



Financial Results for the First Half ended September 30, 2007 (Consolidated)

Company name: NIKON CORPORATION

Code number: 7731

Representative: Michio Kariya, Representative Director, President, CEO and COO

Contact: Masayuki Hatori, General Manager, Corporate Communications & IR Department

Telephone: +81-3-3216-1032

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

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange

Date of the Board Meeting for the First Half ended September 30, 2007: November 8, 2007

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

1. Results for the First Half ended September 30, 2007 (From April 1, to September 30, 2007)

(Note) 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
First Half ended September 30, 2007	¥445,793	18.2%	¥63,266	43.7%	¥58,866	58.8%
First Half ended September 30, 2006	¥377,285	10.0%	¥44,029	55.1%	¥37,077	84.8%
Year ended March 31, 2007	¥822,813		¥102,006		¥89,551	

	Net Income	Change	Net Income per share of Common Stock (Yen)	Net Income per share of Common Stock after dilution (Yen)
First Half ended September 30, 2007	¥34,438	48.5%	¥86.23	¥82.68
First Half ended September 30, 2006	¥23,188	147.4%	¥62.71	¥55.67
Year ended March 31, 2007	¥54,824		¥146.36	¥131.42

(Notes) 1. Equity in Earning of non-consolidated subsidiaries and affiliates

First Half ended September 30, 2007: 569 Million Yen

First Half ended September 30, 2006: 863 Million Yen

Year ended March 31, 2007: 1,540 Million Yen

2. Average number of shares outstanding (Consolidated): First Half ended September 30, 2007: 399,392,781 shares

First Half ended September 30, 2006: 369,781,254 shares

Year ended March 31, 2007: 374,584,827 shares

3. Change in accounting method : Applicable

4. The percentage figures for net sales, operating income, ordinary income and net income represent the percentage of increase or decrease against the same period of the previous year.

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
First Half ended September 30, 2007	¥796,022	¥374,926	47.1%	¥938.56
First Half ended September 30, 2006	¥725,932	¥261,691	36.0%	¥706.83
Year ended March 31, 2007	¥748,939	¥348,444	46.5%	¥871.67

(Note) Shareholders' Equity : First Half ended September 30, 2007: 374,821 million yen
 First Half ended September 30, 2006: 261,508 million yen
 Year ended March 31, 2007: 348,167 million yen

(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 year
First Half ended September 30, 2007	¥31,264	¥(17,839)	¥(9,520)	¥88,776
First Half ended September 30, 2006	¥34,458	¥(7,303)	¥(11,548)	¥61,492
Year ended March 31, 2007	¥83,200	¥(21,898)	¥(23,673)	¥83,848

2. Cash dividends

	Cash dividend per share (Yen)		
	Interim	End of year	Total
Year ended March 31, 2007	¥6.50	¥11.50	¥18.00
Year ended March 31, 2008	¥11.50		
Year ended March 31, 2008(Planned)		¥11.50	¥23.00

3. Forecast for Year ending March 31, 2008 (From April 1, 2007 to March 31, 2008)

Amount Unit : 1 Million Yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
Year ending March 31, 2008	¥948,000	15.2%	¥127,000	24.5%	¥115,000	28.4%

	Net Income	Change	Net Income per share of Common Stock (Yen)
Year ending March 31, 2008	¥70,000	27.7%	¥175.27

(Note) 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.

4. Other

(1) Changes of significant subsidiaries during this interim period (change of specified subsidiaries that affected the scope of consolidated reporting) : No

(2) Changes of accounting policies applied, procedures and disclosures for presenting consolidated financial statement

Changes by revision of accounting standard : Yes

Changes other than the above : Yes

(Note) Please see "Changes in Accounting Policies" on page 11 for further details.

(3) Numbers of shares outstanding(in shares)

Number of shares outstanding : First Half ended September 30, 2007: 400,101,468 shares

First Half ended September 30, 2006: 370,592,610 shares

Year ended March 31, 2007: 400,101,468 shares

Number of treasury stock : First Half ended September 30, 2007: 743,452 shares

First Half ended September 30, 2006: 616,519 shares

Year ended March 31, 2007: 674,372 shares

(Reference)**1. None-consolidated Financial Results for the First Half ended September 30, 2007
(From April 1, 2007 to September 30, 2007)**

(Note) 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
First Half ended September 30, 2007	¥331,949	14.8%	¥37,414	9.0%	¥41,400	29.7%
First Half ended September 30, 2006	¥289,157	13.8%	¥34,311	132.1%	¥31,911	181.9%
Year ended March 31, 2007	¥606,323		¥71,876		¥67,273	

	Net Income	Change	Net Income per share of Common Stock (Yen)
First Half ended September 30, 2007	¥26,519	24.7%	¥66.40
First Half ended September 30, 2006	¥21,271	261.2%	¥57.53
Year ended March 31, 2007	¥42,898		¥114.52

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
First Half ended September 30, 2007	¥641,855	¥301,341	46.9%	¥754.30
First Half ended September 30, 2006	¥593,909	¥207,058	34.9%	¥559.65
Year ended March 31, 2007	¥601,498	¥283,136	47.1%	¥708.65

(Note) Shareholders' Equity : First Half ended September 30, 2007: 301,236 million yen
 First Half ended September 30, 2006: 207,058 million yen
 Year ended March 31, 2007: 283,053 million yen

2. None-consolidated Forecast for Year ending March 31, 2008 (From April 1, 2007 to March 31, 2008)

Amount Unit : 1 Million Yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
Year ending March 31, 2008	¥720,000	18.7%	¥76,000	5.7%	¥78,000	15.9%

	Net Income	Change	Net Income per share of Common Stock (Yen)
Year ending March 31, 2008	¥50,000	16.6%	¥125.19

(Note) 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.

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007		Increase(Decrease) (A) - (B)
	(A)	%		%	(B)		
Assets							
Current assets							
Cash and time deposits	88,799		61,514		83,871		4,927
Notes and accounts receivable-trade	168,700		142,794		148,914		19,785
Inventories	259,623		259,334		246,400		13,222
Other current assets	52,517		47,907		47,082		5,434
Allowance for doubtful receivables	(3,244)		(3,167)		(3,072)		(171)
Total current assets	566,397	71.2	508,383	70.0	523,197	69.9	43,199
Fixed assets							
Tangible fixed assets							
Buildings and structures	42,210		40,551		41,381		828
Machinery, equipment and vehicles	39,195		36,486		39,169		26
Land	15,825		15,919		15,964		(139)
Construction in progress	4,396		5,464		4,946		(549)
Other	14,779		14,699		15,210		(431)
Total tangible fixed assets	116,408	14.6	113,121	15.6	116,673	15.5	(265)
Intangible fixed assets	20,621	2.6	13,762	1.9	13,995	1.9	6,626
Investments and other assets							
Investment securities	82,705		81,482		85,421		(2,715)
Other	9,984		9,288		9,746		238
Allowance for doubtful receivables	(95)		(105)		(95)		0
Total investments and other assets	92,594	11.6	90,665	12.5	95,071	12.7	(2,477)
Total fixed assets	229,624	28.8	217,549	30.0	225,741	30.1	3,883
Total assets	796,022	100.0	725,932	100.0	748,939	100.0	47,082

Consolidated Balance Sheets

Amount Unit: 1 Million Yen

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007		Increase(Decrease)
	(A)	%		%	(B)	%	(A) - (B)
Liabilities							
Current liabilities							
Notes and accounts payable-trade	155,983		150,501		145,911		10,072
Short-term debt	15,109		14,930		17,456		(2,346)
Current portion of bonds	20,000		64,798		20,000		-
Accrued income taxes	21,727		14,402		27,560		(5,833)
Accrued expenses	54,598		43,993		47,711		6,887
Warranty reserve	7,538		6,710		7,655		(116)
Other current liabilities	60,411		59,607		42,660		17,750
Total current liabilities	335,369	42.1	354,943	48.9	308,956	41.3	26,413
Non-Current liabilities							
Bonds	49,500		69,500		49,500		-
Long-term debt	16,083		19,383		18,369		(2,286)
Liability for employees' retirement benefits	14,187		15,205		15,163		(975)
Retirement allowances for directors and corporate auditors	501		399		455		46
Other long-term liabilities	5,452		4,809		8,048		(2,595)
Total long-term liabilities	85,726	10.8	109,297	15.1	91,538	12.2	(5,811)
Total liabilities	421,095	52.9	464,241	64.0	400,494	53.5	20,601
Net assets							
Shareholders' equity							
Common stock	64,675		37,262		64,675		-
Capital surplus	79,911		52,534		79,911		-
Retained earnings	208,950		151,282		179,019		29,931
Treasury stock	(1,311)		(787)		(1,018)		(293)
Total shareholders' equity	352,226	44.2	240,291	33.1	322,588	43.1	29,637
Valuation and translation adjustments							
Unrealized gains on available-for-sale securities	18,779		19,894		22,104		(3,325)
Deferred gains or losses by hedging	(337)		(175)		(198)		(139)
Foreign currency translation adjustments	4,154		1,497		3,672		482
Total valuation and translation adjustments	22,595	2.9	21,216	2.9	25,578	3.4	(2,982)
Stock acquisition rights	104	0.0	-	-	83	0.0	21
Minority interests	-	-	182	0.0	194	0.0	(194)
Total net assets	374,926	47.1	261,691	36.0	348,444	46.5	26,481
Total liabilities and net assets	796,022	100.0	725,932	100.0	748,939	100.0	47,082

Consolidated Statements of Income

Amount Unit: 1 Million Yen

	First Half ended September 30, 2007 (A)		First Half ended September 30, 2006 (B)		Increase(Decrease) (A) - (B)	Year ended March 31, 2007	
		%		%			%
Net sales	445,793	100.0	377,285	100.0	68,508	822,813	100.0
Cost of sales	256,065	57.4	229,510	60.8	26,555	494,663	60.1
Selling, general and administrative expenses	126,462	28.4	103,745	27.5	22,716	226,143	27.5
Operating income	63,266	14.2	44,029	11.7	19,237	102,006	12.4
Non-operating income	4,922	1.1	3,450	0.9	1,471	7,080	0.9
Interest and dividend income	1,286		810		476	1,723	
Other income	3,635		2,640		995	5,357	
Non-operating expenses	9,321	2.1	10,402	2.8	(1,080)	19,536	2.4
Interest expenses	752		805		(52)	1,632	
Other expenses	8,569		9,597		(1,028)	17,903	
Ordinary income	58,866	13.2	37,077	9.8	21,789	89,551	10.9
Extraordinary gains	77	0.0	679	0.2	(602)	916	0.1
Gain on sale of fixed assets	77		679		(602)	825	
Gain on sale of investment securities	-		-			23	
Gain on transfer of investments in an affiliate	-		-			67	
Extraordinary losses	2,815	0.6	407	0.1	2,408	2,654	0.3
Loss on sale and disposal of fixed assets	264		407		(143)	807	
Loss on impairment of fixed assets	257		-		257	-	
Loss on sale of investment securities	9		-		9	-	
Loss on devaluation of investment securities	5		-		5	-	
Loss on restructuring of business	1,383		-		1,383	1,846	
Expenses for environment measures	894		-		894	-	
Income before income taxes	56,128	12.6	37,349	9.9	18,778	87,812	10.7
Income taxes	21,690	4.9	14,160	3.8	7,529	32,975	4.0
Minority interest	-	-	0	0.0	(0)	12	0.0
Net income	34,438	7.7	23,188	6.1	11,249	54,824	6.7

Consolidated Statement of Changes In Net Assets

Amount Unit : 1Million Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance of March 31,2007	64,675	79,911	179,019	(1,018)	322,588
Changes during the current period					
Cash dividends			(4,593)		(4,593)
Net income			34,438		34,438
Purchase of treasury stock				(352)	(352)
Disposal of treasury stock		(6)		59	52
Loss on Disposal of treasury stock		6	(6)		—
Adjustment of retained earnings for newly consolidated subsidiaries			59		59
Adjustment of pension obligation for foreign consolidated subsidiaries			34		34
Net change of items other than shareholders' equity					
Total changes during the current period	—	—	29,931	(293)	29,637
Balance of September 30,2007	64,675	79,911	208,950	(1,311)	352,226

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total			
Balance of March 31,2007	22,104	(198)	3,672	25,578	83	194	348,444
Changes during the current period							
Cash dividends							(4,593)
Net income							34,438
Purchase of treasury stock							(352)
Disposal of treasury stock							52
Loss on Disposal of treasury stock							—
Adjustment of retained earnings for newly consolidated subsidiaries							59
Adjustment of pension obligation for foreign consolidated subsidiaries							34
Net change of items other than shareholders' equity	(3,325)	(139)	482	(2,982)	21	(194)	(3,155)
Total changes during the current period	(3,325)	(139)	482	(2,982)	21	(194)	26,481
Balance of September 30,2007	18,779	(337)	4,154	22,595	104	—	374,926

Consolidated Statement of Changes In Net Assets

Amount Unit : 1Million Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance of March 31,2006	36,660	51,932	130,404	(697)	218,300
Changes in the period					
Conversion of convertible debenture	601	600			1,202
Cash dividends			(2,216)		(2,216)
Bonus to directors and corporate auditors			(72)		(72)
Net income			23,188		23,188
Purchase of treasury stock				(126)	(126)
Disposal of treasury stock		1		35	37
Adjustment of retained earnings for newly consolidated subsidiaries			(21)		(21)
Net change of items other than shareholders' equity					
Total changes in the period	601	601	20,878	(90)	21,990
Balance of September 30,2006	37,262	52,534	151,282	(787)	240,291

	Valuation and translation adjustments				Minority interests	Total net assets
	Net Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total		
Balance of March 31,2006	24,534	-	286	24,821	182	243,304
Changes in the period						
Conversion of convertible debenture						1,202
Cash dividends						(2,216)
Bonus to directors and corporate auditors						(72)
Net income						23,188
Purchase of treasury stock						(126)
Disposal of treasury stock						37
Adjustment of retained earnings for newly consolidated subsidiaries						(21)
Net change of items other than shareholders' equity	(4,640)	(175)	1,211	(3,604)	0	(3,604)
Total changes in the period	(4,640)	(175)	1,211	(3,604)	0	18,386
Balance of September 30,2006	19,894	(175)	1,497	21,216	182	261,691

Consolidated Statement of Changes In Net Assets

Amount Unit : 1Million Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance of March 31,2006	36,660	51,932	130,404	(697)	218,300
Changes during the period					
Conversion of convertible bonds	28,015	27,984			56,000
Cash dividends*			(4,621)		(4,621)
Bonus to directors and corporate auditors from appropriation			(72)		(72)
Net income			54,824		54,824
Purchase of treasury stock				(445)	(445)
Disposal of treasury stock		(10)		124	113
Loss on Disposal of treasury stock		4	(4)		-
Adjustment of retained earnings for newly consolidated subsidiaries			(21)		(21)
Adjustment of pension obligation for foreign consolidated subsidiaries			(1,490)		(1,490)
Net change of items other than shareholders' equity					
Total changes during the period	28,015	27,978	48,614	(320)	104,287
Balance of March 31,2007	64,675	79,911	179,019	(1,018)	322,588

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total			
Balance of March 31,2006	24,534	-	286	24,821	-	182	243,304
Changes during the period							
Conversion of convertible bonds							56,000
Cash dividends*							(4,621)
Bonus to directors and corporate auditors from appropriation							(72)
Net income							54,824
Purchase of treasury stock							(445)
Disposal of treasury stock							113
Loss on Disposal of treasury stock							-
Adjustment of retained earnings for newly consolidated subsidiaries							(21)
Adjustment of pension obligation for foreign consolidated subsidiaries							(1,490)
Net change of items other than shareholders' equity	(2,429)	(198)	3,385	757	83	12	852
Total changes during the period	(2,429)	(198)	3,385	757	83	12	105,139
Balance of March 31,2007	22,104	(198)	3,672	25,578	83	194	348,444

*Cash dividends contain (2,216) million yen from appropriation of shareholders meeting held on June, 2006.

Consolidated Statements of Cash Flows

Amount Unit: 1 Million Yen

	First Half ended September 30, 2007	First Half ended September 30, 2006	Year ended March 31, 2007
1. Cash flows from operating activities			
Income before income taxes	56,128	37,349	87,812
Depreciation and amortization	11,887	10,355	22,535
Impairment loss	267	-	588
Net increase in warranty reserve	(133)	152	1,063
Provision for employees' retirement benefits	(1,001)	(1,806)	(4,189)
Provision for retirement allowance for directors and corporate auditors	46	60	116
Interest and dividend income	(1,286)	(810)	(1,723)
Interest expenses	752	805	1,632
Gain on sale of fixed assets	(77)	(679)	(825)
Loss on sale and disposal of fixed assets	264	407	807
Gain on sale of investment securities	-	-	(23)
Loss on sale of investment securities	9	-	-
Loss on revaluation of investment securities	5	-	-
Net decrease (increase) in trade notes and accounts receivable	(18,575)	(1,811)	(6,297)
Net decrease (increase) in inventories	(12,068)	(17,184)	(1,491)
Net increase (decrease) in trade notes and accounts payable	8,259	(4,874)	(10,542)
Other, net (operating activities)	13,742	20,177	7,979
Sub total	58,221	42,141	97,443
Interests and dividends received	1,364	873	2,600
Interests paid	(803)	(867)	(1,777)
Income taxes paid	(27,517)	(7,689)	(15,066)
Net cash provided by operating activities	31,264	34,458	83,200
2. Cash flows from investing activities			
Payments for purchases of tangible fixed assets	(11,885)	(8,722)	(21,516)
Proceeds from sale of tangible fixed assets	725	1,065	1,818
Payments for purchase of investment securities	(3,344)	(528)	(914)
Proceeds from sale of investment securities	30	3,570	3,598
Net decrease (increase) in loans receivable	157	(40)	(26)
Other, net (investing activities)	(3,523)	(2,648)	(4,858)
Net cash used in investing activities	(17,839)	(7,303)	(21,898)
3. Cash flows from financing activities			
Increase (decrease) in short-term borrowings	(3,996)	712	2,219
Proceeds from long-term debt	155	1,200	4,896
Repayments of long-term debt	(867)	(1,160)	(5,842)
Repayments of bond redemption	-	(10,000)	(20,000)
Dividends paid	(4,587)	(2,211)	(4,612)
Other, net (financing activities)	(224)	(90)	(333)
Net cash used in financial activities	(9,520)	(11,548)	(23,673)
4. Foreign currency translation adjustments on cash and cash equivalents	553	902	1,234
5. Net increase in cash and cash equivalents	4,457	16,507	38,863
6. Cash and cash equivalents at beginning of year	83,848	44,471	44,471
7. Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	470	513	513
8. Cash and cash equivalents at end of period	88,776	61,492	83,848

1. Summary of Significant Accounting Policies

(1)Securities

Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold until maturity are reported at amortized cost method.

Available-for-sale-securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. Available-for-sale-securities whose fair value is not readily determinable are stated principally at moving-average cost method.

(2)Inventories

Inventories of Nikon Corporation (the "Company") and its domestic subsidiaries are stated at cost as determined principally using the average method. Inventories of foreign subsidiaries are stated at the lower of cost or market as determined principally using the average method.

(3)Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation of tangible fixed assets and equipment of the Company and domestic subsidiaries is principally computed using the declining-balance method, while the straight-line method is applied to buildings (excluding facilities incidental to buildings), and foreign subsidiaries apply the straight-line method, using rates based on the estimated useful lives of the assets.

(4)Retirement and Pension Plans

The Company have non-contributory funded pension plans and a defined contribution pension plan amount covering substantially all of its employees. Major subsidiaries have non-contributory funded pension plans and certain foreign subsidiaries also have contributory pension plans.

(5)Foreign Currency Financial Statements

The balance sheet accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rates except for shareholders' equity, which is translated at the historical exchange rate.

(6)Derivatives and Hedging Activities

The Company and its significant subsidiaries (collectively the "Group") enters into derivative financial instruments ("derivatives"), including contracts of foreign exchange forward, currency option, foreign currency swap and interest rate swap to hedge foreign exchange risk and interest rate exposures. The Group does not hold or issue derivatives for trading or speculative purpose.

All derivatives be recognized principally as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statements of income unless the instrument qualifies for hedge accounting. For derivatives used for hedging purpose, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

2. Changes in Accounting Methods

(1) Exchange Method for Foreign Currency Financial Statements

The company has changed the exchange rate to the weighted-average exchange rate for translating the revenue and expense accounts of its foreign subsidiaries, which used to be translated at the current rate at the balance sheet date, into Japanese yen from this interim accounting period due to less the volatility risk of the current rate at the balance sheet in the ratio of sales and production of its foreign subsidiaries increasing. The effect of this change on revenues and expenses during this interim period is not material.

(2) Accounting Method for Depreciation of Property, Plant and Equipment

Effective from this interim period, the Company and its domestic subsidiaries changed the depreciation method for the property, plant and equipment acquired on or after April 1, 2007 due to the revision of Japanese Corporation Tax Law and its regulation. The effect of the change of this new accounting method on net income is not material.

Segment Information

1. Industry Segments

Amount Unit: 1 Million Yen

	First Half ended September 30, 2007						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	140,362	270,284	26,291	8,856	445,793	-	445,793
2)Intersegment sales/transfer	386	886	983	17,876	20,133	(20,133)	-
Total	140,748	271,170	27,275	26,732	465,927	(20,133)	445,793
Operating expenses	119,418	232,385	26,340	24,246	402,390	(19,862)	382,527
Operating income	21,330	38,785	935	2,486	63,536	(270)	63,266

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	135,539	205,764	26,430	9,550	377,285	-	377,285
2)Intersegment sales/transfer	340	505	892	16,767	18,505	(18,505)	-
Total	135,880	206,269	27,322	26,318	395,791	(18,505)	377,285
Operating expenses	112,598	187,403	26,289	25,239	351,531	(18,275)	333,256
Operating income	23,281	18,865	1,033	1,078	44,259	(230)	44,029

Amount Unit: 1 Million Yen

	Year ended March 31, 2007						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	291,912	448,825	59,251	22,823	822,813	-	822,813
2)Intersegment sales/transfer	649	964	1,918	34,420	37,954	(37,954)	-
Total	292,562	449,790	61,170	57,244	860,767	(37,954)	822,813
Operating expenses	243,241	404,111	56,048	55,142	758,543	(37,736)	720,806
Operating income	49,320	45,678	5,122	2,102	102,224	(217)	102,006

Precision Equipment ----- IC steppers, LCD steppers, etc.

Imaging Products ----- Digital cameras, Film cameras, Interchangeable camera lenses, etc .

Instruments ----- Microscopes, Measuring instruments, etc.

Other ----- Glass materials, Sport Optics, Ophthalmic frames, Surveying instruments .etc.

Segment Information

2. Geographic Segments

Amount Unit: 1 Million Yen

	First Half ended September 30, 2007						
	Japan	North America	Europe	Asia/Oceania	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	174,196	110,562	102,934	58,100	445,793	-	445,793
2)Intersegment sales/transfer	196,417	1,259	83	80,617	278,377	(278,377)	-
Total	370,613	111,821	103,018	138,717	724,171	(278,377)	445,793
Operating expenses	324,092	107,148	97,840	130,159	659,241	(276,713)	382,527
Operating income	46,521	4,673	5,177	8,558	64,930	(1,664)	63,226

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	154,252	100,845	79,340	42,846	377,285	-	377,285
2)Intersegment sales/transfer	174,076	1,125	39	52,081	227,323	(227,323)	-
Total	328,328	101,971	79,380	94,928	604,608	(227,323)	377,285
Operating expenses	287,957	99,599	78,285	92,398	558,240	(224,984)	333,256
Operating income	40,371	2,371	1,095	2,529	46,368	(2,339)	44,029

Amount Unit: 1 Million Yen

	Year ended March 31, 2007						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	337,454	216,113	177,386	91,858	822,813	-	822,813
2)Intersegment sales/transfer	347,651	2,512	119	124,091	474,374	(474,374)	-
Total	685,106	218,625	177,506	215,950	1,297,187	(474,374)	822,813
Operating expenses	600,320	211,937	172,245	211,259	1,195,762	(474,955)	720,806
Operating income	84,786	6,687	5,260	4,690	101,425	581	102,006

North America : U.S.A., Canada

Europe : The Netherlands, Germany, United Kingdom, etc.

Asia/Oceania : China, South Korea, Taiwan, Thailand, Australia, etc.

Note:

"Asia/Oceania area" has been set to add Australia to the geographic segments for the first half ended September, 2007 on behalf of "Asia area" based on business and geographic proximity, as the accounts of Nikon Australia Pty Ltd, a wholly owned sales and service subsidiary, has been consolidated from this interim period.

Segment Information

3. Export sales

Amount Unit: 1 Million Yen

	First Half ended September 30, 2007				
	North America	Europe	Asia/Oceania	Other	Total
Export sales(A)	106,171	102,017	119,614	5,582	333,685
Net sales(B)					445,793
(A)/(B)	23.8%	22.9%	26.9%	1.3%	74.9%

Amount Unit: 1 Million Yen

	First Half ended September 30, 2006				
	North America	Europe	Asia	Other	Total
Export sales(A)	97,349	77,945	106,805	4,748	286,848
Net sales(B)					377,285
(A)/(B)	25.8%	20.6%	28.3%	1.3%	76.0%

Amount Unit: 1 Million Yen

	Year ended March 31, 2007				
	North America	Europe	Asia	Other	Total
Export sales(A)	207,845	176,261	217,939	13,068	615,114
Net sales(B)					822,813
(A)/(B)	25.3%	21.4%	26.5%	1.6%	74.8%

North America : U.S.A., Canada

Europe : The Netherlands, Germany, United Kingdom, etc.

Asia/Oceania : China, South Korea, Taiwan, Singapore, Australia, etc.

Other : South and Central America, Africa, etc.

Note:

"Asia area" has been changed to "Asia/Oceania area" from this interim period, as export sales for Oceania, which used to be in "Other area", have been tallied in "Asia/Oceania area" due to business and geographic proximity. As a result of this change, export sales for Oceania for the first half year ended September 30, 2007 were 3,406 million yen in "Asia / Oceania area". Export sales for Oceania for the first half ended September 30, 2006 and for the year ended March 31, 2007 were 991 million yen and 3,938 million yen in "Other area".

Non-Consolidated Balance Sheets

Amount Unit : 1million Yen

	As of September 30, 2007 (A)		As of September 30, 2006		As of March 31, 2007 (B)		Increase (Decrease) (A) - (B)
Assets		%		%		%	
Current assets							
Cash and time deposits	51,245		39,460		53,196		(1,951)
Notes receivable	5,264		2,717		1,435		3,828
Accounts receivable	155,530		137,396		137,948		17,581
Inventories	181,507		174,109		172,092		9,414
Short-term loans receivable	20,446		24,273		17,392		3,053
Other current assets	32,293		27,797		29,091		3,202
Allowance for doubtful receivables	(1,406)		(2,047)		(1,270)		(135)
Total current assets	444,881	69.3	403,708	68.0	409,886	68.1	34,994
Fixed assets							
Tangible fixed assets	65,458		66,583		66,912		(1,453)
Buildings	18,340		18,724		18,739		(398)
Machinery and equipment	26,534		24,863		26,949		(415)
Other tangible fixed assets	20,583		22,995		21,223		(640)
Intangible fixed assets	17,683		10,801		11,186		6,496
Investments and other assets	113,832		112,817		113,513		319
Investment securities	72,669		72,083		75,844		(3,174)
Investments in subsidiaries and associated companies	27,358		26,965		27,331		26
Other	13,878		13,842		10,411		3,467
Allowance for doubtful reseivables	(74)		(74)		(74)		(0)
Total fixed assets	196,973	30.7	190,201	32.0	191,611	31.9	5,362
Total assets	641,855	100.0	593,909	100.0	601,498	100.0	40,356

Non-Consolidated Balance Sheets

Amount Unit : 1million Yen

	As of September 30, 2007 (A)		As of September 30, 2006		As of March 31, 2007 (B)		Increase (Decrease) (A) - (B)
		%		%			
Liabilities							
Current liabilities							
Notes payable	603		694		674		(70)
Accounts payable	123,495		118,654		114,802		8,692
Short-term bank loans	9,550		8,550		9,550		—
Current portion of long-term debt	2,340		440		840		1,500
Current portion of bonds	20,000		64,798		20,000		—
Accrued expenses	22,296		20,441		22,696		(399)
Accrued income taxes	13,099		8,874		21,428		(8,328)
Warranty reserve	4,612		4,066		4,576		36
Other current liabilities	68,323		58,905		45,099		23,223
Total current liabilities	264,320	41.2	285,425	48.1	239,667	39.8	24,653
Long-term liabilities							
Bonds	49,500		69,500		49,500		—
Long-term debt	15,160		17,500		16,980		(1,820)
Liability for employees' retirement benefits	10,201		13,029		10,915		(714)
Retirement allowance for directors and corporate auditors	501		399		455		46
Other long-term liabilities	830		996		843		(12)
Total long-term liabilities	76,193	11.9	101,425	17.0	78,693	13.1	(2,500)
Total liabilities	340,514	53.1	386,851	65.1	318,361	52.9	22,152
Net assets							
Shareholders' equity							
Common stock	64,675	10.1	37,262	6.3	64,675	10.8	—
Capital surplus	79,911	12.5	52,534	8.8	79,911	13.3	—
Additional paid in capital	79,911		52,527		79,911		—
Other capital surplus	—		7		—		—
Retained earnings	139,517	21.7	98,381	16.6	117,598	19.5	21,918
Legal reserve	5,565		5,565		5,565		—
Revenue reserves	133,951		92,816		112,033		21,918
Reserve for research and development	2,056		2,056		2,056		—
Reserve for deferred capital gain for replacement of property	8,192		8,978		8,192		—
General reserve	77,211		50,211		50,211		27,000
Retained earning brought forward	46,492		31,570		51,573		(5,081)
Treasury stock	(1,311)	(0.2)	(787)	(0.1)	(1,018)	(0.2)	(293)
Total shareholders' equity	282,792	44.1	187,390	31.6	261,167	43.4	21,625
Valuation and translation adjustments							
Unrealized gains on available-for-sale securities	18,777		19,847		22,081		(3,304)
Deferred gains or losses on hedges	(333)		(179)		(195)		(137)
Total valuation and translation adjustments	18,443	2.8	19,667	3.3	21,885	3.7	(3,442)
Stock acquisition rights	104	0.0	—	—	83	0.0	21
Total net assets	301,341	46.9	207,058	34.9	283,136	47.1	18,204
Total Liabilities and Net assets	641,855	100.0	593,909	100.0	601,498	100.0	40,356

Non-Consolidated Statements of Income

Amount Unit : 1million Yen

	First Half ended September 30, 2007 (A)		First Half ended September 30, 2006 (B)		Increase (Decrease) (A) - (B)	Year ended March 31, 2007	
		%		%			%
Net sales	331,949	100.0	289,157	100.0	42,791	606,323	100.0
Cost of sales	237,794	71.6	207,942	71.9	29,851	434,649	71.7
Gross profit	94,154	28.4	81,214	28.1	12,939	171,674	28.3
Selling, general and administrative expenses	56,740	17.1	46,903	16.2	9,836	99,797	16.4
Operating income	37,414	11.3	34,311	11.9	3,102	71,876	11.9
Non-operating income	11,210	3.4	5,686	1.9	5,524	10,301	1.7
Interest income	471		266		205	650	
Dividend income	8,226		3,037		5,189	4,283	
Other income	2,512		2,383		128	5,368	
Non-operating expenses	7,224	2.2	8,085	2.8	(861)	14,904	2.5
Interest expenses	238		155		83	349	
Interest expenses on bonds	297		299		(1)	598	
Loss on disposals of inventories	3,093		2,451		642	5,137	
Write-down of inventories	289		1,045		(755)	1,168	
Other expenses	3,304		4,135		(830)	7,650	
Ordinary income	41,400	12.5	31,911	11.0	9,488	67,273	11.1
Extraordinary gains	138	0.0	657	0.2	(518)	865	0.1
Gain on sales of fixed assets	55		657		(601)	775	
Gain on sales of investment securities	—		—		—	23	
Gain on absorption of investments in an affiliate	82		—		82	—	
Gain on transfer of investments in an affiliate	—		—		—	67	
Extraordinary losses	3,031	0.9	332	0.1	2,699	2,475	0.4
Loss on disposal of fixed assets	201		331		(130)	628	
Loss on sales of fixed assets	1		0		0	0	
Loss on restructuring of business	1,928		—		1,928	1,846	
Expenses for environmental measures	894		—		894	—	
Loss on devaluation of investment securities	5		—		5	—	
Income before income taxes	38,507	11.6	32,236	11.1	6,270	65,664	10.8
Income taxes-current	13,325	4.0	9,079	3.1	4,246	24,236	4.0
Income taxes-deferred	(1,336)	(0.4)	1,886	0.6	(3,222)	(1,470)	(0.3)
Net income	26,519	8.0	21,271	7.4	5,247	42,898	7.1

Non-Consolidated Statement of Changes In Net Assets

First Half ended September 30, 2007

Amount Unit : 1Million Yen

	Shareholders' equity									Treasury stock	Total shareholders' equity
	Common stock	Capital surplus		Retained earnings							
		Additional paid in capital	Other capital surplus	Legal reserve	Reserve for research and development	Reserve for deferred capital gain for replacement of property	General reserve	Retained earning brought forward			
Balance of March 31,2007	64,675	79,911	—	5,565	2,056	8,192	50,211	51,573	(1,018)	261,167	
Changes during the current period											
Transfer to general reserve from appropriation							27,000	(27,000)		—	
Cash dividends								(4,593)		(4,593)	
Net income								26,519		26,519	
Purchase of treasury stock									(352)	(352)	
Disposal of treasury stock			(6)						59	52	
Loss on disposal of treasury stock			6					(6)		—	
Net change of items other than Shareholders' equity										—	
Total changes during the current period	—	—	—	—	—	—	27,000	(5,081)	(293)	21,625	
Balance of September 30,2007	64,675	79,911	—	5,565	2,056	8,192	77,211	46,492	(1,311)	282,792	

	Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance of March 31,2007	22,081	(195)	21,885	83	283,136
Changes during the current period					
Transfer to general reserve from appropriation					—
Cash dividends					(4,593)
Net income					26,519
Purchase of treasury stock					(352)
Disposal of treasury stock					52
Loss on disposal of treasury stock					—
Net change of items other than Shareholders' equity	(3,304)	(137)	(3,442)	21	(3,420)
Total changes during the current period	(3,304)	(137)	(3,442)	21	18,204
Balance of September 30,2007	18,777	(333)	18,443	104	301,341

*Details of other retained earning is included in this report for the First Half ended September 30, 2007.

Non-Consolidated Statement of Changes In Net Assets

First Half ended September 30, 2006

Amount Unit : 1Million Yen

	Shareholders' equity							Valuation and translation adjustments			Total net assets
	Common stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Additional paid in capital	Other capital surplus	Legal reserve	Other Retained earnings						
Balance of March 31,2006	36,660	51,926	6	5,565	73,832	(697)	167,294	24,476	—	24,476	191,770
Changes during the period											
Conversion of convertible debenture	601	600					1,202				1,202
Cash dividends*					(2,216)		(2,216)				(2,216)
Bonus to directors and corporate auditors from appropriation					(72)		(72)				(72)
Net income					21,271		21,271				21,271
Purchase of treasury stock						(126)	(126)				(126)
Disposal of treasury stock			1			35	37				37
Net change of items other than Shareholders' equity								(4,629)	(179)	(4,808)	(4,808)
Total changes during the period	601	600	1	—	18,983	(90)	20,096	(4,629)	(179)	(4,808)	15,287
Balance of September 30,2006	37,262	52,527	7	5,565	92,816	(787)	187,390	19,847	(179)	19,667	207,058

Details of other retained earning

	Reserve for research and development	Reserve for deferred capital gain for replacement of property	Reserve for advanced depreciation of fixed assets	General reserve	Retained earning brought forward	Total other retained earning
Balance of March 31,2006	2,056	9,134	1,674	40,211	20,756	73,832
Changes during the period						
Reversal of reserve for deferred capital gain for replacement of property*		(1,470)			1,470	—
Reversal of reserve for advanced depreciation of fixed assets*			(1,674)		1,674	—
Cash dividends*					(2,216)	(2,216)
Bonus to directors and corporate auditors*					(72)	(72)
Transfer to reserve of deferred capital gain for replacement of property*		1,314			(1,314)	—
Transfer to general reserve*				10,000	(10,000)	—
Net income					21,271	21,271
Total changes during the period	—	(156)	(1,674)	10,000	10,814	18,983
Balance of September 30,2006	2,056	8,978	—	50,211	31,570	92,816

*Appropriation of shareholders meeting held on June, 2006

Non-Consolidated Statement of Changes In Net Assets

Year ended March 31, 2007

Amount Unit : 1Million Yen

	Shareholders' equity							Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Common stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
		Additional paid in capital	Other capital surplus	Legal reserve	Other Retained earnings							
Balance of March 31,2006	36,660	51,926	6	5,565	73,832	697	167,294	24,476	—	24,476	—	191,770
Changes during the period												
Conversion of convertible debenture	28,015	27,984					56,000					56,000
Cash dividends*					(4,621)		(4,621)					(4,621)
Bonus to directors and corporate auditors from appropriation					(72)		(72)					(72)
Net income					42,898		42,898					42,898
Purchase of treasury stock						(445)	(445)					(445)
Disposal of treasury stock			(10)			124	113					113
Loss on disposal of treasury stock			4		(4)		—					—
Net change of items other than Shareholders' equity								(2,395)	(195)	(2,591)	83	(2,507)
Total changes during the period	28,015	27,984	(6)	—	38,200	(320)	93,873	(2,395)	(195)	(2,591)	83	91,366
Balance of March 31,2007	64,675	79,911	—	5,565	112,033	(1,018)	261,167	22,081	(195)	21,885	83	283,136

Details of other retained earning

	Reserve for research and development	Reserve for deferred capital gain for replacement of property	Reserve for advanced depreciation of fixed assets	General reserve	Retained earning brought forward	Total other retained earning
Balance of March 31,2006	2,056	9,134	1,674	40,211	20,756	73,832
Changes during the period						
Cash dividends*					(4,621)	(4,621)
Bonus to directors and corporate auditors from appropriation					(72)	(72)
Net income					42,898	42,898
Reversal of reserve for deferred capital gain for replacement of property from appropriation		(1,470)			1,470	—
Transfer to reserve of deferred capital gain for replacement of property from appropriation		1,314			(1,314)	—
Reversal of reserve for deferred capital gain for replacement of property		(1,145)			1,145	—
Transfer to reserve of deferred capital gain for replacement of property		359			(359)	—
Reversal of reserve for advanced depreciation of fixed assets from appropriation			(1,674)		1,674	—
Transfer to general reserve from appropriation				10,000	(10,000)	—
Loss on disposal of treasury stock					(4)	(4)
Total changes during the period	—	(942)	(1,674)	10,000	30,817	38,200
Balance of March 31,2007	2,056	8,192	—	50,211	51,573	112,033

*Cash dividends contain (2,216) million yen from appropriation of shareholders meeting held on June, 2006.