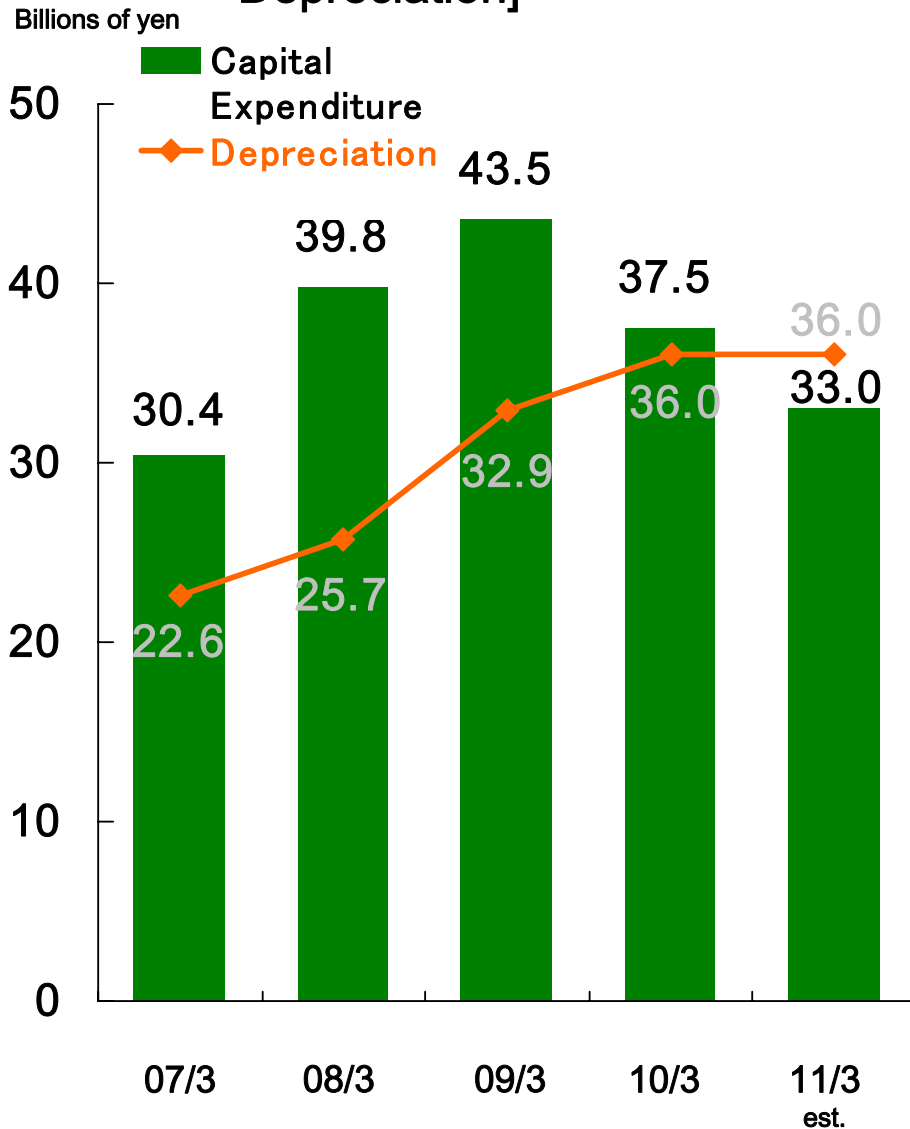


As government spending is expected to shrink worldwide, sales and profit forecasts for Bioscience are downgraded: but, 4th quarter target to achieve profitability is not changed.

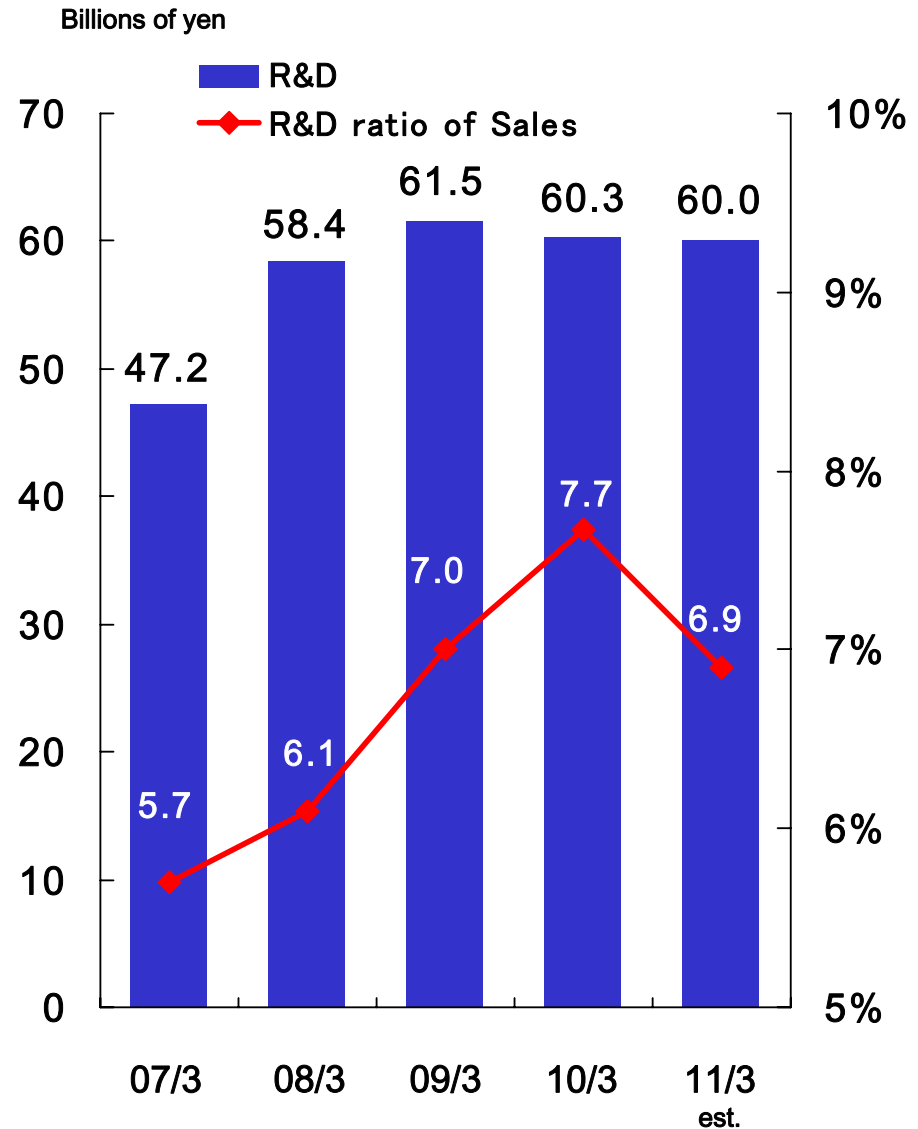
# Estimation for Capital Expenditure, Depreciation and R&D



## [Capital Expenditure & Depreciation]



## [R&D]



\* 09/3 ~: Include the amount of acquisition of Lease asset by change of Accounting Standard for Lease Transactions



Performances of Precision Equipment and Instruments are improving as planned. Imaging Company is showing robustness against stronger yen that was unexpected at the year beginning. The business foundation is solidified to achieve continued growth in and after next fiscal year ending March 2012.

## Precision Equipment Company

- More ArF immersion scanners, S620D, are being sold in the 2nd half. To further expand sales next year, efforts are made to improve performances under customer process conditions.
- Strong demands are expected for LCD steppers/scanners for high-precision mid/small-sized panels. Efforts are made to secure purchase orders.
- Leadtime reduction is pursued to prevent opportunity losses and inventory growth for cost reduction.

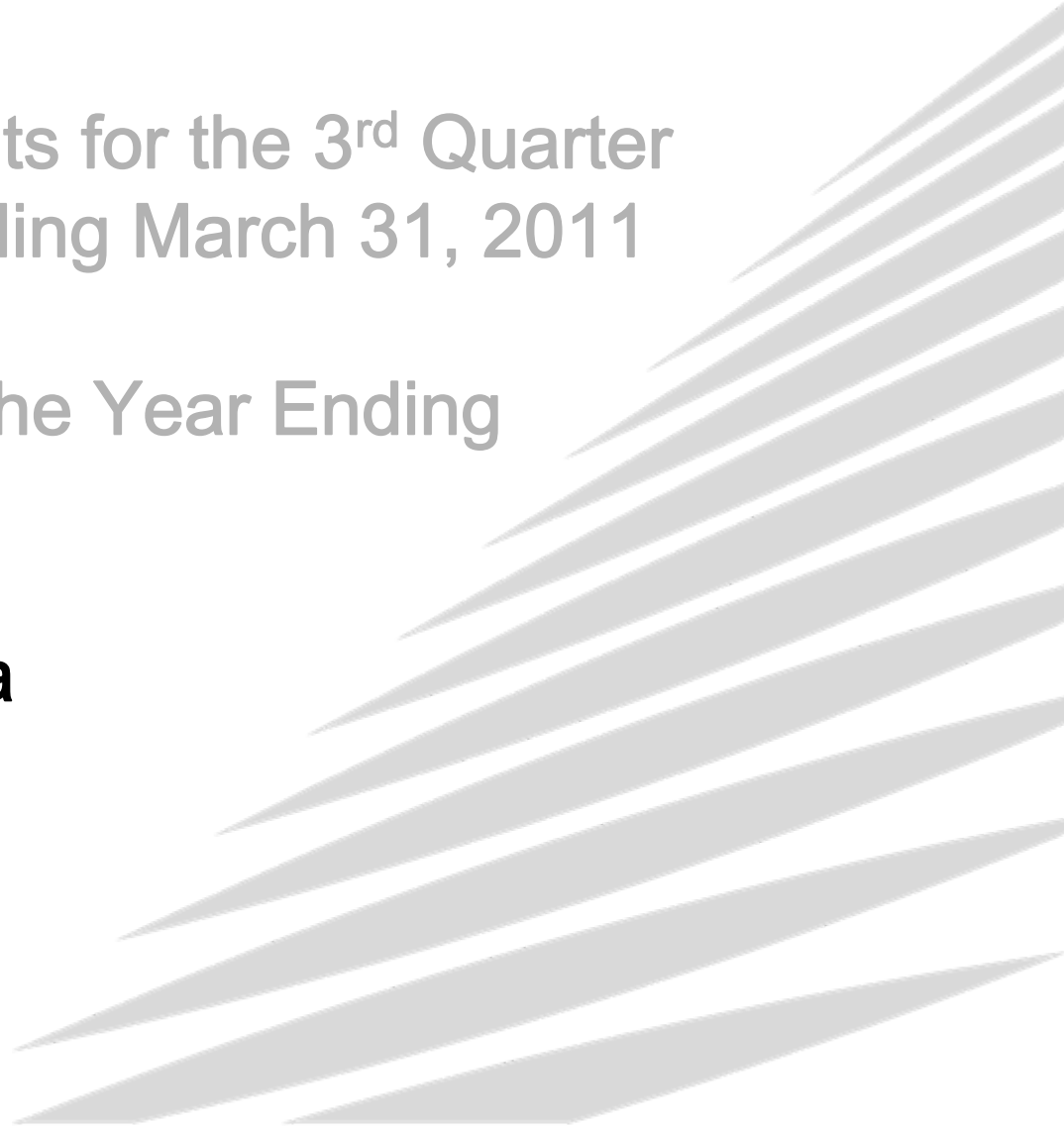
## Imaging Company

- Efforts are made to penetrate into emerging country markets and improve product competitiveness and customer satisfaction. Targets are set to accelerate sales expansion at higher rate than market expansion and to improve profitability by reforming the cost structure.
- New generation digital cameras are under development.

## Instruments Company

- It is aimed to secure sales expansion in the industrial instruments field that is in the solid recovery process as well as in the bioscience field that is mainly driven by high-end system products, targeting at posting yearly profit in the next fiscal year.

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## 11/3 Estimation

Billions of yen	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	11/3 4Q Forecast	Net Sales ( 4Q )	Operating Income ( 4Q )
US\$	80 yen	1.2	0.3
EURO	110 yen	0.4	0.2

# Reference Data:

## Earning Estimation for the Year Ending March 31, 2011

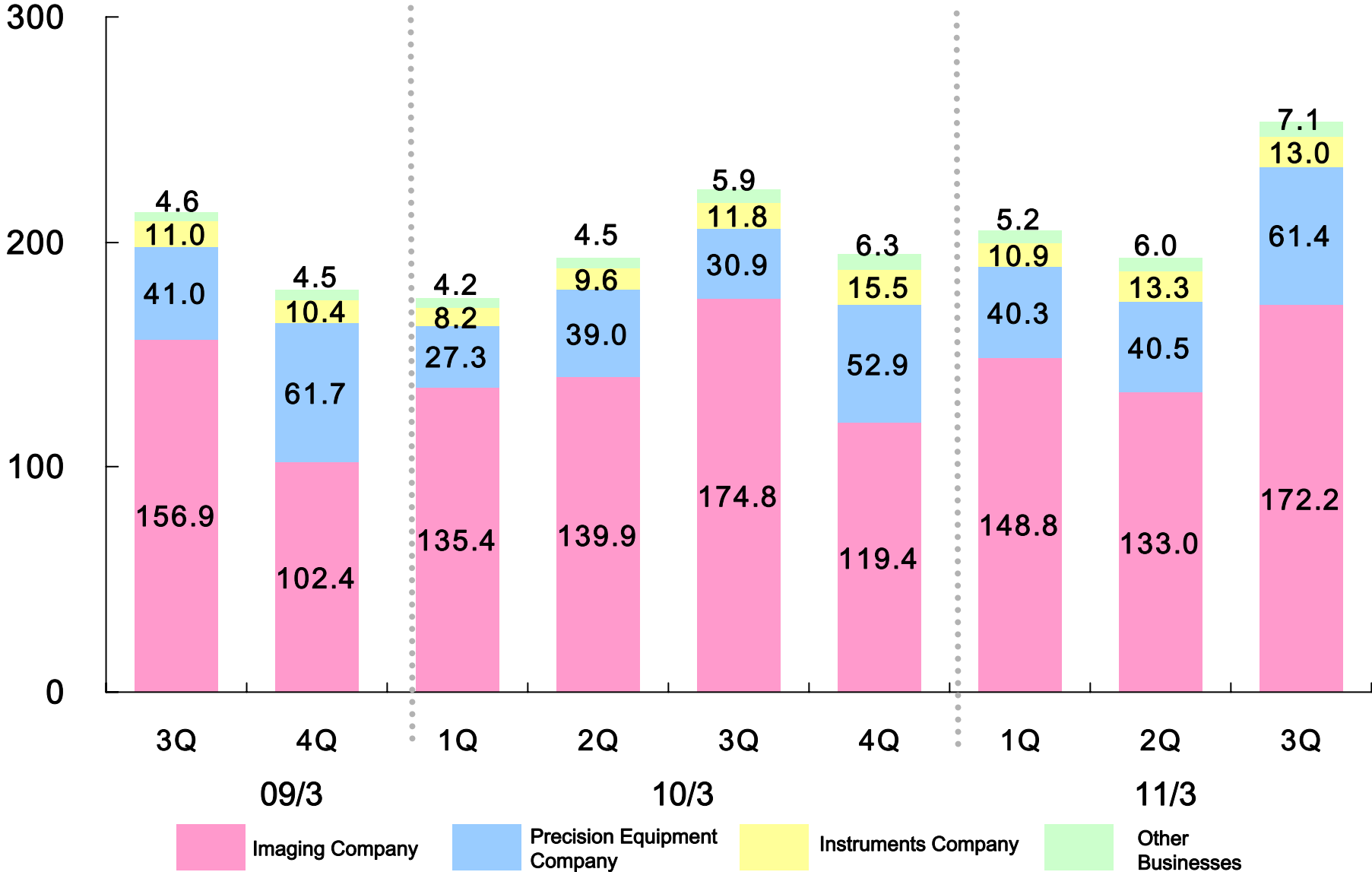


Billions of yen		10/3		Previous Forecast as of Nov. 4, 2010		11/3 Estimation	
Operating Income	1H	-13.9	-19.5	48.0	15.2	48.0	15.2
	2H		5.6		32.8		32.8
Non-operating Income/Expenses-net		-1.4		1.0		1.0	
Ordinary Income	1H	-15.3	-22.3	49.0	17.8	49.0	17.8
	2H		7.0		31.2		31.2
Extra ordinary Income/Expenses-net		-2.3		-6.0		-6.0	
Income Taxes		-5.0		13.0		13.0	
Net Income	1H	-12.6	-17.7	30.0	10.6	30.0	10.6
	2H		5.1		19.4		19.4

# Reference Data: Quarterly Net Sales by segments



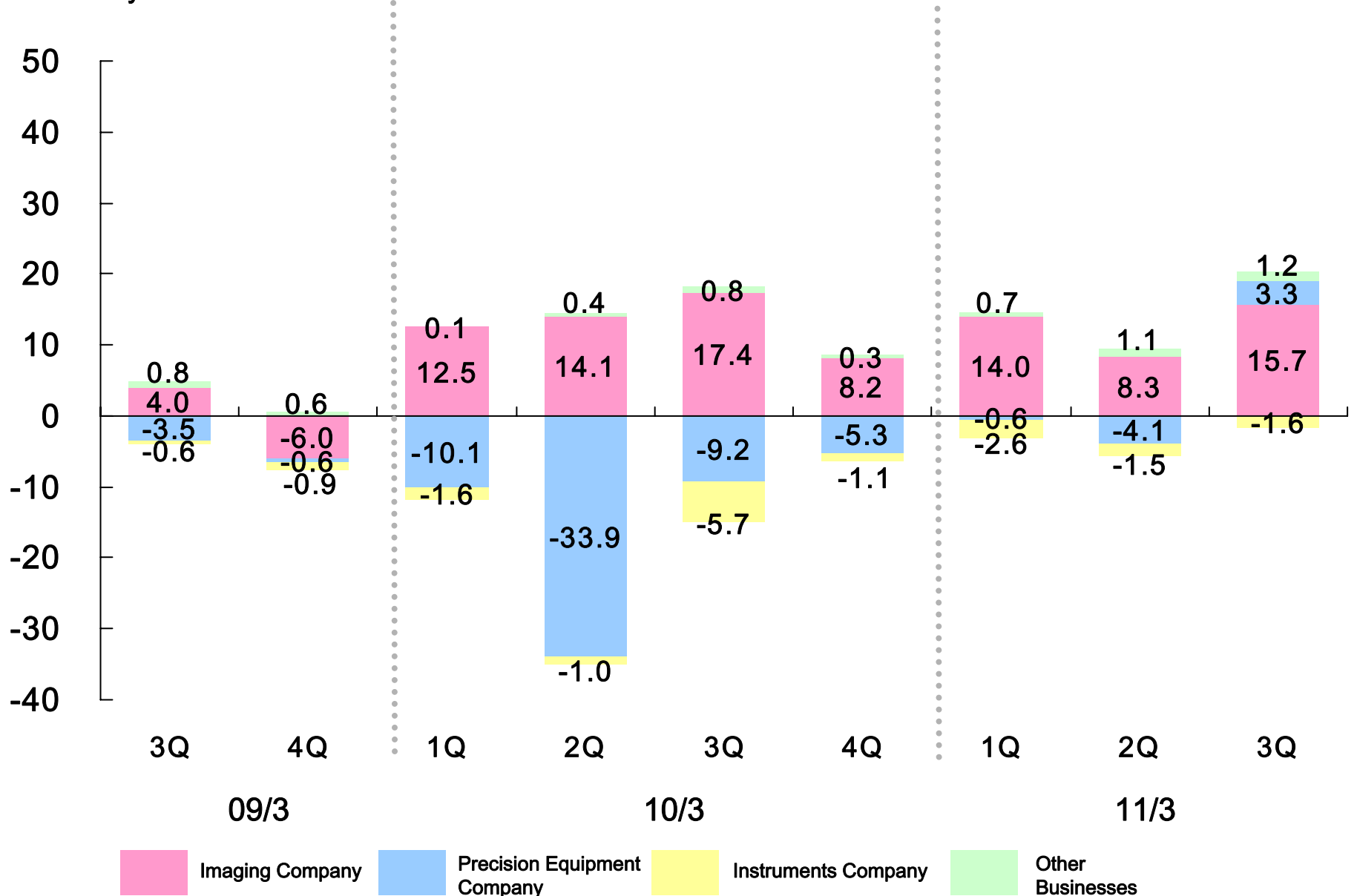
Billions of yen



# Reference Data: Quarterly Operating Income by segments



Billions of yen





**NIKON CORPORATION**