



Financial Results for the Year Ended March 31, 2010

Conference in Tokyo (May 11, 2010)
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 Year Ended March 31,2010**
- II . **Estimation for the Year Ending March 31,2011**
- III . **Reference Data**

Financial Highlights for the Year Ended March 31, 2010



Billions of yen	09/3 (A)	1H 2H	Previous Forecast as of Feb 4th (B)	1H 2H	10/3 Actual (C)	1H 2H	Change (C) - (A)	Change (C) - (B)
Net Sales	879.7	$\frac{487.1}{392.6}$	770.0	$\frac{368.1}{401.9}$	785.5	$\frac{368.1}{417.4}$	- 94.2	+ 15.5
Operating Income % vs Net Sales	48.2 5.5%	$\frac{54.1}{- 5.9}$	- 16.0 -%	$\frac{- 19.5}{3.5}$	- 13.9 -%	$\frac{- 19.5}{5.6}$	- 62.1	+2.1
Ordinary Income % vs Net Sales	47.7 5.4%	$\frac{53.1}{- 5.4}$	- 19.0 -%	$\frac{- 22.3}{3.3}$	- 15.3 -%	$\frac{- 22.3}{7.0}$	- 63.0	+ 3.7
Net Income % vs Net Sales	28.1 3.2%	$\frac{33.6}{- 5.5}$	- 17.0 -%	$\frac{- 17.7}{0.7}$	- 12.6 -%	$\frac{- 17.7}{5.1}$	- 40.7	+ 4.4
Exchange Rate (yen)	101	$\frac{106}{95}$	93	$\frac{96}{90}$	93	$\frac{96}{90}$	Impact on Net Sales: - 52.0	Impact on Net Sales: - 1.4
US\$	144	$\frac{163}{125}$	132	$\frac{133}{131}$	131	$\frac{133}{129}$	Op. Income: - 27.0	Op. Income: - 1.1
EURO								

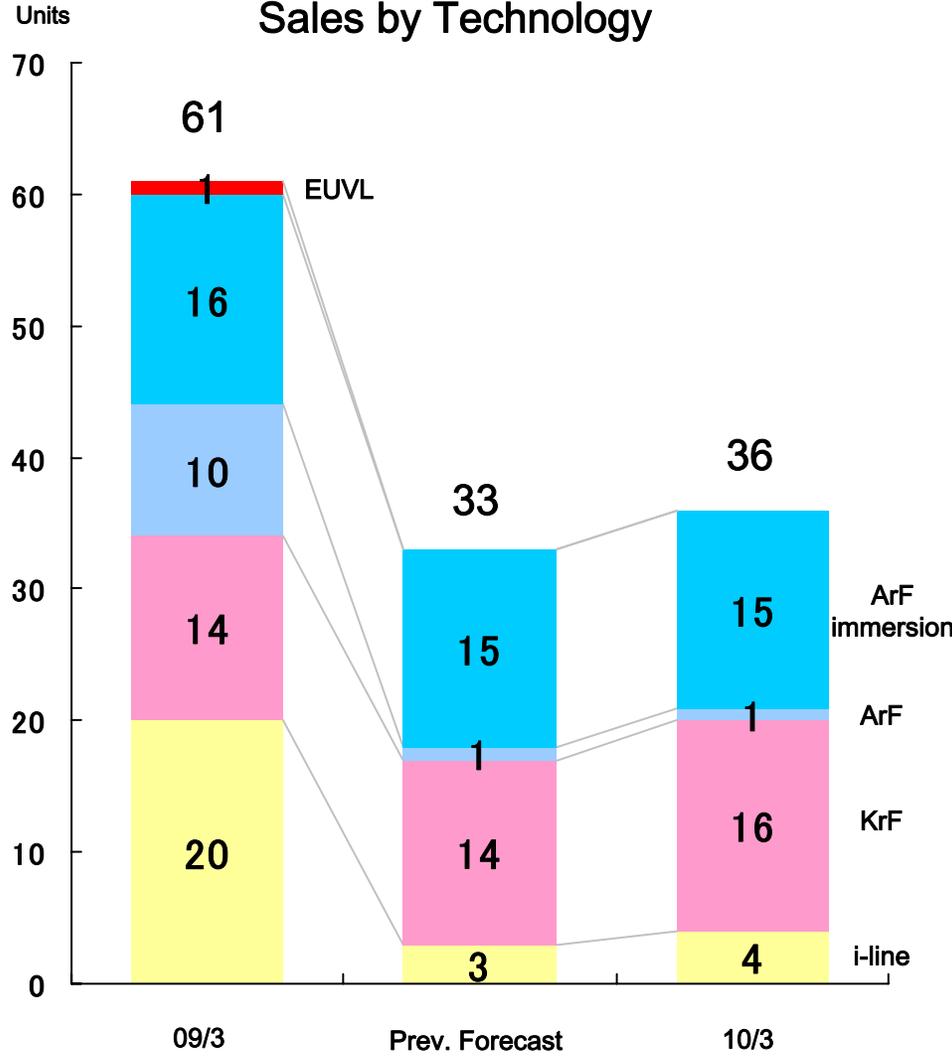
Achieved turnaround in 2H after last 2 half-year periods of loss with a full year result in deficit due to appreciation of Yen and extra write-down of inventory in 2Q in Precision Equipment business.

Billions of yen	09/3 Actual Result	1H 2H	Previous Forecast As of Feb. 4th	1H 2H	10/3 Actual Result	1H 2H
Net Sales	219.9	$\frac{117.2}{102.7}$	140.0	$\frac{66.3}{73.7}$	150.1	$\frac{66.3}{83.8}$
Operating Income % vs Net Sales	8.0 3.6%	$\frac{12.2}{-4.2}$	- 58.0 -%	$\frac{-44.0}{-14.0}$	- 58.6 -%	$\frac{-44.0}{-14.6}$
IC Steppers & Scanners New / Refurbished	61/17 units	$\frac{32/10}{29/7}$	33/11 units	$\frac{18/4}{15/7}$	36/13 units	$\frac{18/4}{18/9}$
LCD Steppers & Scanners	65 units	$\frac{37}{28}$	44 units	$\frac{16}{28}$	45 units	$\frac{16}{29}$
IC Steppers & Scanners Market Scale	200 units			- units	112 units	
LCD Steppers & Scanners Market Scale	137 units			- units	74 units	

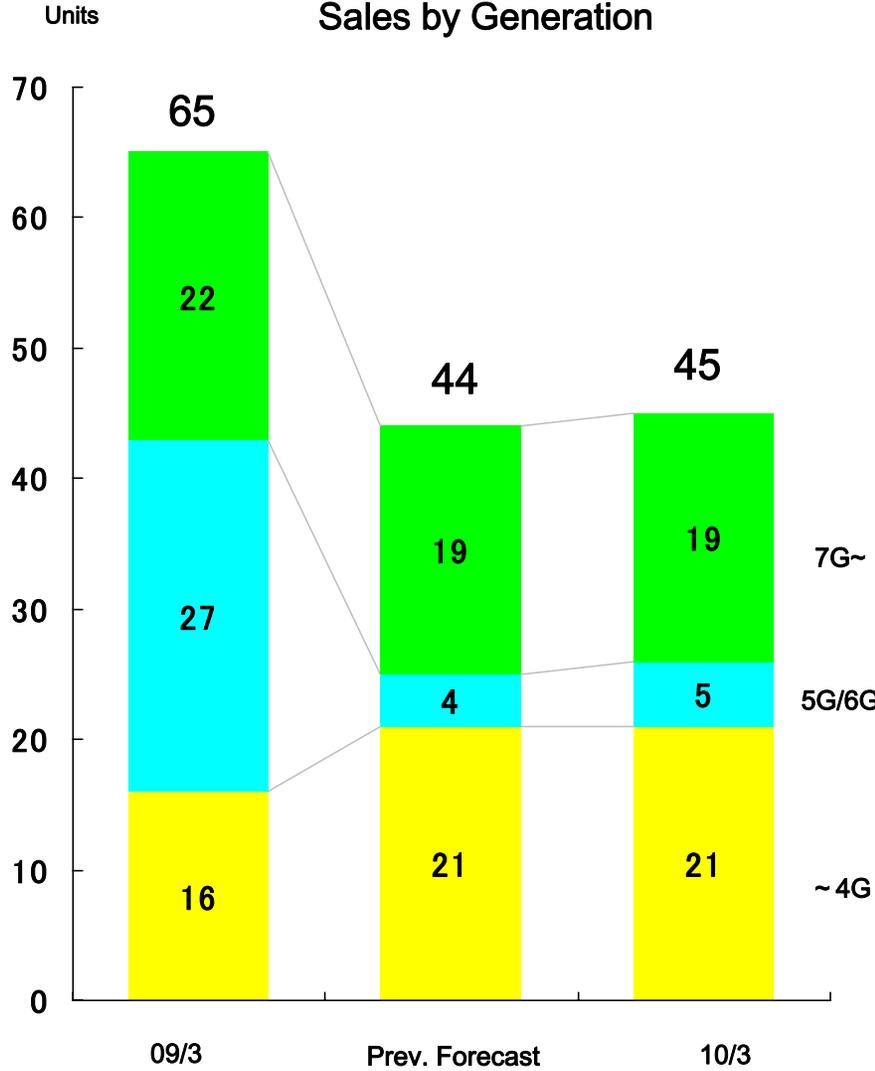
Sales volume declined by 40% for IC Steppers & Scanners and 30% for LCD Steppers & Scanners compared to the previous year due to market stagnation. Operating Loss result recorded large deficit because of extra write-down of inventory in 2Q.



IC Steppers & Scanners Sales by Technology



LCD Steppers & Scanners Sales by Generation



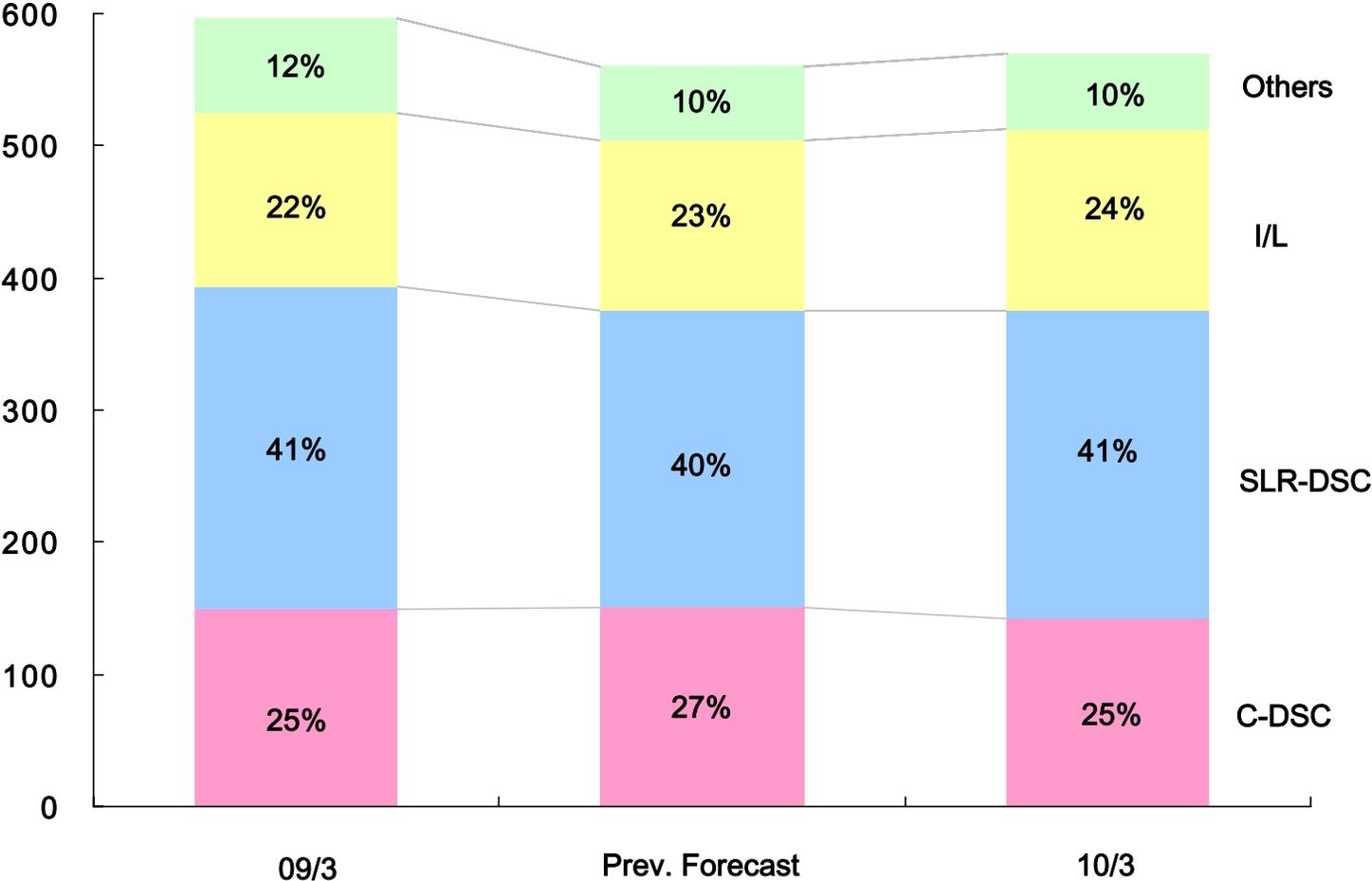
Billions of yen
Cameras & Lenses
(1,000 of units sold)

	09/3 Actual Result	1H 2H	Previous Forecast As of Feb. 4th	1H 2H	10/3 Actual Result	1H 2H
Net Sales	596.5	<u>337.2</u> 259.3	560.0	<u>275.3</u> 284.7	569.5	<u>275.3</u> 294.2
Operating Income % vs Net Sales	40.0 6.7%	<u>42.0</u> -2.0	50.0 8.9%	<u>26.5</u> 23.5	52.1 9.1%	<u>26.5</u> 25.6
Single-lens Reflex DSC	3,420	<u>1,740</u> 1,680	3,550	<u>1,660</u> 1,890	3,670	<u>1,660</u> 2,010
Interchangeable Lenses	4,870	<u>2,450</u> 2,420	5,150	<u>2,450</u> 2,700	5,450	<u>2,450</u> 3,000
Compact DSC	10,330	<u>5,060</u> 5,270	11,500	<u>5,130</u> 6,370	11,510	<u>5,130</u> 6,380
SLR-DSC Market Scale	9,130		10,000		10,880	
IL Market Scale	14,800		16,000		17,720	
C-DSC Market Scale	103,690		98,000		102,740	

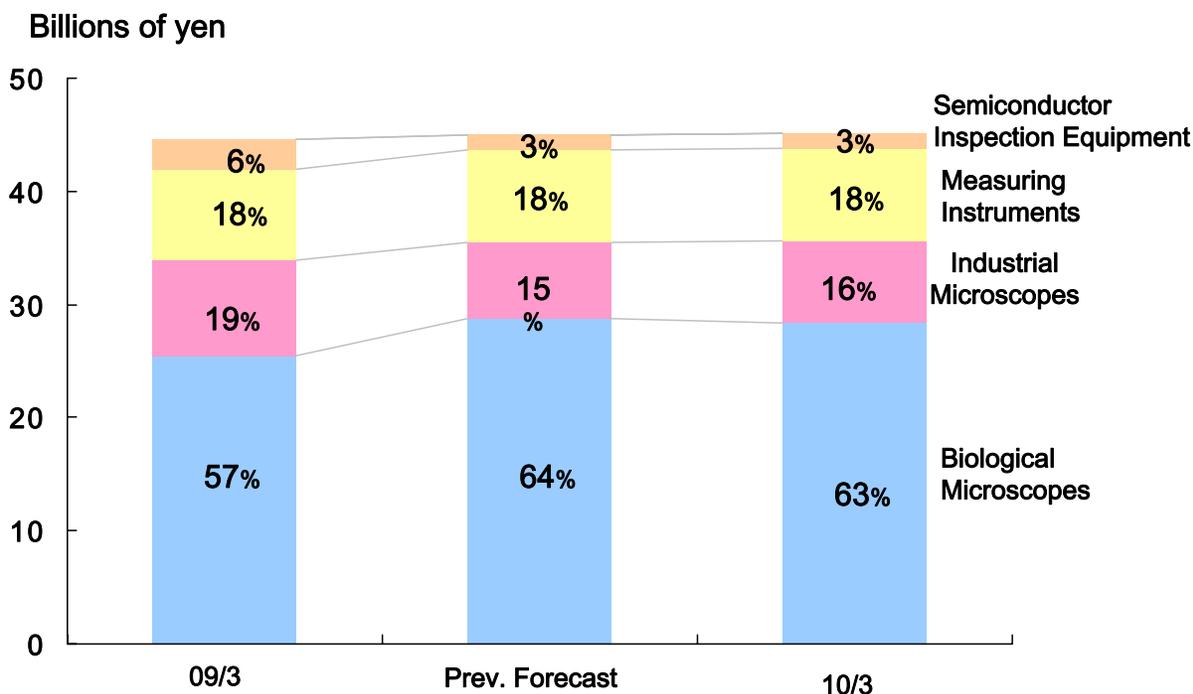
Increased in Operating Income under severe market condition despite lower Net Sales than the previous year due to appreciation of Yen. Sales volume increased by 11% for Compact DSC while shipment volume of its market was slightly lower than the previous year.

Sales value ratio by Product

Billions of yen



Billions of yen	09/3	<u>1H</u> <u>2H</u>	Previous Forecast As of Feb. 4th	<u>1H</u> <u>2H</u>	10/3	<u>1H</u> <u>2H</u>
Net Sales	44.6	<u>23.2</u> 21.4	45.0	<u>17.8</u> 27.2	45.1	<u>17.8</u> 27.3
Operating Income <small>% vs Net Sales</small>	-2.7 -%	<u>-1.3</u> -1.4	-10.0 -%	<u>-2.6</u> -7.4	-9.3 -%	<u>-2.6</u> -6.7

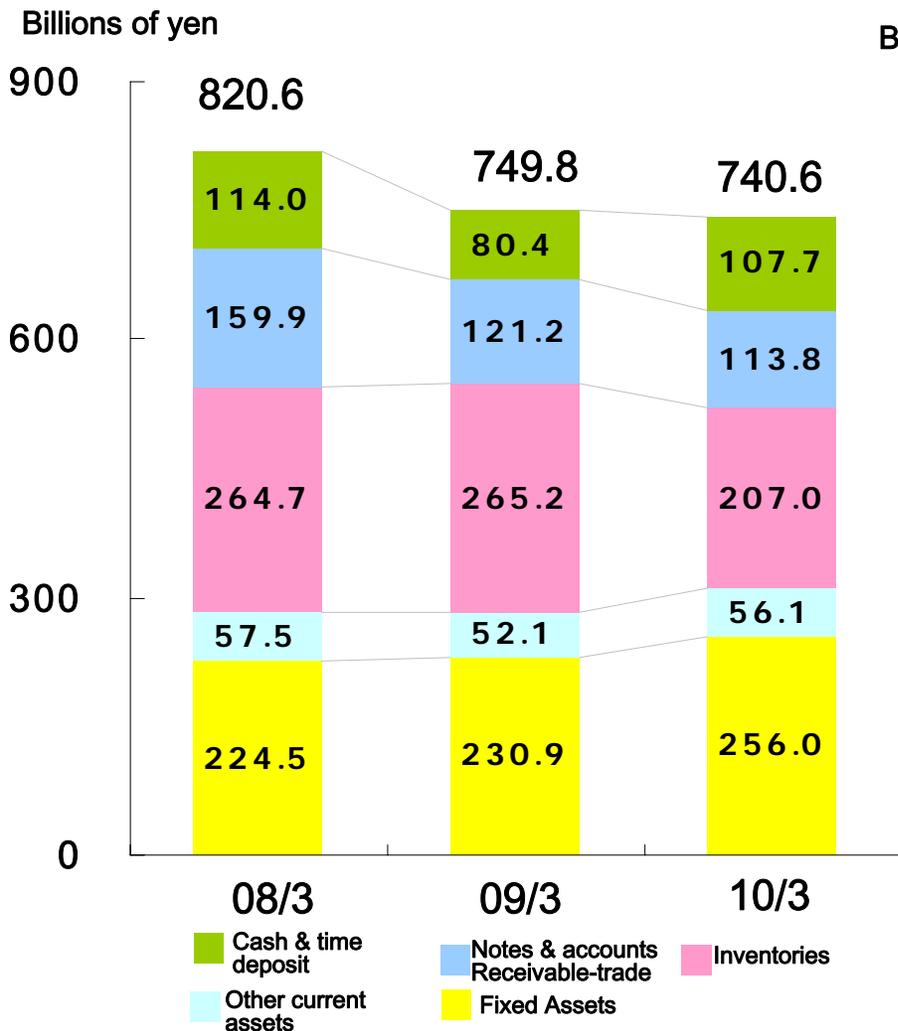


The Company worsened in deficit compared to the previous year due to Industrial equipment business hit by economic downturn and also extra integration expense of Metris NV (currently Nikon Metrology NV).

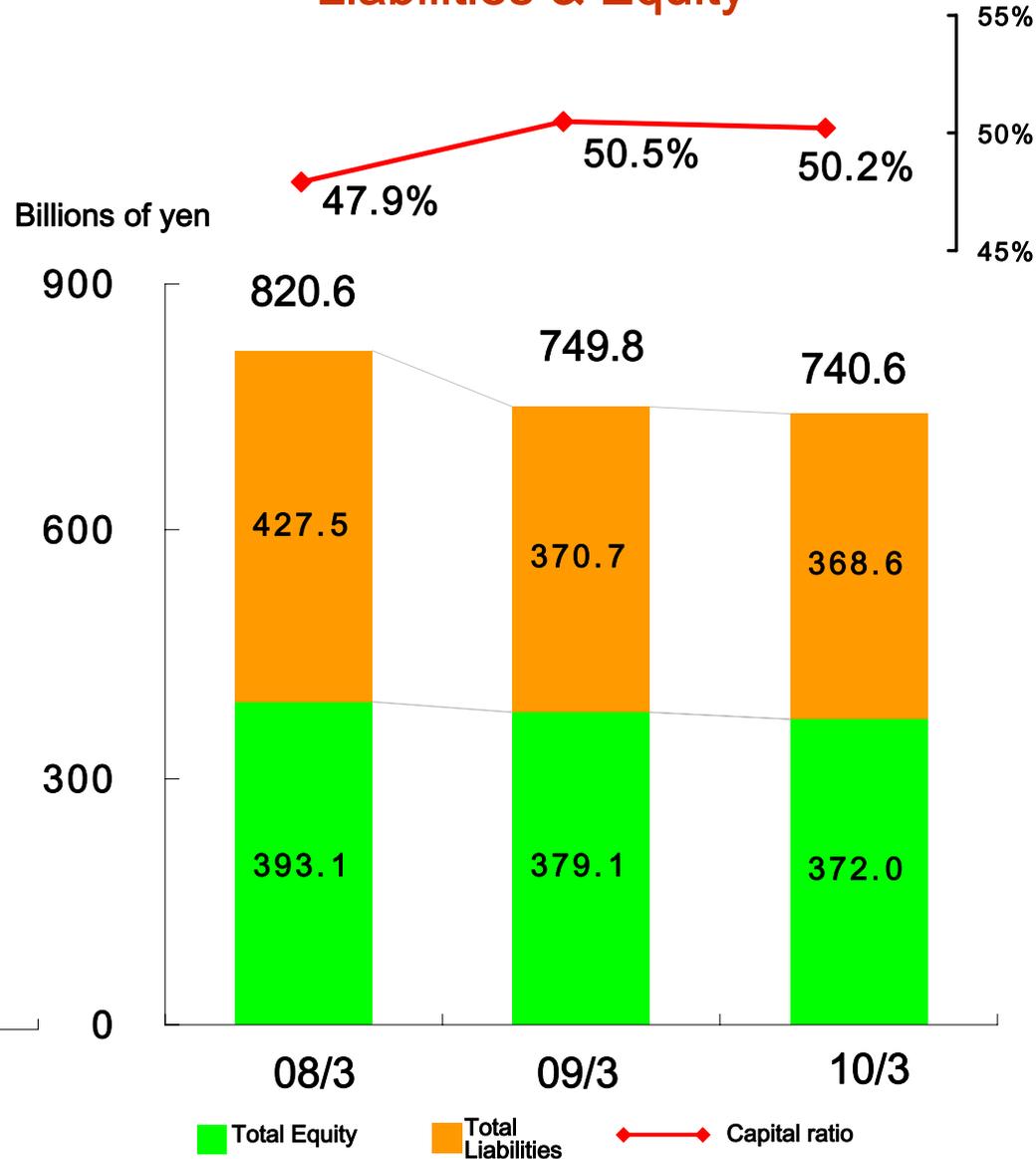
Balance Sheet



Assets



Liabilities & Equity



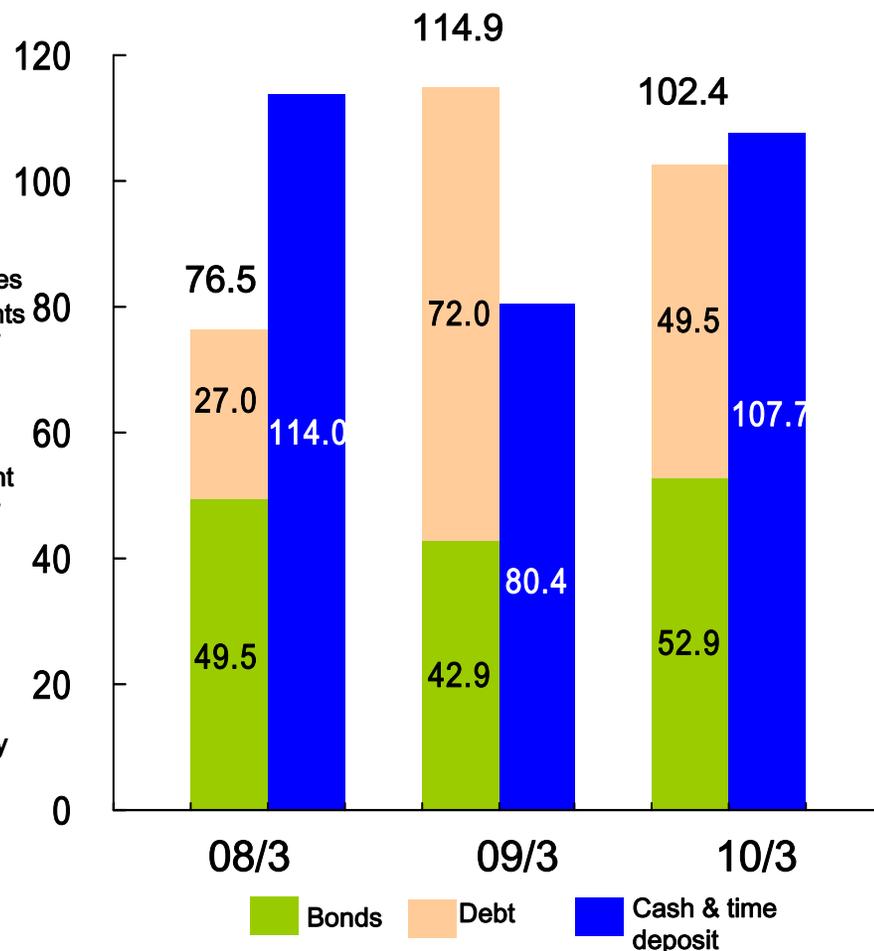
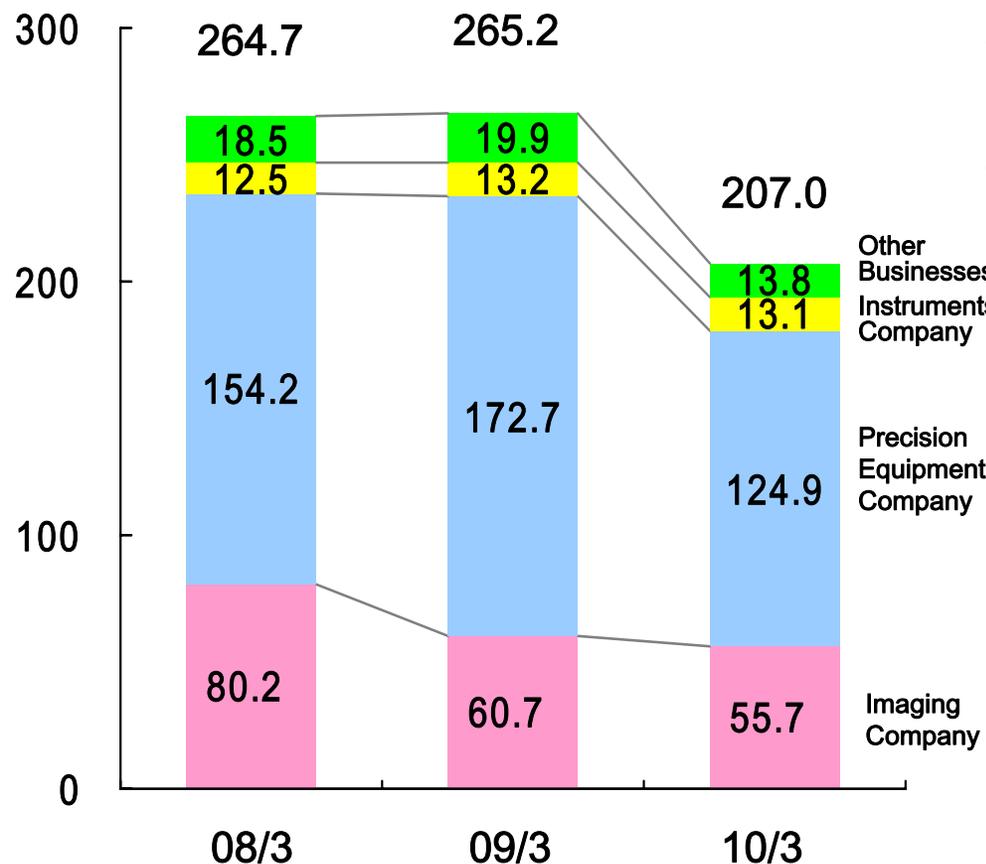


Inventories

Interest-bearing Debt and Cash & Time Deposit

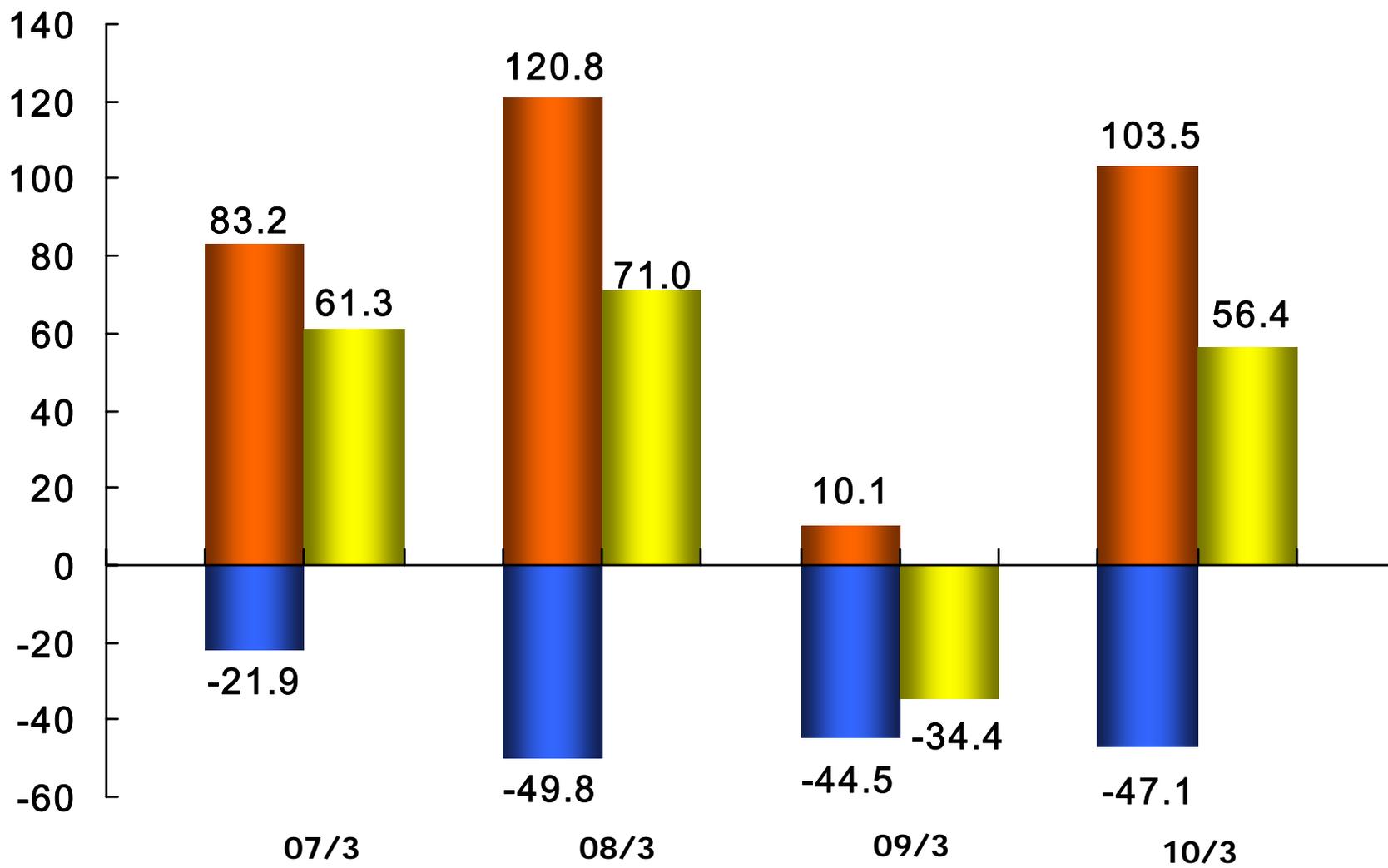
Billions of yen

Billions of yen



Cash Flow

Billions of yen



 Operating Activities

 Investing Activities

 Free Cash Flow

Summary for the Year Ended March 31, 2010



Operating Income secured in the black in the 2nd Half.

Revenue decreased and deficit recorded in incomes due to stagnant market, Yen appreciation as well as extra write-down of inventory in 2Q in the Precision Equipment business.

Precision Equipment Company

- Slow sales due to stagnant market of both IC and LCD steppers and scanners.
- Implementation of structural reform such as reorganization of manufacturing and servicing subsidiaries and inventory reexamination.

Imaging Company

- Lower net sales than the previous year due to Yen appreciation despite sales volume increase of all products groups.
- Higher operating income compared to the previous year due to various measures like expense squeezing, cost down by procurement reform and extension of overseas procurement.

Instruments Company

- Acquisition and integration of Metris NV (currently Nikon Metrology NV) as a strategic step for a great leap of measuring instrument business.

Cash dividend per share of common stock: 4 yen for the 2nd Half (8 yen for an entire year)

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Estimation for the year ending March 31, 2011



Billions of yen	10/3 Actual	1H 2H	11/3 Estimation	1H 2H	Change
Net Sales	785.5	$\frac{368.1}{417.4}$	880.0	$\frac{395.0}{485.0}$	+94.5
Operating Income <small>% vs Net Sales</small>	- 13.9 <small>-%</small>	$\frac{-19.5}{5.6}$	52.0 <small>5.9%</small>	$\frac{7.5}{44.5}$	+65.9
Ordinary Income <small>% vs Net Sales</small>	- 15.3 <small>-%</small>	$\frac{-22.3}{7.0}$	50.0 <small>5.7%</small>	$\frac{7.0}{43.0}$	+65.3
Net Income <small>% vs Net Sales</small>	- 12.6 <small>-%</small>	$\frac{-17.7}{5.1}$	30.0 <small>3.4%</small>	$\frac{4.0}{26.0}$	+42.6
FCF	56.4	$\frac{15.6}{40.8}$	50.0		- 6.4
Exchange Rate (yen) US\$ Euro	93 131	$\frac{96}{90}$ $\frac{133}{129}$	90 120		Financial Impact for Net Sales est. – 30.0 Financial Impact for Operating Income est. – 12.0

Estimating turnaround in the black in full year thanks to significant improvement of Precision Equipment business with continuously steady Imaging business.

Estimation for Precision Equipment Company

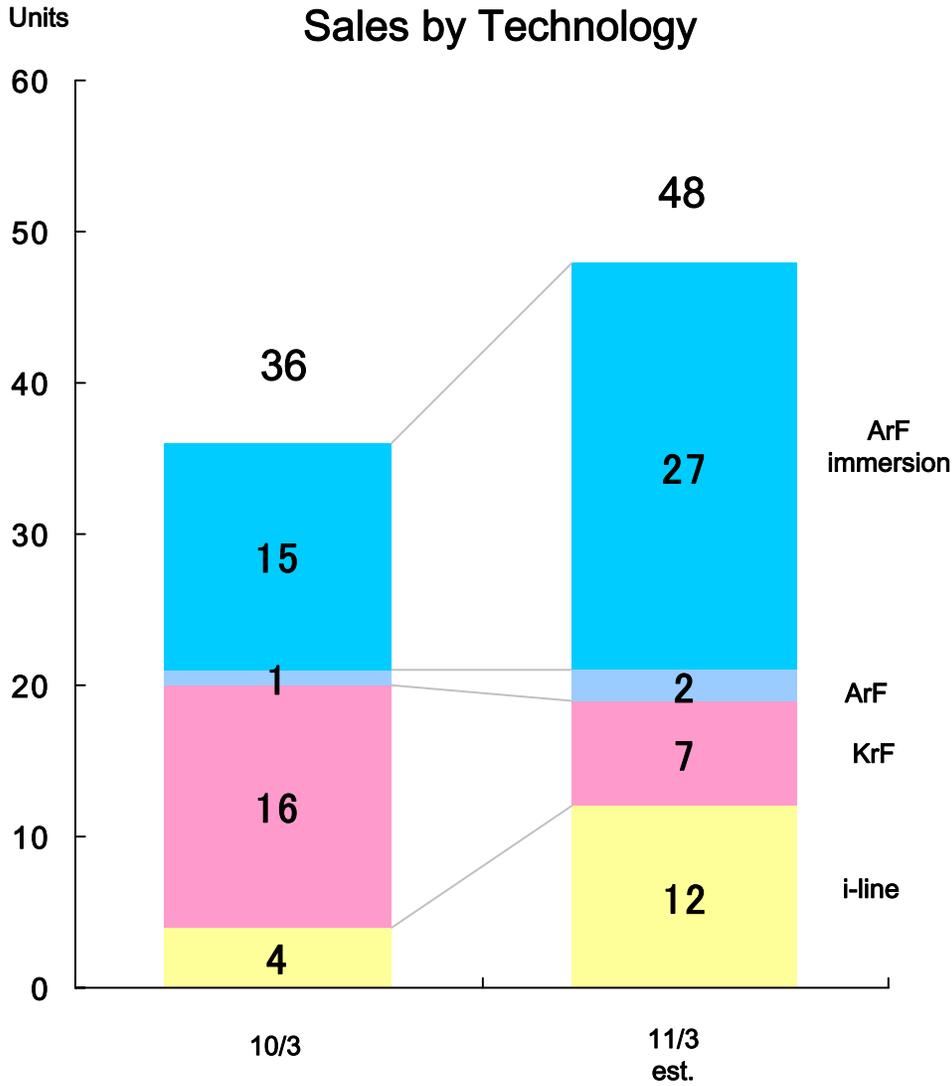
Billions of yen	10/3 Actual	1H 2H	11/3 Estimation	1H 2H
Net Sales	150.1	<u>66.3</u> 83.8	210.0	<u>80.0</u> 130.0
Operating Income <small>% vs Net Sales</small>	- 58.6 -%	<u>-44.0</u> - 14.6	3.0 1.4%	<u>- 8.0</u> 11.0
IC Steppers & Scanners New / Refurbished	36/13 units	<u>18/4</u> 18/9	48/22 units	<u>17/9</u> 31/13
LCD Steppers & Scanners	45 units	<u>16</u> 29	58 units	<u>24</u> 34
IC Steppers & Scanners Market Scale	112 units		est. 200 units	
LCD Steppers & Scanners Market Scale	74 units		est. 110 units	

Estimating turnaround in the black thanks to the market recovery and reduction of fixed cost by structural reform and also there will be no extra expense like write-down of inventory of the previous year.

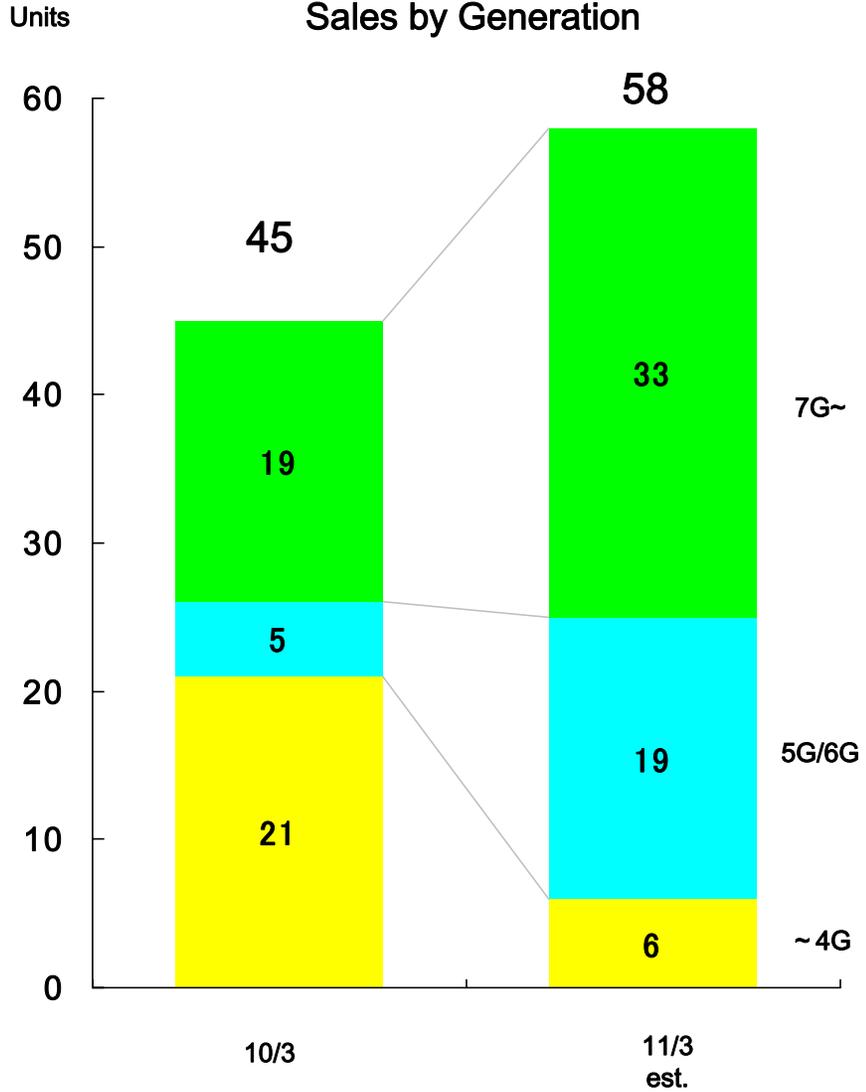
Estimation for Precision Equipment Company



IC Steppers & Scanners Sales by Technology



LCD Steppers & Scanners Sales by Generation



Estimation for Imaging Company

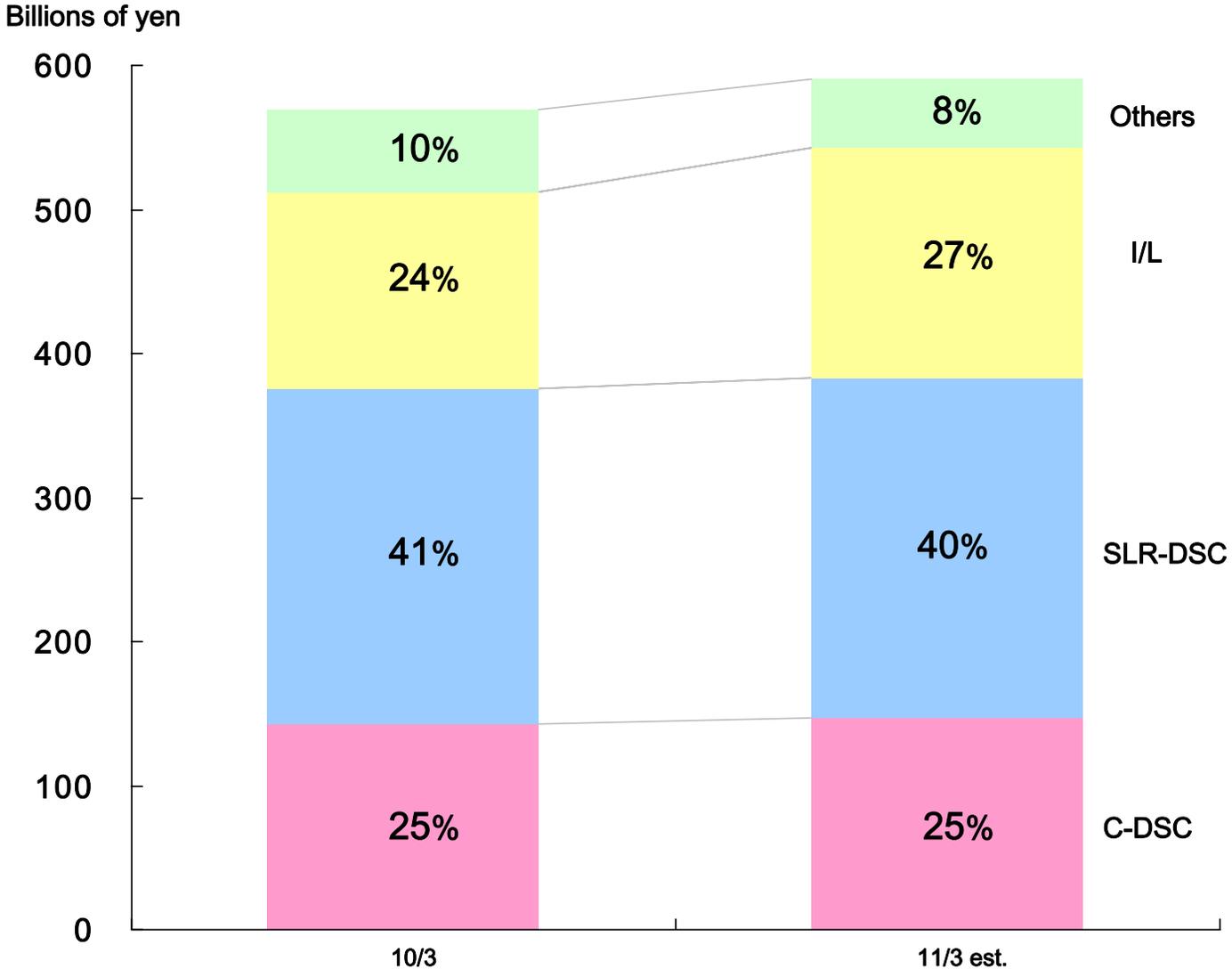


Billions of yen Cameras & Lenses (1,000 of units sold)	10/3 Actual	1H 2H	11/3 Estimation	1H 2H
Net Sales	569.5	<u>275.3</u> 294.2	590.0	<u>280.0</u> 310.0
Operating Income % vs Net Sales	52.1 9.1%	<u>26.5</u> 25.6	52.0 8.8%	<u>20.0</u> 32.0
Single-lens Reflex DSC	3,670	<u>1,660</u> 2,010	4,200	<u>1,900</u> 2,300
Interchangeable Lenses	5,450	<u>2,450</u> 3,000	6,150	<u>2,800</u> 3,350
Compact DSC	11,510	<u>5,130</u> 6,380	12,500	<u>5,700</u> 6,800
SLR-DSC Market Scale	10,880		12,000	
IL Market Scale	17,720		20,000	
C-DSC Market Scale	102,740		105,000	

Expecting steady growth of our sales volume and market volume of SLR-DSC and IL. We plan to secure the same level of profit as the previous year even under further appreciation of Yen.



Sales value ratio by Product

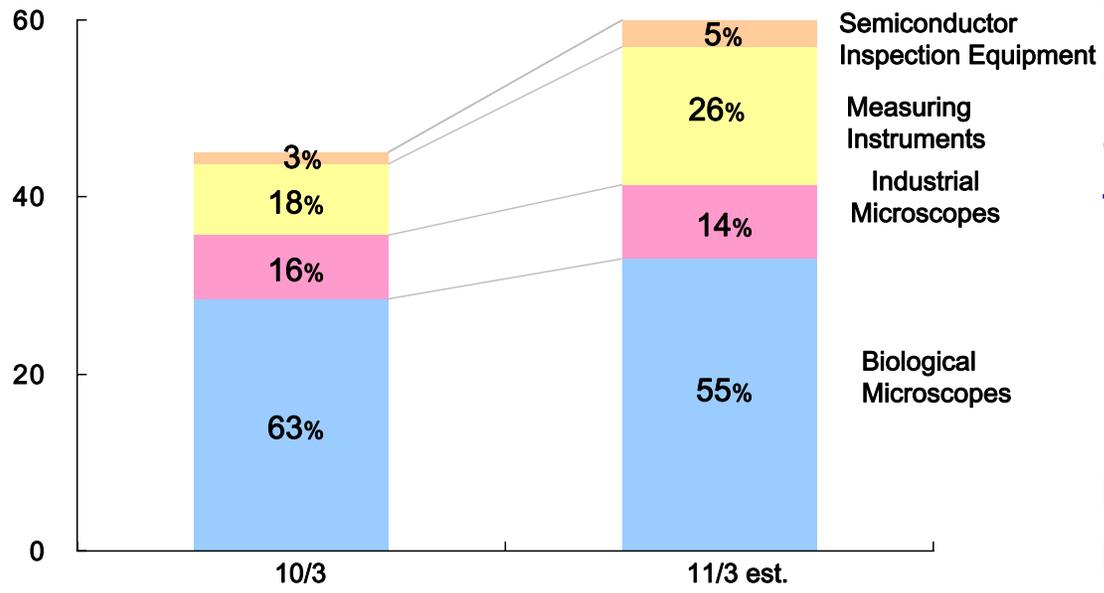


Estimation for Instruments Company



	10/3 Actual	1H 2H	11/3 Estimation	1H 2H
Net Sales	45.1	<u>17.8</u> 27.3	60.0	<u>25.0</u> 35.0
Operating Income <small>% vs Net Sales</small>	- 9.3 -%	<u>- 2.6</u> - 6.7	- 5.5 -%	<u>- 5.0</u> - 0.5

Billions of yen



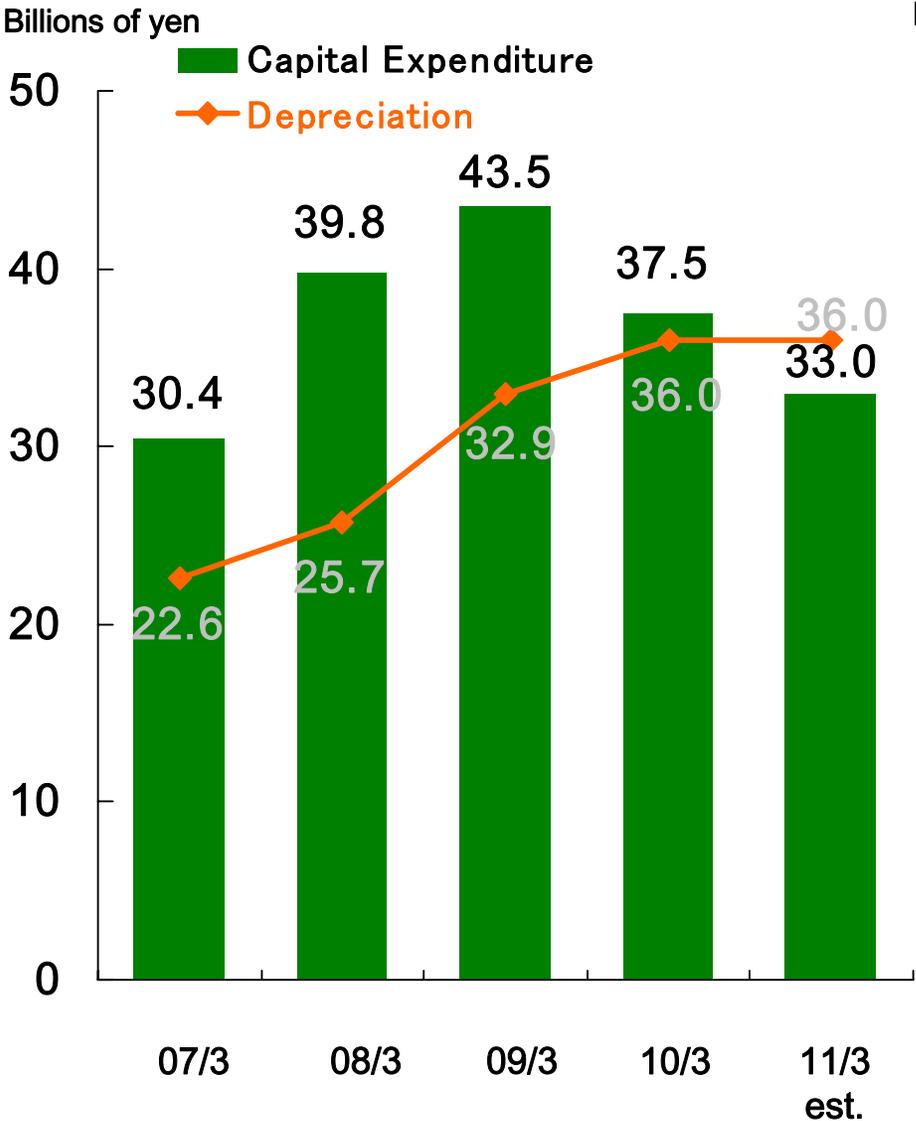
Planning to increase in Net Sales and reduction of loss in Operating Income without no extra integration expense as in the previous year.

Expecting considerable recovery to continue in Industrial equipment business in 2H, Operating loss will improve near to break-even.

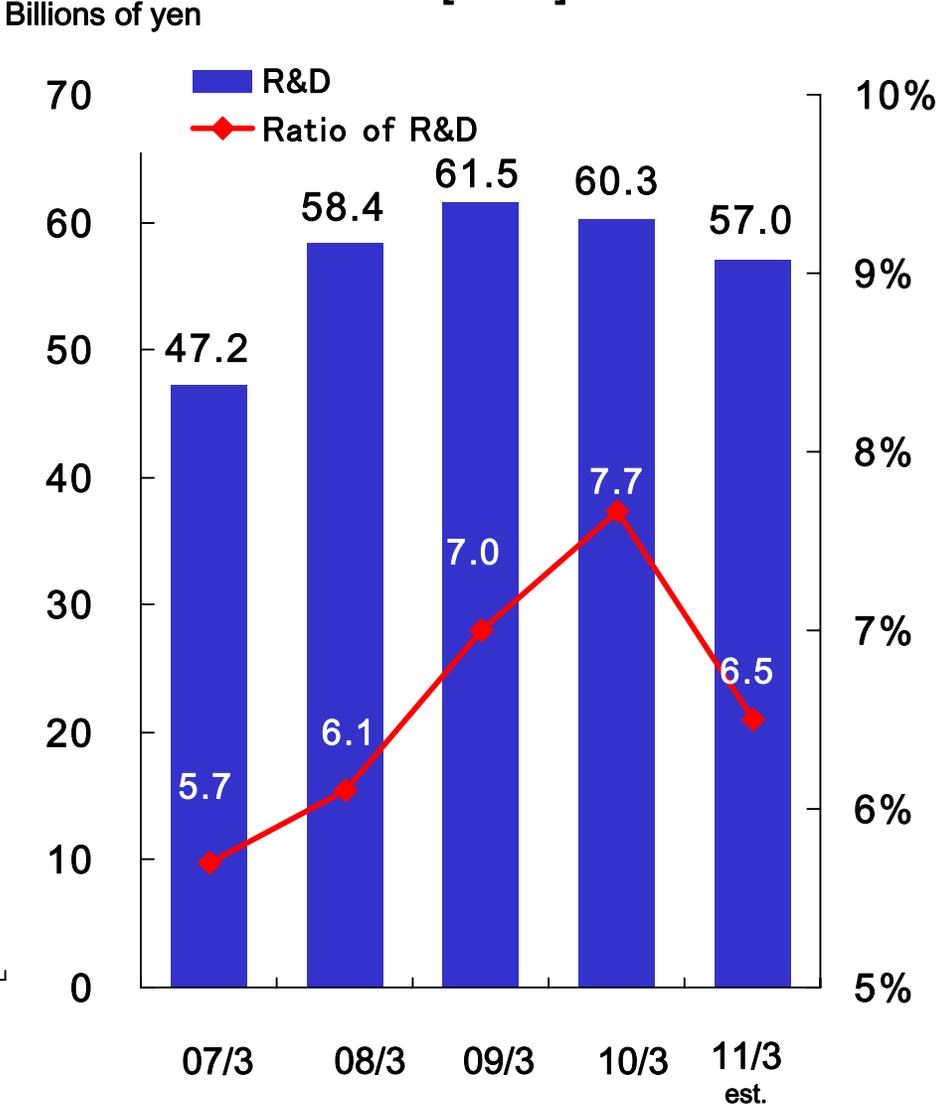
Estimation for Capital Expenditure, Depreciation and R&D



[Capital Expenditure & Depreciation]



[R&D]



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

Market environment: Change from global recession to recovery as a basic tone with difference existing depending on the industries and regions.

Exchange rate of Yen: Continuation of high yen value.

Further enhancement of our main business competitiveness and profitability to secure return to the growth track.

Precision Equipment Company

- Accomplishment of high performance of “NSR-S620D”, cutting-edge ArF immersion tool as planned for securing purchase order.
- Aggressive marketing of LCD scanners including active Chinese market.

Imaging Company

- Establishment of solid profit structure through strengthening procurement and production system to secure profit under even appreciating Yen.
- Development acceleration of new generation digital cameras.
- Enhancement of sales, servicing and brand value in the rapidly growing emerging markets.

Instruments Company

- Enhancement and expansion of bio-science and industrial instruments businesses.

Estimated cash dividend per share of common stock: 19 yen for a year (5 yen for the 1st Half)

Our dividend is decided based on our return policy aiming to total return disposition of 25% or more to shareholders with the following conditions:

- Endeavor to enhance competitiveness through investment to development of the business and technology for future growth.
- Stable cash dividend in view of greater importance to shareholders.
- Higher reflection of our business performance.

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11/3 Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	11/3 Forecast	Net Sales	Operating Income
US\$	90	Approx. 4.9 Billions of yen	Approx. 0.7 Billions of yen
EURO	120	Approx. 1.4 Billions of yen	Approx. 0.9 Billions of yen

Estimation for the Year Ending March 31, 2011

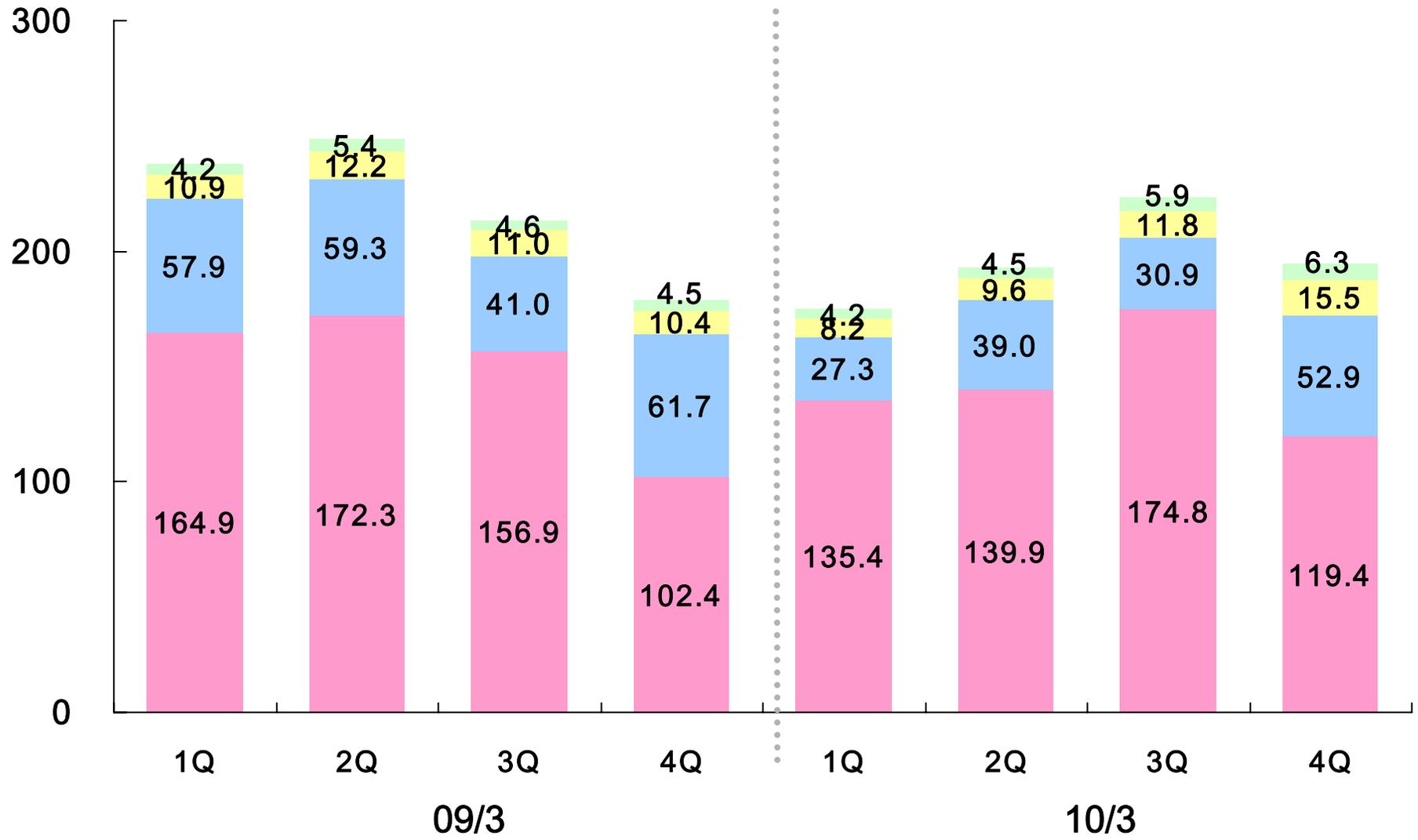


Billions of yen		10/3		11/3 est.	
Operating Income	1H	-13.9	-19.5	52.0	7.5
	2H		5.6		44.5
Non-operating income / expenses-net		-1.4		-2.0	
Ordinary Income	1H	-15.3	-22.3	50.0	7.0
	2H		7.0		43.0
Extra ordinary income / expenses-net		-2.3		-2.0	
Income Taxes		-5.0		18.0	
Net Income	1H	-12.6	-17.7	30.0	4.0
	2H		5.1		26.0

Quarterly Net Sales by segment



Billions of yen

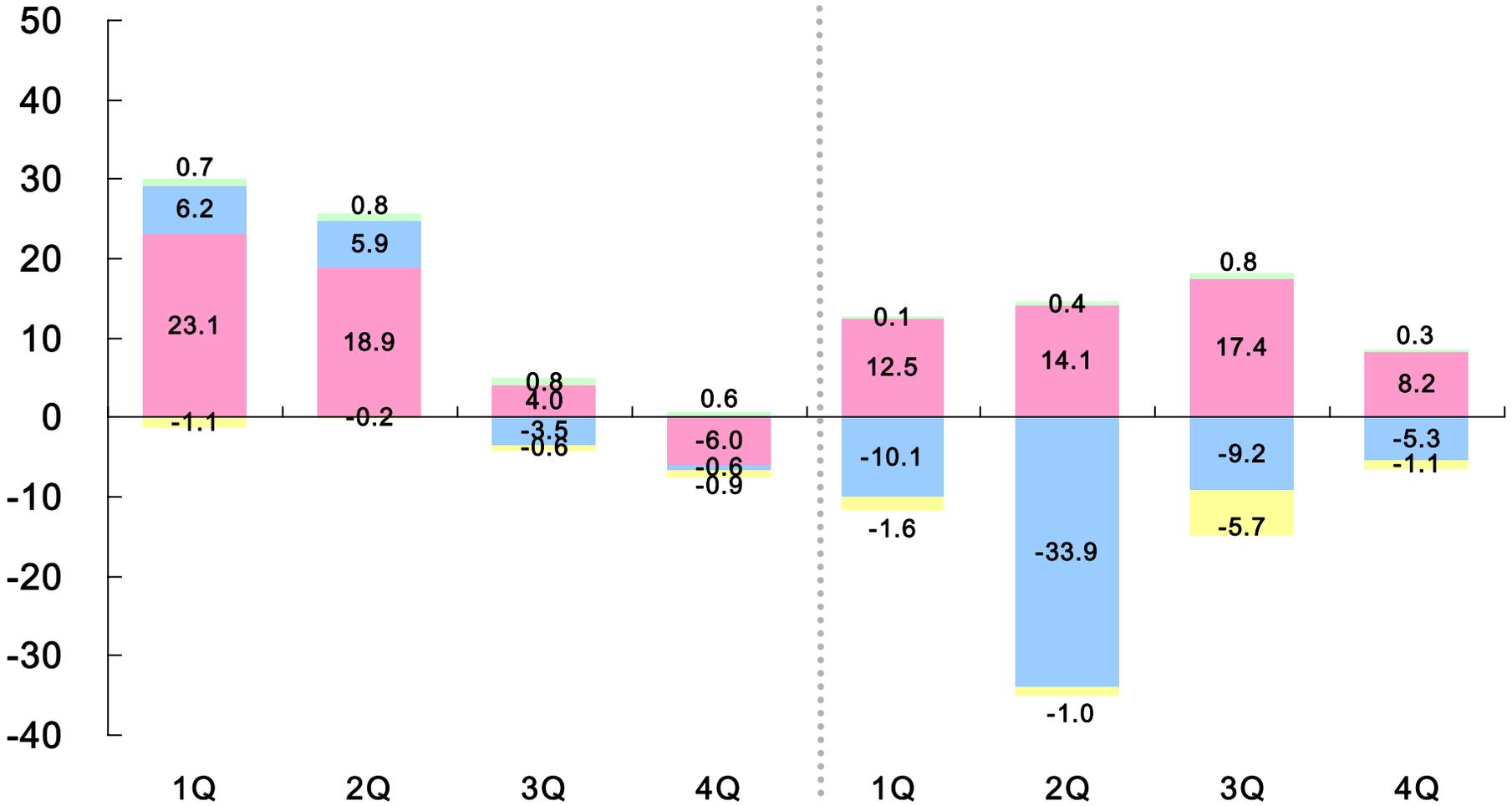


Imaging Company
 Precision Equipment Company
 Instruments Company
 Others

Quarterly Operating Income by segment



Billions of yen



Imaging Company
 Precision Equipment Company
 Instruments Company
 Others



NIKON CORPORATION