



Financial Results for the 2nd Quarter of the Year Ending March 31, 2012

Conference in Tokyo (Nov.4, 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 First Half
of the Year Ending March 31, 2012**
- II . Estimation for the Year Ending
March 31, 2012
- III . Reference Data

Financial Highlights for the First Half of the Year Ending March 31, 2012



Billions of yen	10/9 (A)	Previous Forecast as of Aug. 10 (B)	11/9 (C)	Change (C)-(A)	Change (C)-(B)
Net Sales	398.0	475.0	486.3	+88.3	+11.3
Operating Income % vs Net Sales	15.2 3.8 %	46.0 9.7 %	61.2 12.6 %	+46.0	+15.2
Ordinary Income % vs Net Sales	17.8 4.5 %	48.0 10.1 %	65.2 13.4 %	+47.4	+17.2
Net Income % vs Net Sales	10.6 2.7 %	36.0 7.6 %	50.4 10.4 %	+39.8	+14.4
FCF	64.9	-	5.4	- 59.5	-
Exchange Rate : US\$ EURO	89yen 114yen	81yen 114yen	80yen 114yen	Impact on Net Sales: - 22.6 - 4.1 Impact on Op. Income: - 5.1 - 0.2	

Both Precision Equipment and Imaging Companies posted large increase in sales and income. After absorbing strong yen impact, sales grew 22%, yielding substantial income gain.

•The previous forecast is as of August 10, 2011. Values in this slide are rounded off to the nearest 100 million.

Financial Highlights for the 2nd Quarter of the Year Ending March 31, 2012



Billions of yen	10/9 (A)	Previous Forecast as of Aug. 10 (B)	11/9 (C)	Change (C)-(A)	Change (C)-(B)
Net Sales	192.8	229.4	240.7	+47.9	+11.3
Operating Income % vs Net Sales	3.9 2.0 %	9.1 4.0 %	24.3 10.1 %	+20.4	+15.2
Ordinary Income % vs Net Sales	5.1 2.6 %	10.2 4.4 %	27.4 11.4 %	+22.3	+17.2
Net Income % vs Net Sales	2.5 1.3 %	5.3 2.3 %	19.7 8.2 %	+17.2	+14.4
Exchange Rate : US\$ EURO	86 yen 111 yen	80 yen 110 yen	78 yen 110 yen	Impact on Net Sales: - 10.0 - 4.1 Impact on Op. Income: - 0.7 - 0.2	

Sales and operating income grew approx. 25% and sixfold, respectively, in spite of progressive yen appreciation against dollar.

Precision Equipment Company: 1st Half



Billions of yen	10/9 (A)		Previous Forecast as of Aug. 10 (B)	11/9 (C)		Change (C)-(A)	Change (C)-(B)
Net Sales	80.7		130.0	124.8		+44.1	-5.2
Operating Income <small>% vs Net Sales</small>	-4.7 -%	-2.0* -%	17.0 13.1 %	23.3 18.7 %		+25.3	+6.3
IC Steppers & Scanners New / Refurbished (units sold)	18/12		25/13	26/16		+8/+4	+1/+3
LCD Steppers & Scanners (units sold)	23		48	48		+25	-

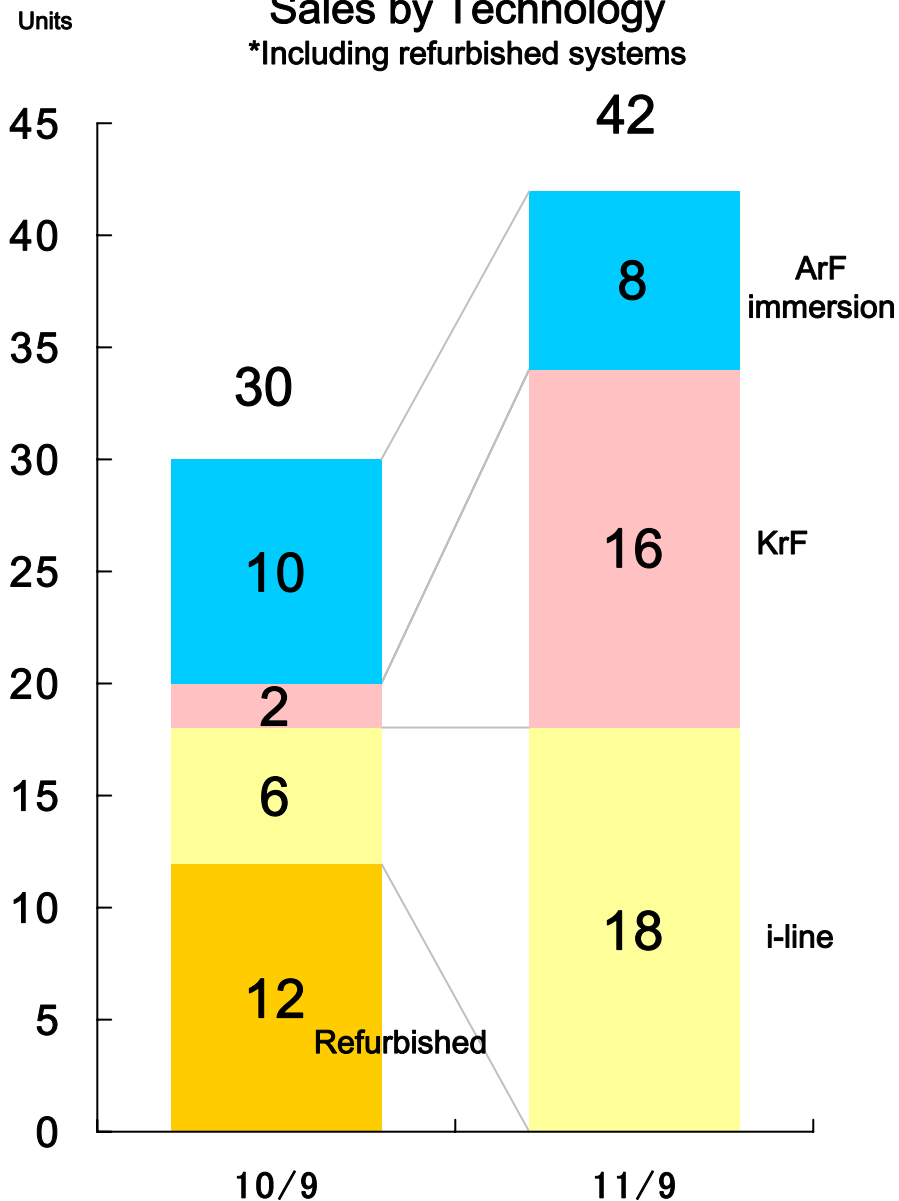
Sales increased 55% from the same period last year. The 1st half not only posted profit but almost reached the record high profit. The forecast was surpassed partly owing to contributions by progressive cost reduction for IC steppers/scanners.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

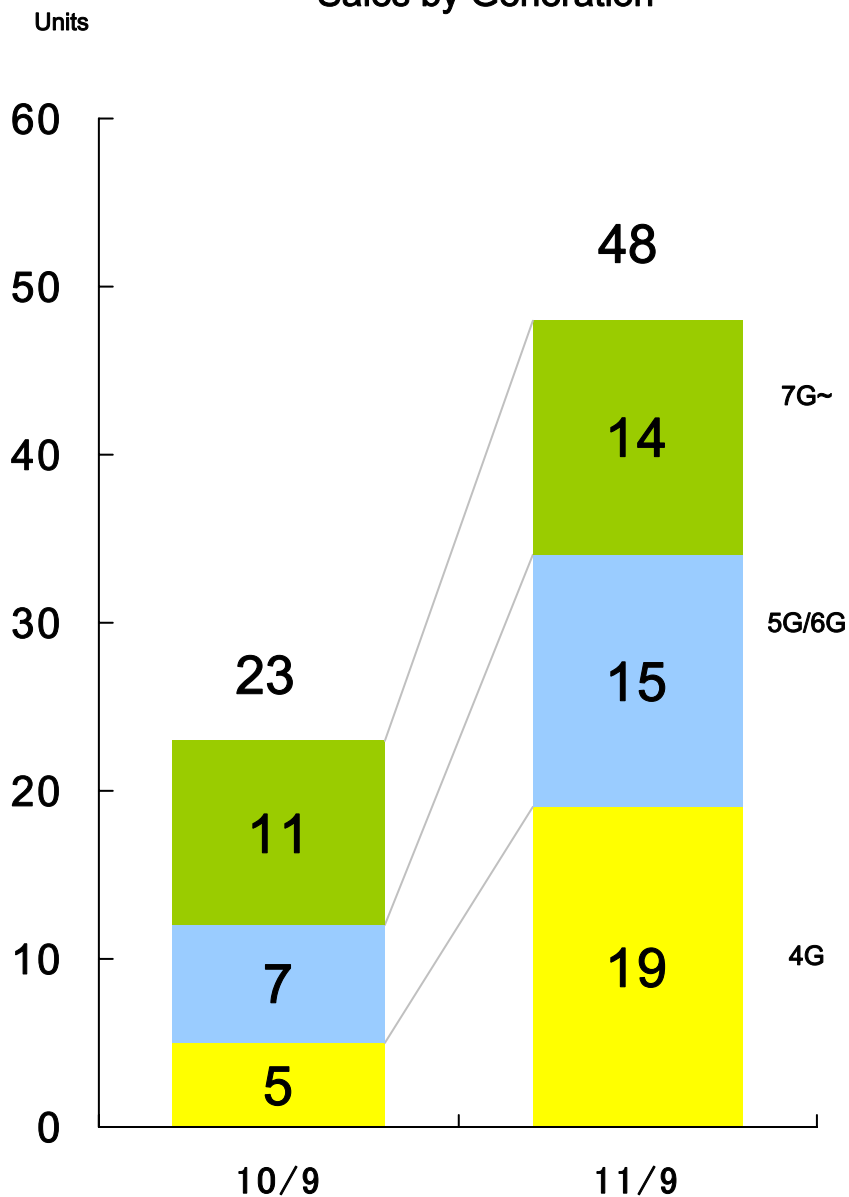
Precision Equipment Company: 1st Half



**IC Steppers & Scanners
Sales by Technology**
*Including refurbished systems



**LCD Steppers & Scanners
Sales by Generation**



Imaging Company: 1st Half



Billions of yen 1,000 of units sold	10/9 (A)		Previous Forecast as of Aug. 10 (B)	11/9 (C)	Change (C)-(A)	Change (C)-(B)
Net Sales	281.8		310.0	324.5	+42.7	+14.5
Operating Income	22.3	26.9*	42.0	47.4	+20.5	+5.4
% vs Net Sales	7.9 %	9.5%	13.5 %	14.6 %		
Single-Lens Reflex DSC	1,900		2,500	2,730	+ 830	+ 230
Interchangeable Lenses	2,950		3,500	3,930	+ 980	+ 430
Compact DSC	6,700		7,500	7,860	+1,160	+ 360

SLR-DSC and interchangeable lenses swiftly responded the large market demands. Compact DSC increased the sales volume by 17% in spite of market shrinkage. The 1st-half record sales volume was posted for SLR-DSC, interchangeable lenses, and compact DSC: as a result, sales and income grew 15% and 76%, respectively.

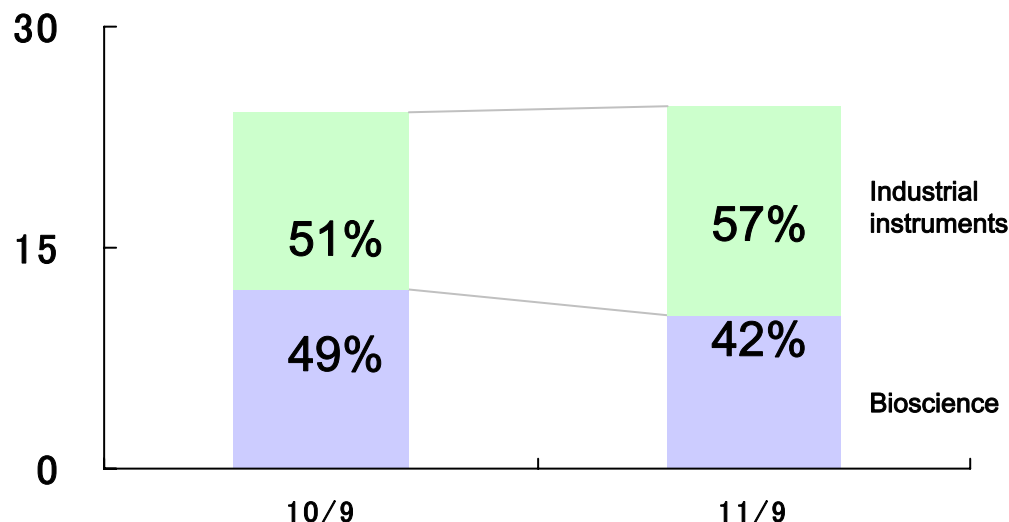
* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

Instruments Company : 1st Half



Billions of yen	10/9 (A)		Previous Forecast as of Aug. 10 (B)	11/9 (C)		Change (C)-(A)	Change (C)-(B)
Net Sales	24.2		27.0	24.6		+ 0.4	- 2.4
Operating Income	- 4.1 - %	- 3.4* - %	- 2.0 - %	- 2.4 - %		+1.0	- 0.4
% vs Net Sales							

Billions of yen



Bioscience field suffered reduced sales, while industrial instruments achieved sales hike. Instruments Company sales ended the 1st half almost at the same level as last year.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

Balance Sheet : 1st Half

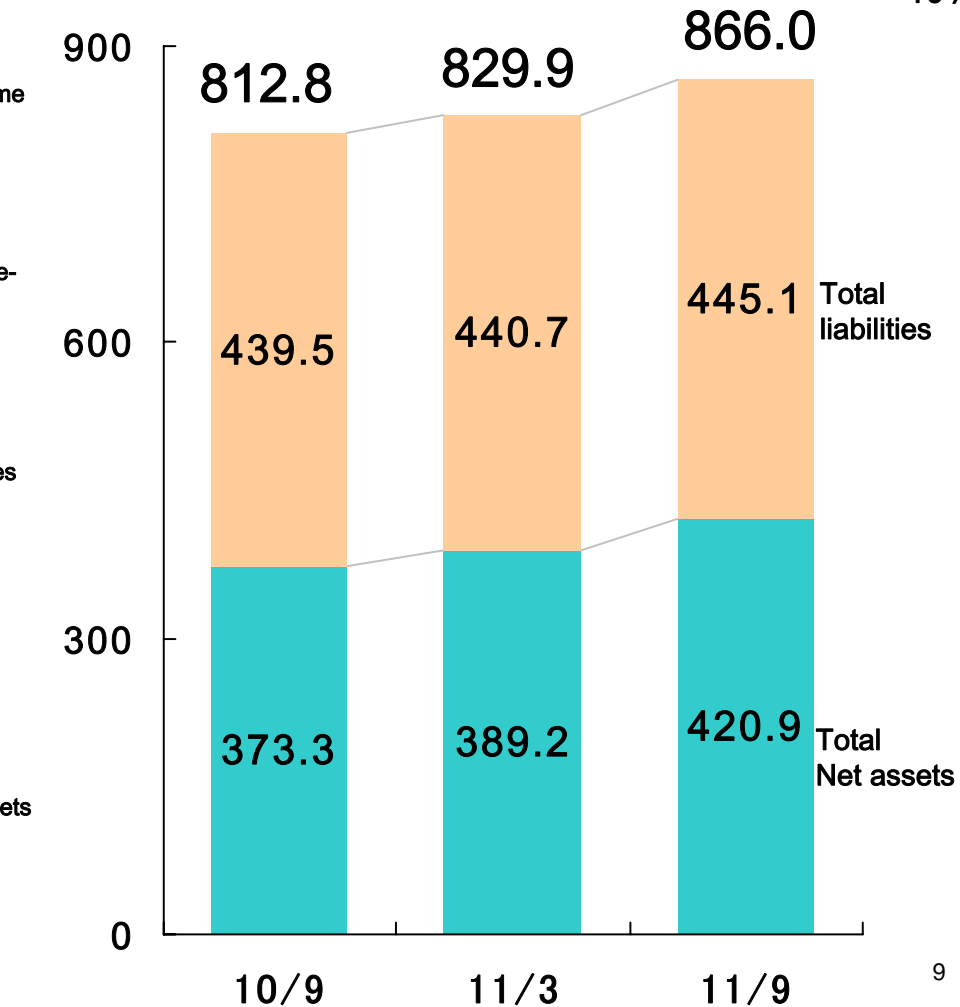
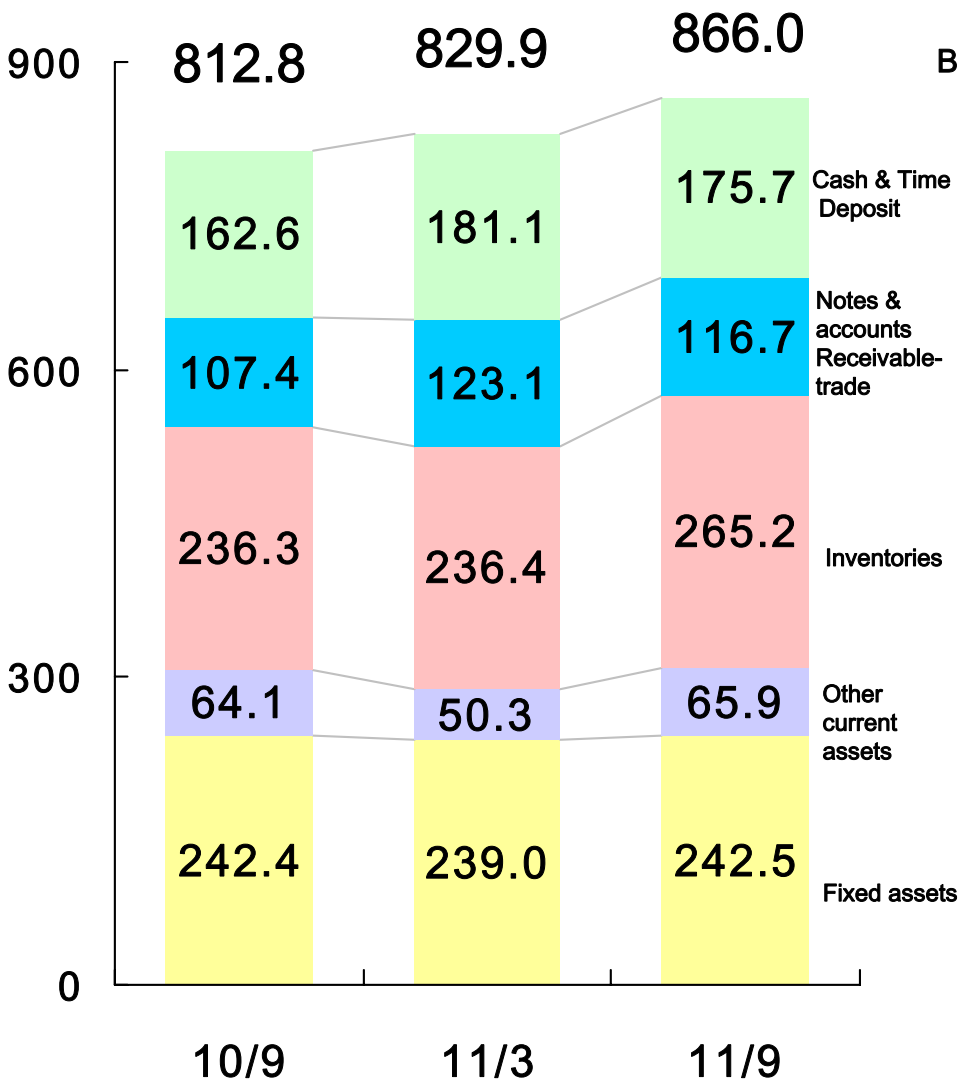
Assets

Liabilities & Net assets

Billions of yen

Billions of yen

Ratio of equity capital
60%
50%
40%

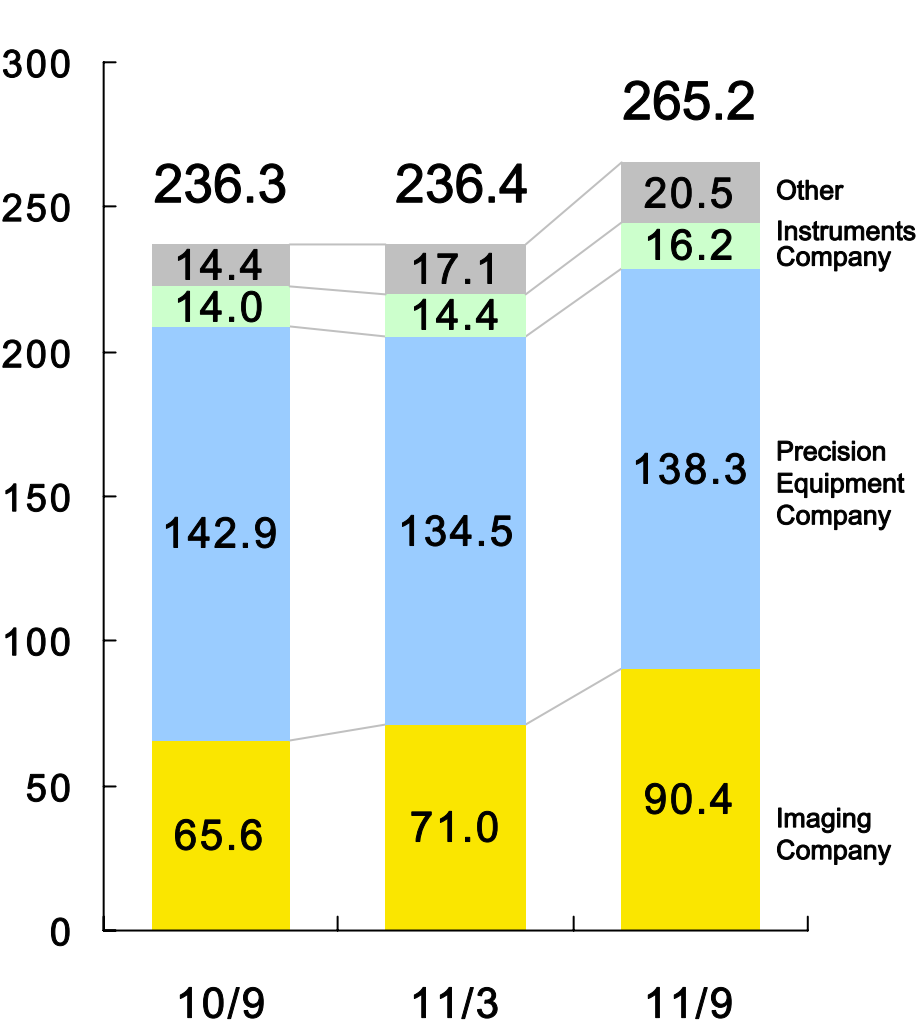


Balance Sheet : 1st Half



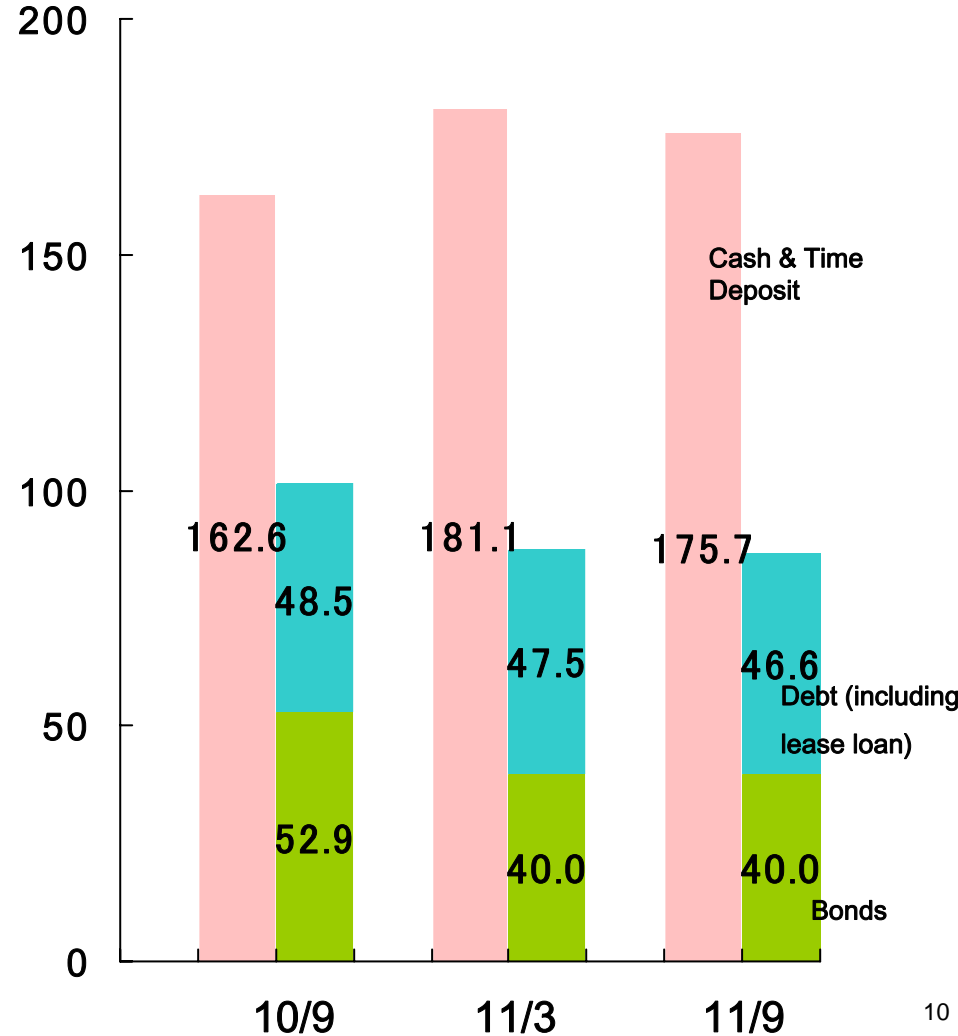
Inventories

Billions of yen



Cash & Time Deposit and Interest-bearing Debt

Billions of yen



- ◆ Sales increased in all segments amid stronger yen in the 1st half, year on year, recording approx. 20% sales hike and fourfold operating income as a whole.

【Precision Equipment Company】

- Sales volume of LCD steppers/scanners for high precision mid/small sized panels largely increased . Also contributed by the product mix shift toward newly launched ArF immersion scanner, S620D, sales grew 55%, improving the bottom line dramatically.

【Imaging Company】

- Sales and income grew 15% and 76%, respectively.
- SLR-DSC and interchangeable lenses responded the robust demands.
- Compact DSC posted 17% sales increase in spite of market shrinkage.

【Instruments Company】

- Industrial instrument field enjoyed steady demand for Smartphones, etc. while sales from bioscience field decreased due to expenditure cut by the governments. Consequently, slightly higher sales recorded than last year although shorting fall of the last forecast.

- ◆ Interim dividend per share: 17 yen

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- ◆ **Damages suffered by Nikon (Thailand) Co., Ltd.**
 - Nikon Thailand, located in Ayutthaya Province in Central Thailand, was flooded, and its operation has been suspended since October 6. As of November 4, the operation remains suspended.
 - Nikon Thailand manufactures SLR-DSC and interchangeable lenses (IL).

- ◆ **2nd half volume assumption for IL and digital cameras w/ IL**
 - Alternative production is scheduled starting in December 2011 in Nikon group plants worldwide and partner factories in Thailand. They are expected to gradually increase the alternative production volume.
 - Nikon Thailand expects to gradually resume its operation starting in January 2012.
 - It is planned that the full-scale production is restored at the end of March, 2012.

- ◆ **Financial impact by floods based on the above plans
(2nd half of FY2012 in Imaging Company)**
 - Negative impact - Sales: 65.0 billion yen; Operating income: 25.0 billion yen

Performance Estimation for the Year Ending March 31, 2012



Billions of yen	11/3 (A)	1H 2H	Previous Forecast as of Aug. 10 (B)	1H 2H	New Estimation (C)	1H 2H	Change (C-A)	Change (C-B)	1H 2H
Net Sales	887.5	<u>398.0</u> 489.5	990.0	<u>475.0</u> 515.0	925.0	<u>486.3</u> 438.7	+ 37.5	- 65.0	<u>+ 11.3</u> - 76.3
Operating Income % vs Net Sales	54.1 6.1 %	<u>15.2</u> 38.9	86.0 8.7 %	<u>46.0</u> 40.0	67.0 7.2 %	<u>61.2</u> 5.8	+ 12.9	- 19.0	<u>+ 15.2</u> - 34.2
Ordinary Income % vs Net Sales	55.8 6.3 %	<u>17.8</u> 38.0	89.0 9.0 %	<u>48.0</u> 41.0	72.0 7.8%	<u>65.2</u> 6.8	+ 16.2	- 17.0	<u>+ 17.2</u> - 34.2
Net Income % vs Net Sales	27.3 3.1 %	<u>10.6</u> 16.7	60.0 6.1 %	<u>36.0</u> 24.0	55.0 5.9%	<u>50.4</u> 4.6	+ 27.7	- 5.0	<u>+ 14.4</u> - 19.4
FCF	100.0		60.0		30.0		- 70.0	- 30.0	-
Exchange Rate :									
US\$	86 yen	<u>89</u> 82	80 yen	<u>81</u> 80	77 yen	<u>80</u> 75			
EURO	113 yen	<u>114</u> 112	112 yen	<u>114</u> 110	109 yen	<u>114</u> 105			

Thailand floods impact on Imaging Company is considered for 2nd half and the exchange rates against US dollar and Euro are revised toward 5 yen higher. Still, improved sales and income are expected year on year.

•The previous forecast is as of August 10, 2011.

Estimation for Precision Equipment Company



Billions of yen	11/3		1H 2H		Previous Forecast as of Aug. 10	1H 2H		New Estimation	1H 2H	
Net Sales	208.6		$\frac{80.7}{127.9}$		265.0	$\frac{130.0}{135.0}$		265.0	$\frac{124.8}{140.2}$	
Operating Income % vs Net Sales	2.7 1.3 %	8.3* 4.0%*	$\frac{-4.7}{7.4}$	$\frac{-2.0}{10.3}$	31.0 11.7 %	$\frac{17.0}{14.0}$		37.0 14.0 %	$\frac{23.3}{13.7}$	
IC Steppers & Scanners New / Refurbished (units sold)	57 / 25		$\frac{18/12}{39/13}$		60 / 20	$\frac{25/13}{35/ 7}$		58 / 25	$\frac{26/16}{32/ 9}$	
LCD Steppers & Scanners (units sold)	57		$\frac{23}{34}$		82	$\frac{48}{34}$		85	$\frac{48}{37}$	
Market Scale IC Steppers & Scanners (units sold) CY10/11	228				Approx.280		Approx.280			
Market Scale LCD Steppers & Scanners (units sold) CY10/11	112				Approx.120		Approx.120			

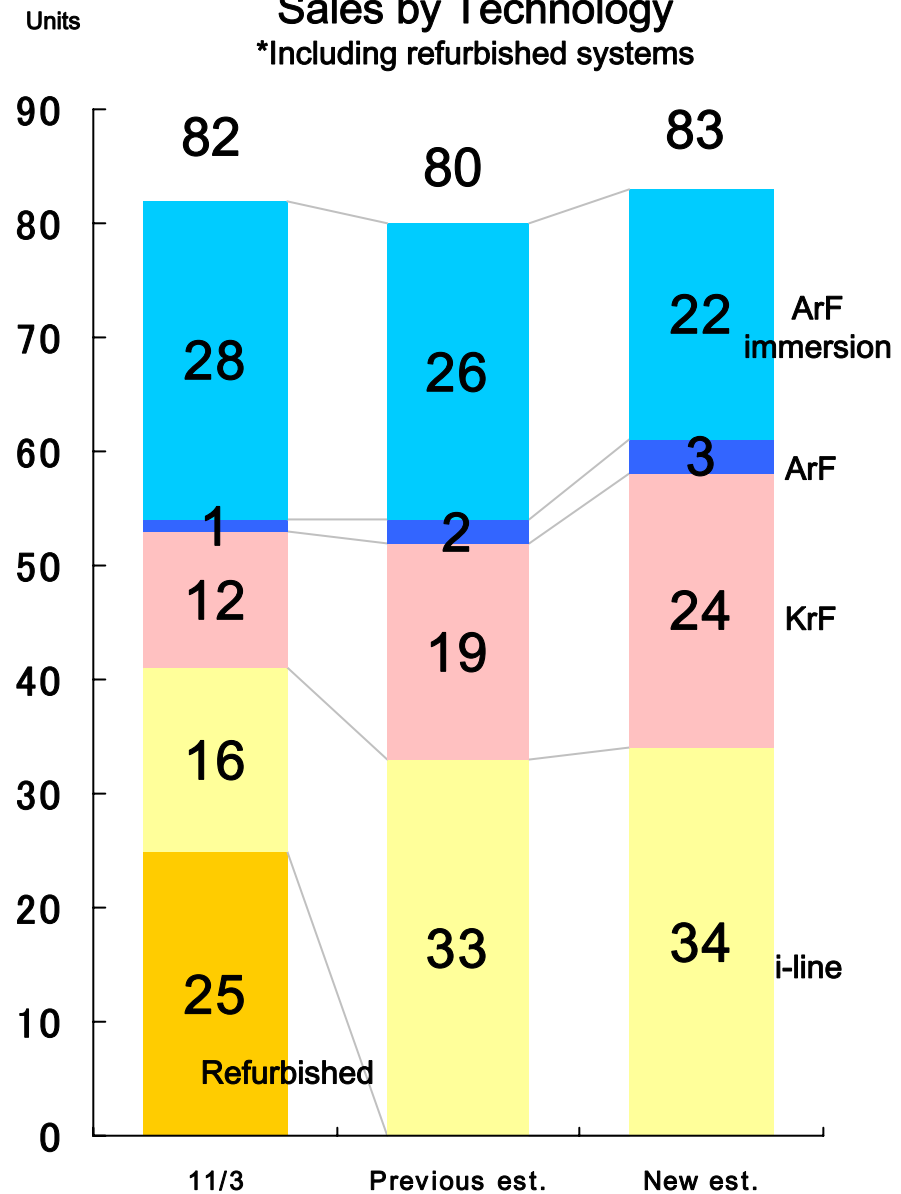
Sales hike by 27% and fourfold or more operating income are expected year on year while IC and LCD steppers/scanners are expected to nearly achieve the forecast sales volume. Cost reduction measures and ArF immersion scanner lead-time improvement help operating income grow further.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

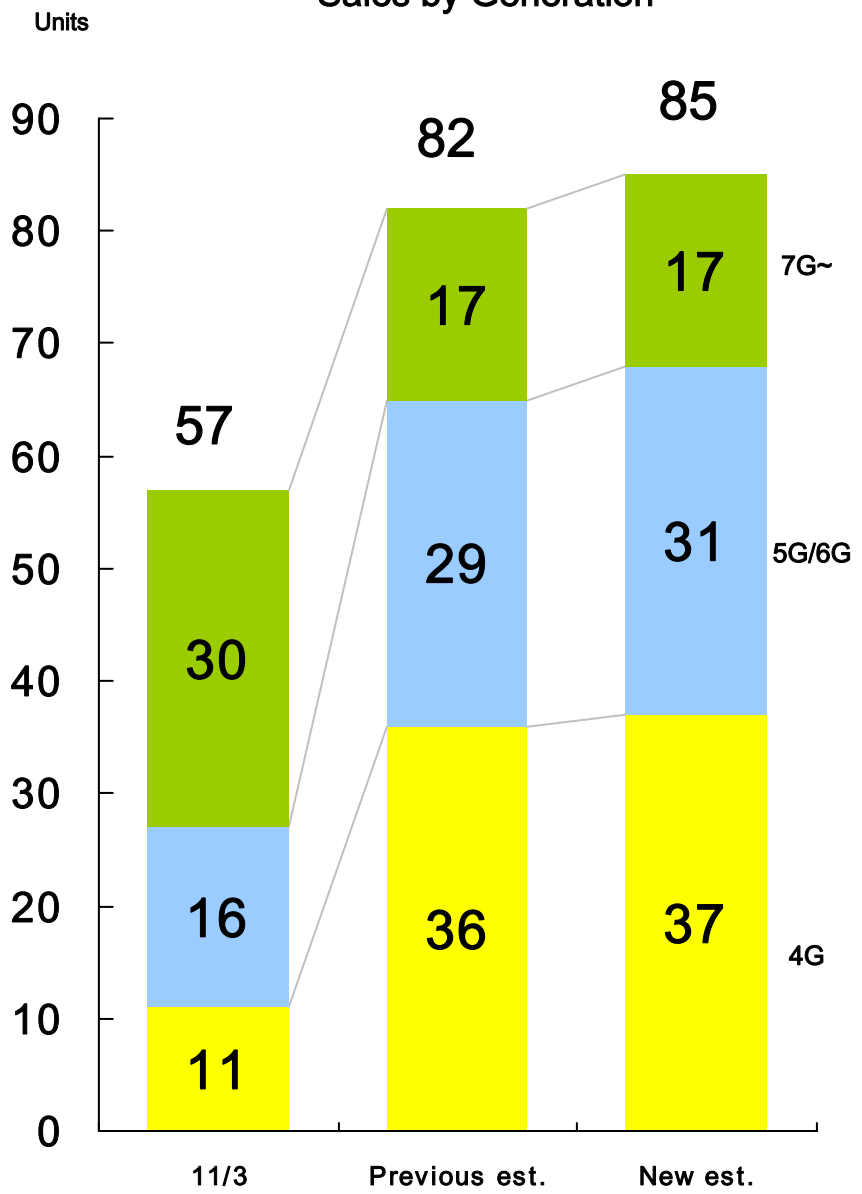
Estimation for Precision Equipment Company



IC Steppers & Scanners
Sales by Technology
 *Including refurbished systems



LCD Steppers & Scanners
Sales by Generation



Estimation for Imaging Company



Billions of yen 1,000 of units sold	11/3		1H 2H		Previous Forecast as of Aug. 10	1H 2H		New Estimation	1H 2H	
Net Sales	596.4		<u>281.8</u> 314.6		640.0	<u>310.0</u> 330.0		575.0	<u>324.5</u> 250.5	
Operating Income % vs Net Sales	52.3 8.8 %	61.4* 10.3 %*	<u>22.3</u> 30.0	<u>26.9</u> 34.5	71.0 11.1 %	<u>42.0</u> 29.0		48.0 8.3%	<u>47.4</u> 0.6	
Digital Camera with Interchangeable Lens (DCIL)	4,290		<u>1,900</u> 2,390		5,400	<u>2,500</u> 2,900		4,700	<u>2,730</u> 1,970	
Interchangeable Lenses (IL)	6,360		<u>2,950</u> 3,410		7,600	<u>3,500</u> 4,100		6,700	<u>3,930</u> 2,770	
Compact DSC (C-DSC)	14,260		<u>6,700</u> 7,560		15,500	<u>7,500</u> 8,000		16,000	<u>7,860</u> 8,140	
Market Scale DCIL	14,140				16,000		15,000			
Market Scale IL	23,270				26,000		25,000			
Market Scale C-DSC	107,410				100,000		100,000			

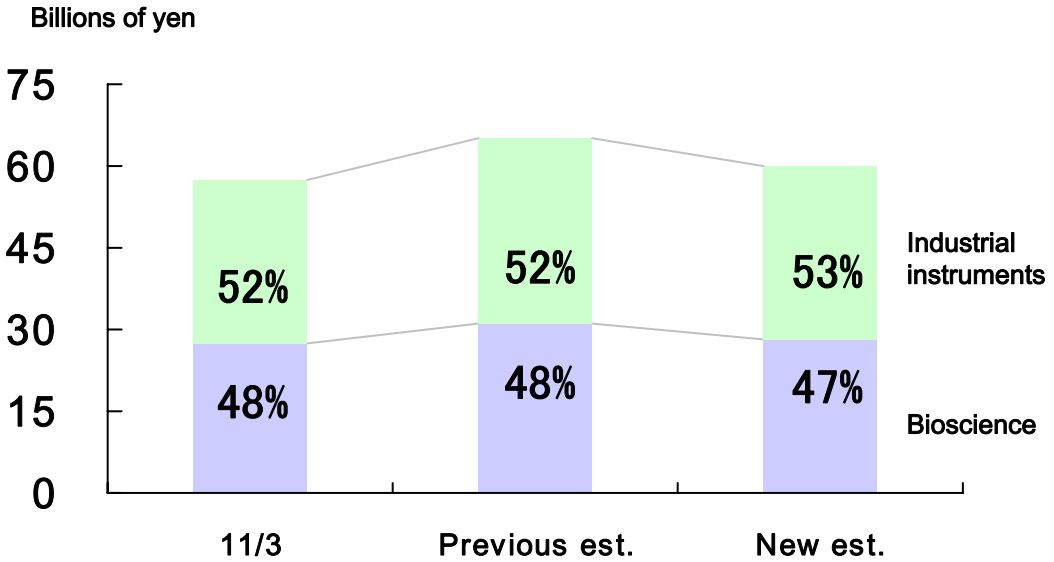
Although the impact by Thailand floods is significant, Nikon and group companies shall collectively make utmost efforts to minimize the impacts.

NOTE: Nikon 1, launched in October, was newly added to New Estimation for DCIL. The DCIL Market Scale represents the aggregated volume of Nikon 1 and products of the same category .

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

Estimation for Instruments Company

Billions of yen	11/3		1H 2H		Previous Forecast as of Aug. 10	1H 2H		New Estimation	1H 2H
Net Sales	57.5		$\frac{24.2}{33.3}$		65.0	$\frac{27.0}{38.0}$		60.0	$\frac{24.6}{35.4}$
Operating Income <small>% vs Net Sales</small>	-5.2 - %	-3.8* - %	$\frac{-4.1}{-1.1}$	$\frac{-3.4}{-0.4}$	0.5 0.8 %	$\frac{-2.0}{2.5}$		-2.0 - %	$\frac{-2.4}{0.4}$



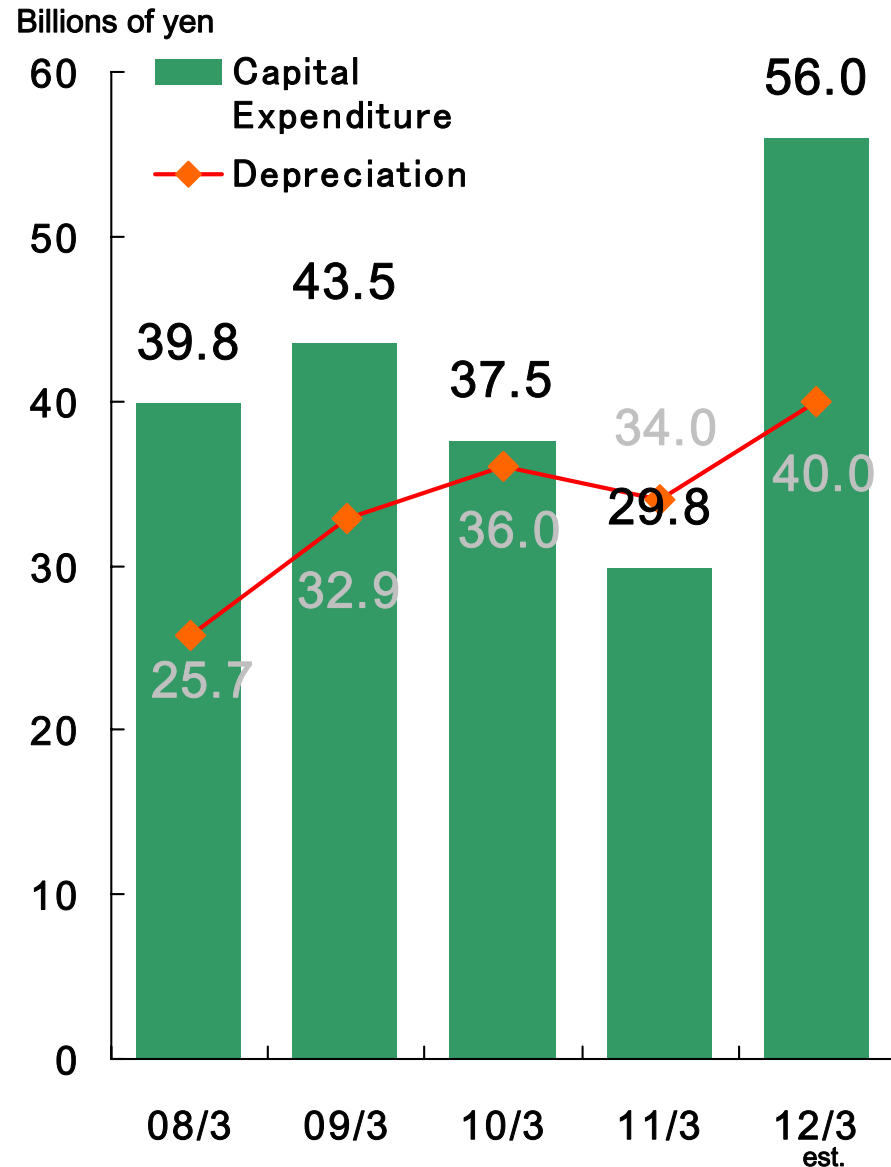
Instruments Company expects negative impacts of tight investment budgets for semiconductor and electronic parts production.

* Reference data: Calculated on the new method of allocating corporate expenses, applied from 12/3.

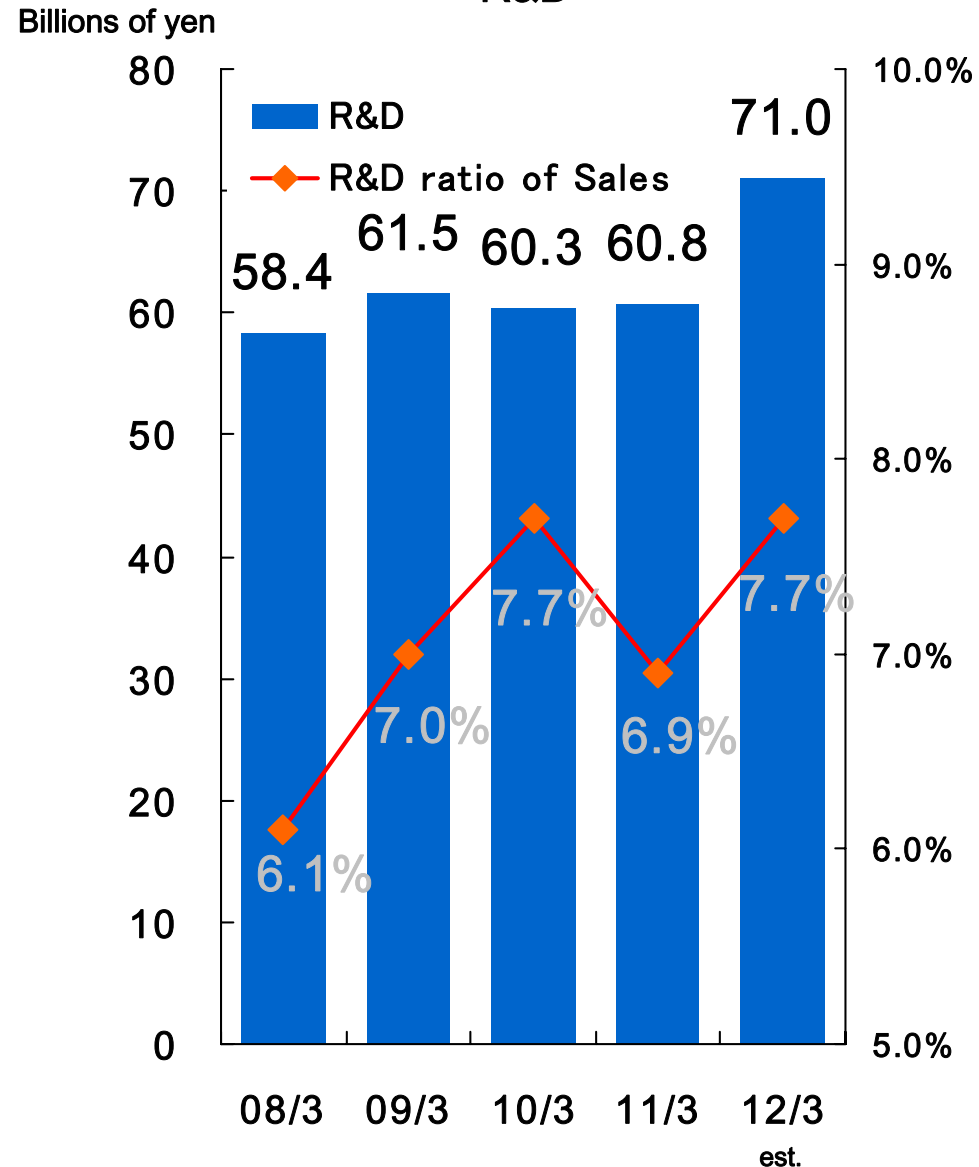
Estimation for Capital Expenditure, Depreciation and R&D



Capital Expenditure & Depreciation



R&D



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

- ◆ Downward revision of the yearly forecast is inevitable due to Thailand floods: however, both sales and income are expected to improve year on year.

【Precision Equipment Company】

- Sales increase of 27% and operating income growth of fourfold or more are forecasted.
- Lead-time reduction and other cost reduction measures have started to bear fruits.

【Imaging Company】

- It is planned that SLR-DSC and IL production gradually restore to the original level by the end of March, 2012.
- Sales efforts focus on “Nikon 1” that has been favorably accepted since its launch in October.
- Compact DSC with improved competitiveness enjoy brisk sales.

【Instruments Company】

- Downward revision is made to sales and operating income due to reduction of government spending in bioscience field and restricted investment in semiconductor equipment in industrial equipment field.

- ◆ 2nd half exchange rates against US dollar and Euro are revised toward 5-yen higher.
- ◆ Estimated annual dividend of 34 yen per share remains unchanged.

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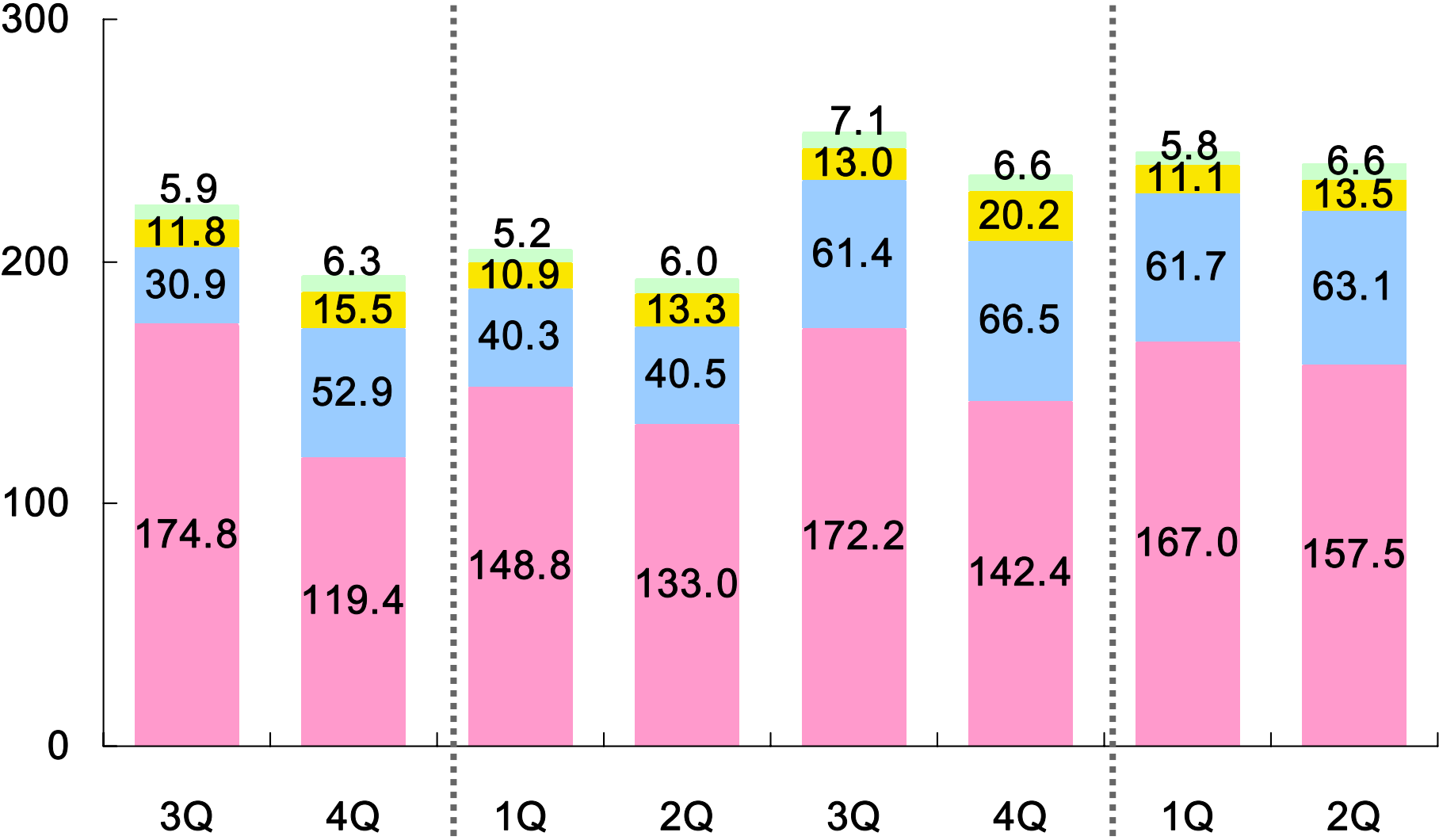
Exchange Rate

12/3 Estimation	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	12/3 2H Forecast	Net Sales (2H)	Operating Income (2H)
US\$	75yen	Approx. 2.7	Approx. 0.4
EURO	105yen	Approx. 0.8	Approx. 0.5

Quarterly Net Sales by segments

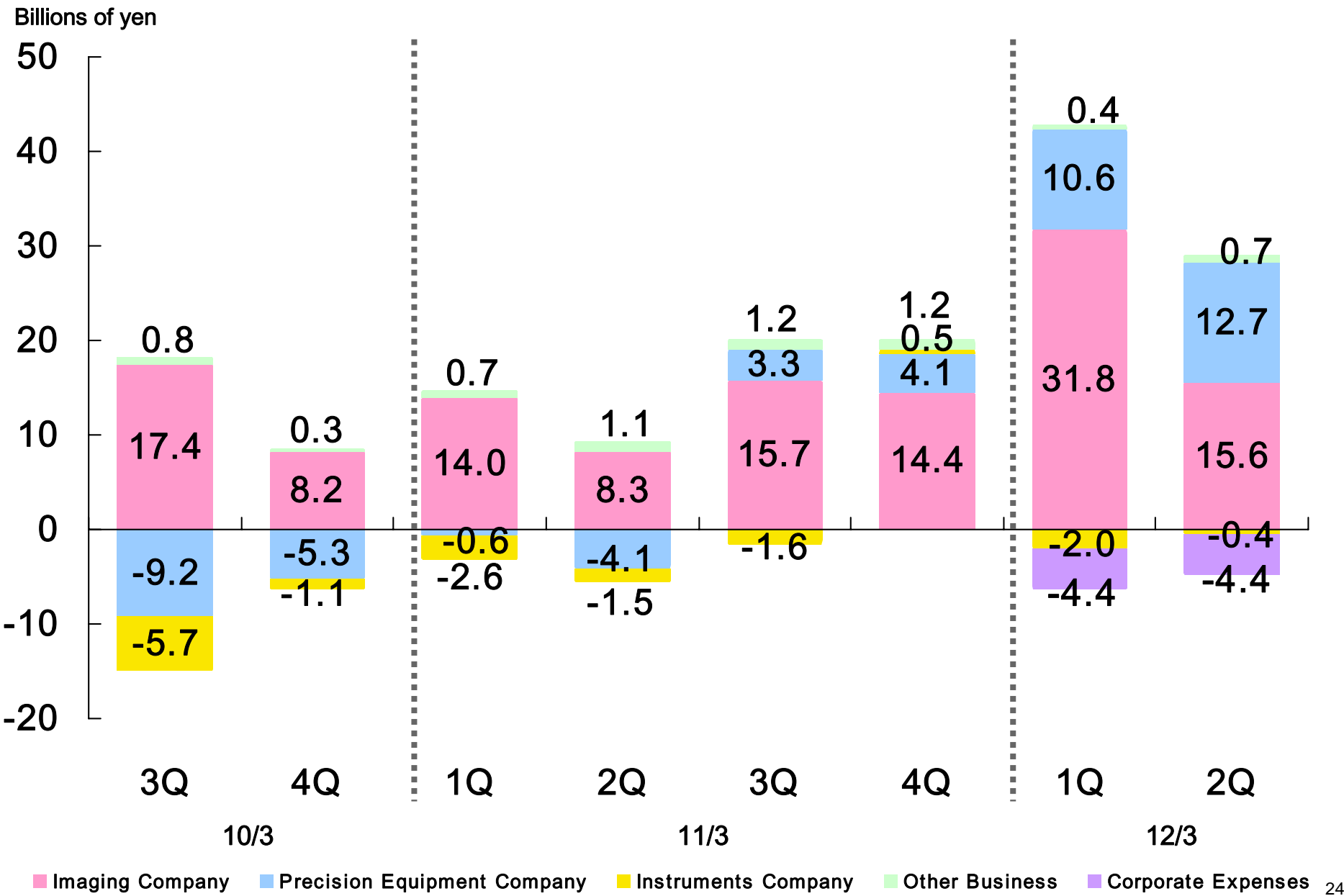


Billions of yen



■ Imaging Company
 ■ Precision Equipment Company
 ■ Instruments Company
 ■ Other Business

Quarterly Operating Income by segments





NIKON CORPORATION