



Financial Results for the 2nd Quarter of the Year Ending March 31, 2009

Conference in Tokyo (Nov.6, 2008)

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, 2009**
- II . Estimation for the Year Ending
March 31, 2009
- III . Reference Data



Financial Highlights for the First Half of the Year Ending March 31, 2009

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	445.8	455.0	487.1	+32.1	+41.3
Operating Income (Billions of yen) % vs Net Sales	63.3 14.2%	50.0 11.0%	54.1 11.1%	+4.1	-9.2
Ordinary Income (Billions of yen) % vs Net Sales	58.9 13.2%	48.0 10.5%	53.1 10.9%	+5.1	-5.8
Net Income (Billions of yen) % vs Net Sales	34.4 7.7%	29.0 6.4%	33.6 6.9%	+4.6	-0.8
Exchange : US\$ Rate EURO	119 162	102 159	106 163	Impact on Net Sales: +13.2 Op. Income: +4.6	Impact on Net Sales: -24.1 Op. Income: -8.8

Net Sales increased and Operating Income decreased against 1H of the previous year. All of Net sales, Operating Income, Ordinary income and Net income achieved higher results than our previous forecast.



Financial Highlights for the 2nd Quarter of the Year Ending March 31,2009

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	222.3	217.1	249.3	+32.2	+27.0
Operating Income (Billions of yen) % vs Net Sales	27.2 12.2%	21.3 9.8%	25.3 10.1%	+4.0	-1.9
Ordinary Income (Billions of yen) % vs Net Sales	22.8 10.3%	18.9 8.7%	24.0 9.6%	+5.1	+1.2
Net Income (Billions of yen) % vs Net Sales	11.0 4.9%	11.0 5.1%	15.7 6.3%	+4.7	+4.7
Exchange : US\$ Rate EURO	118 163	100 155	108 162	Impact on Net Sales: +13.2 Op. Income: +4.6	Impact on Net Sales:-10.1 Op. Income: -4.8

Compared to 2Q of the previous year, the Precision Equipment business suffered from IC market slowdown while the Imaging business showed a steady growth.

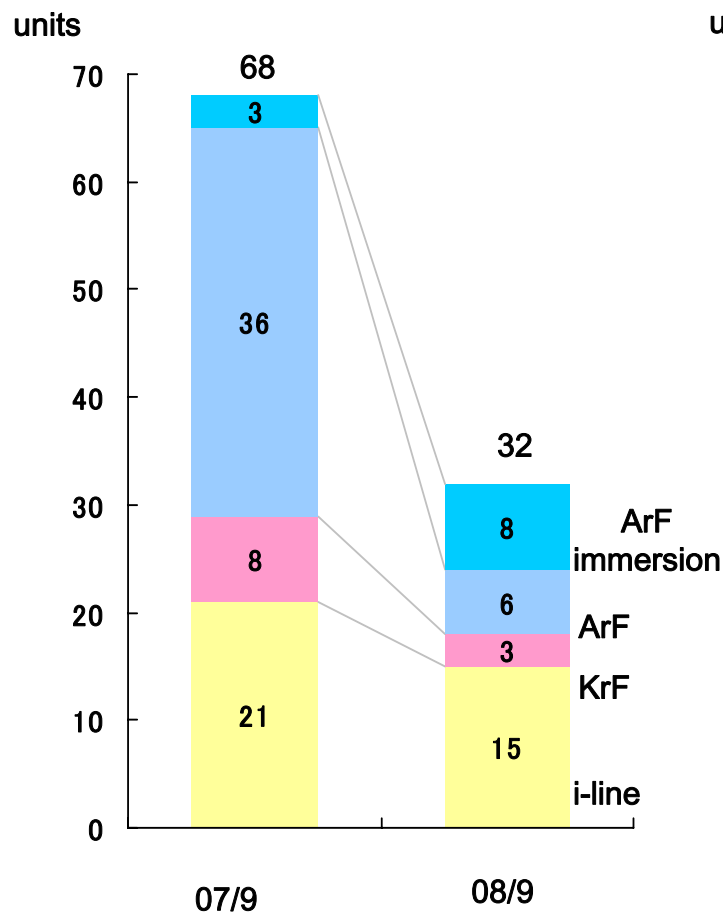
Precision Equipment Company: 1st Half

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	140.4	115.0	117.2	+2.2	-23.2
Operating Income (Billions of yen) % vs Net Sales	21.3 15.2%	13.0 11.3%	12.2 10.4%	-0.8	-9.1
IC Steppers & Scanners New / Refurbished (units sold)	68/10	36/8	32/10	-4/+2	-36/0
LCD Steppers & Scanners (units sold)	24	38	37	-1	+13

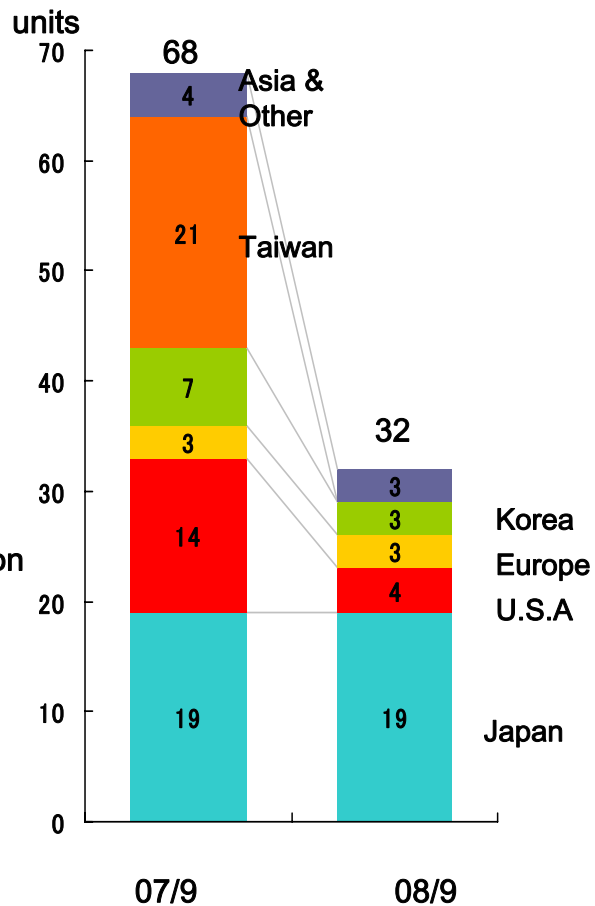
Despite recovery of LCD steppers & scanners sales volume, IC steppers & scanners sales volume dropped by half. Revision of accounting method also had negative effect on operating income compared to 1H of the previous year.

Precision Equipment Company

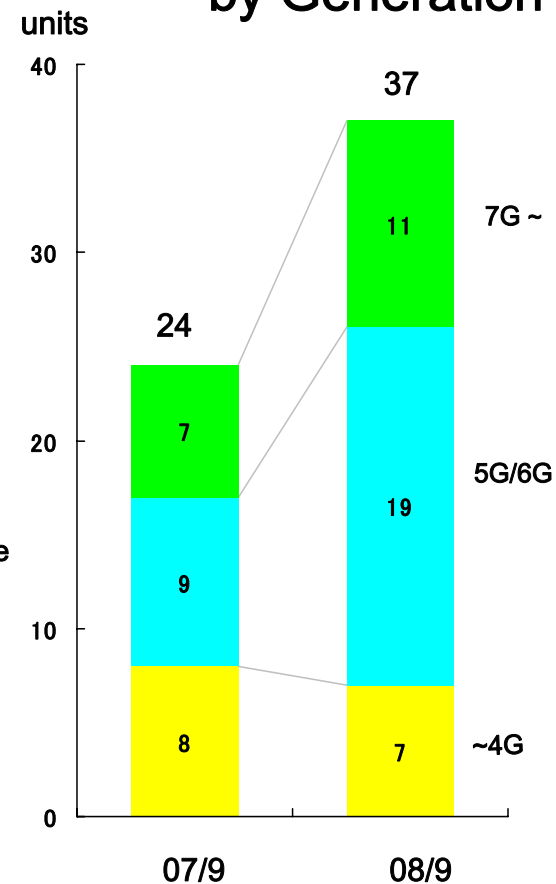
IC Steppers & Scanners Sales by Technology



IC Steppers & Scanners Sales by Region



LCD Steppers & Scanners by Generation





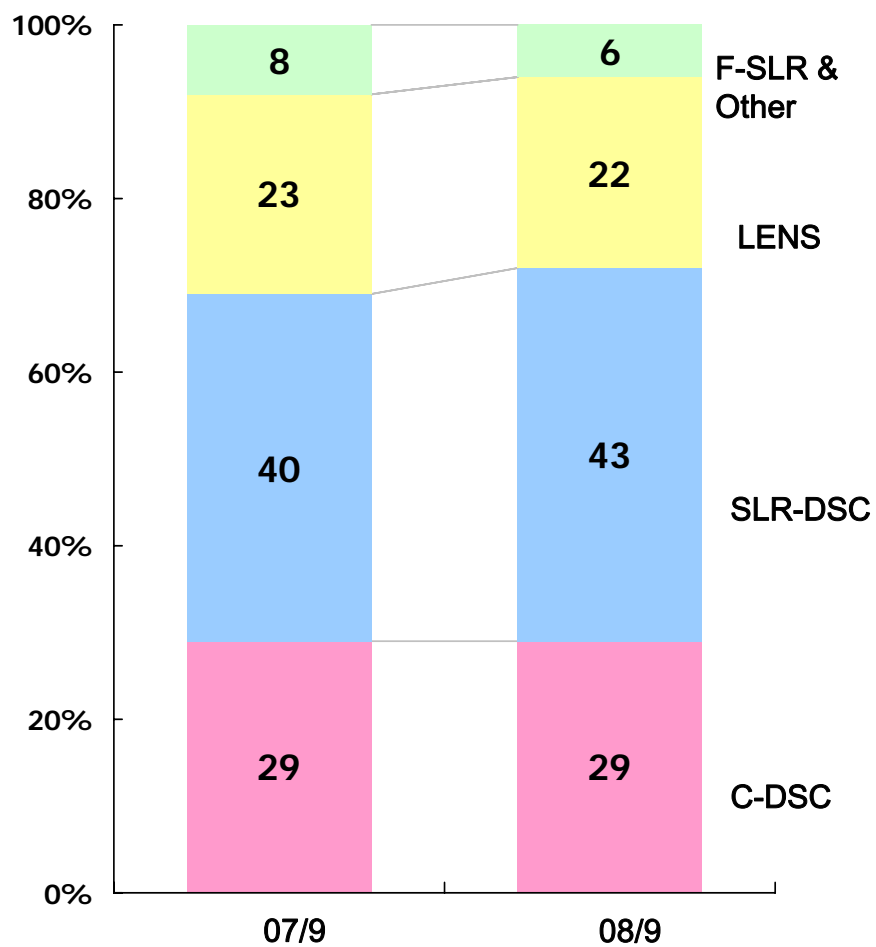
Imaging Company: 1st Half

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	270.3	310.0	337.2	+27.2	+66.9
Operating Income (Billions of yen) % vs Net Sales	38.8 14.4%	36.0 11.6%	42.0 12.5%	+6.0	+3.2
Single-Lens Reflex DSC (1,000 of units sold)	1,470	1,750	1,870	+120	+400
Interchangeable Lenses (1,000 of units sold)	2,200	2,400	2,630	+230	+430
Compact DSC (1,000 of units sold)	4,030	4,900	5,910	+1,010	+1,880

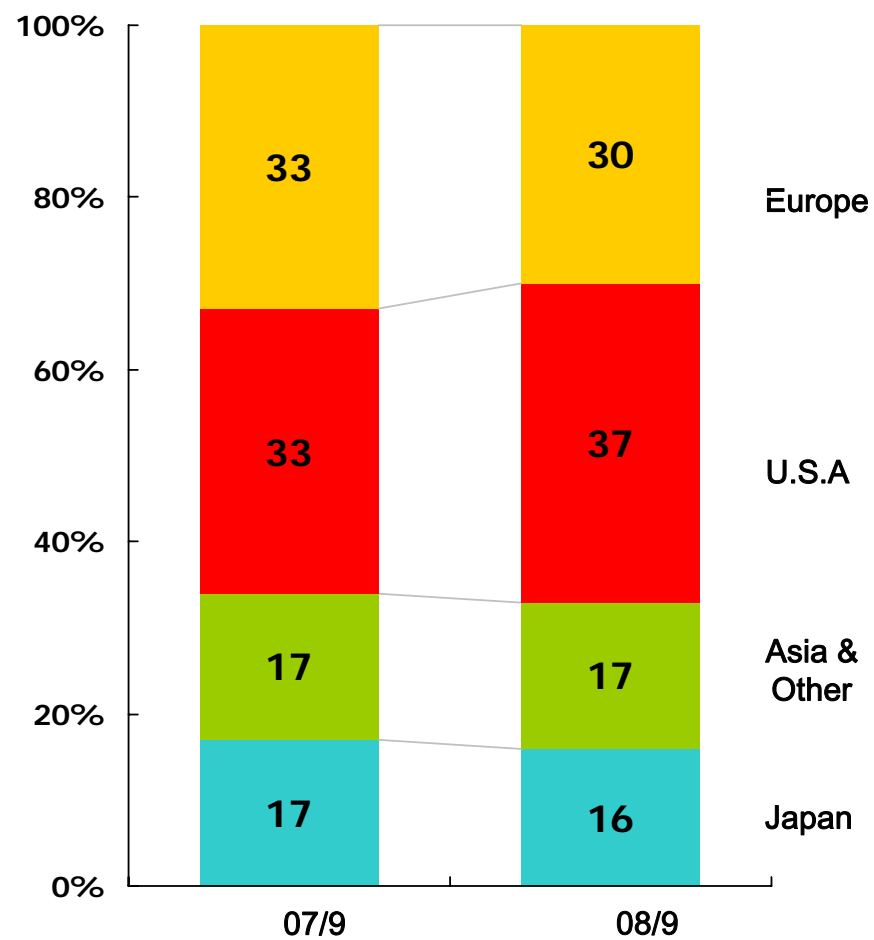
Despite concern of economy slowdown, achieved substantial sales increase of all products over 1H of the previous year. Achieved record high Net Sales and Operating Income for 1H.

Imaging Company

Shipment value by Products

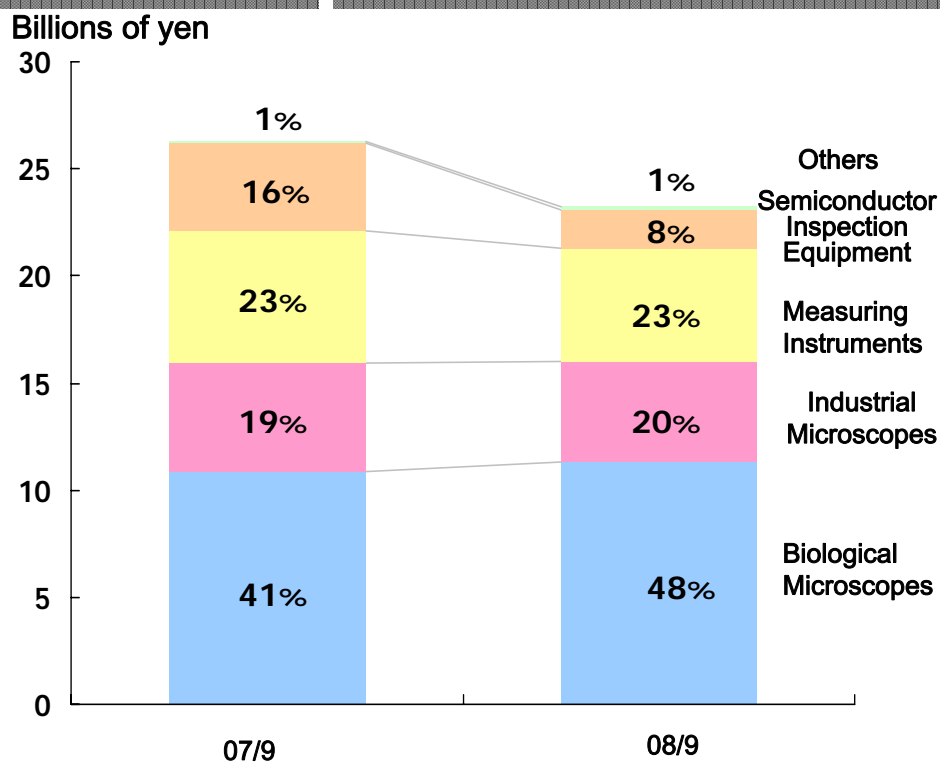


Shipment value by Region



Instruments Company : 1st Half

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	26.3	24.0	23.2	-0.8	-3.1
Operating Income (Billions of yen) % vs Net Sales	0.9 3.4%	-0.5 -%	-1.3 -%	-0.8	-2.2



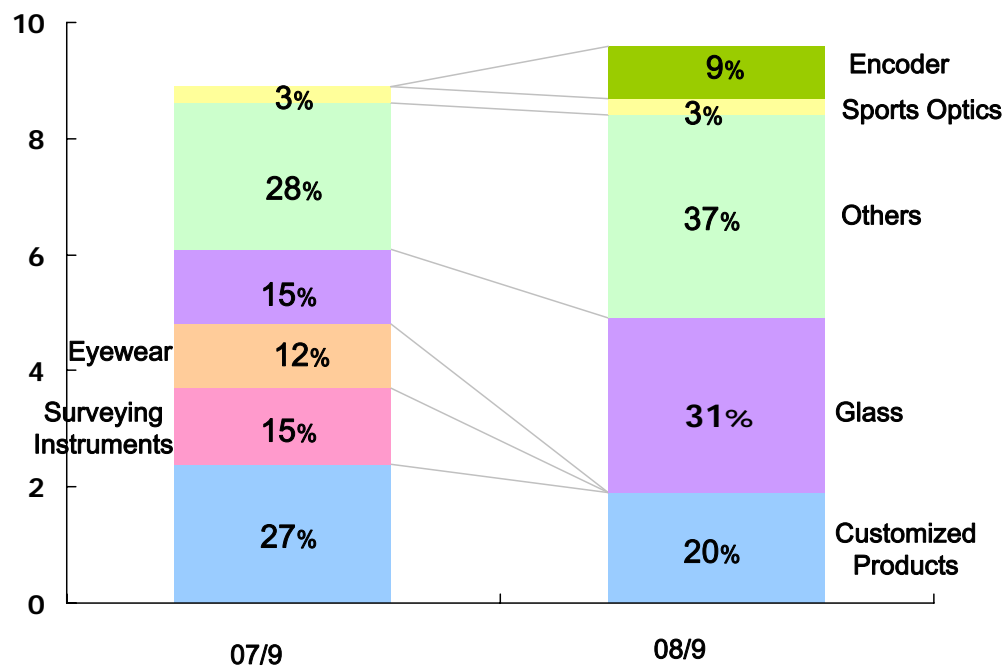
Depression of semiconductor inspection equipment sales through the impact of IC capital expenditure cutback.

Good sales of higher value-added products for live-cell observation in biological microscopes business.

Other Business : 1st Half

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	8.9	6.0	9.6	+3.6	+0.7
Operating Income (Billions of yen) % vs Net Sales	2.5 28.1%	1.5 25.0%	1.5 15.6%	-	-1.0

Billions of yen

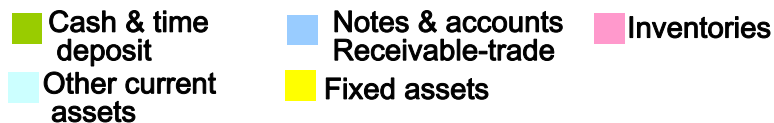
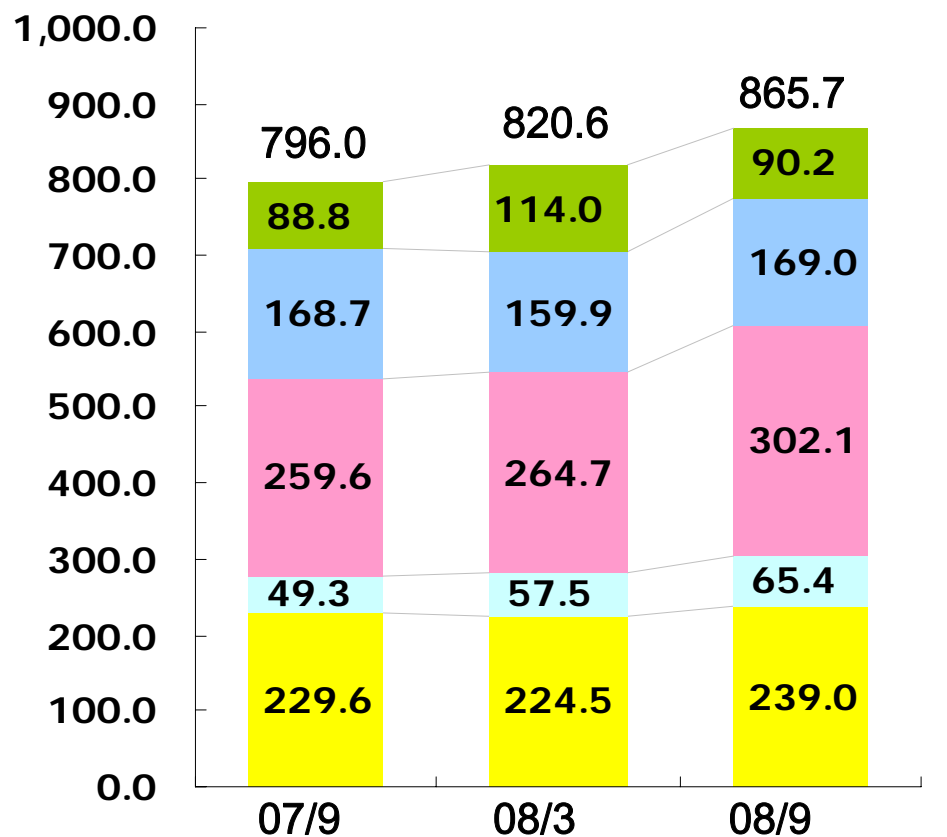


- Sales expansion of Glass business
- Encoder business under expansion

Balance Sheet : 1st Half

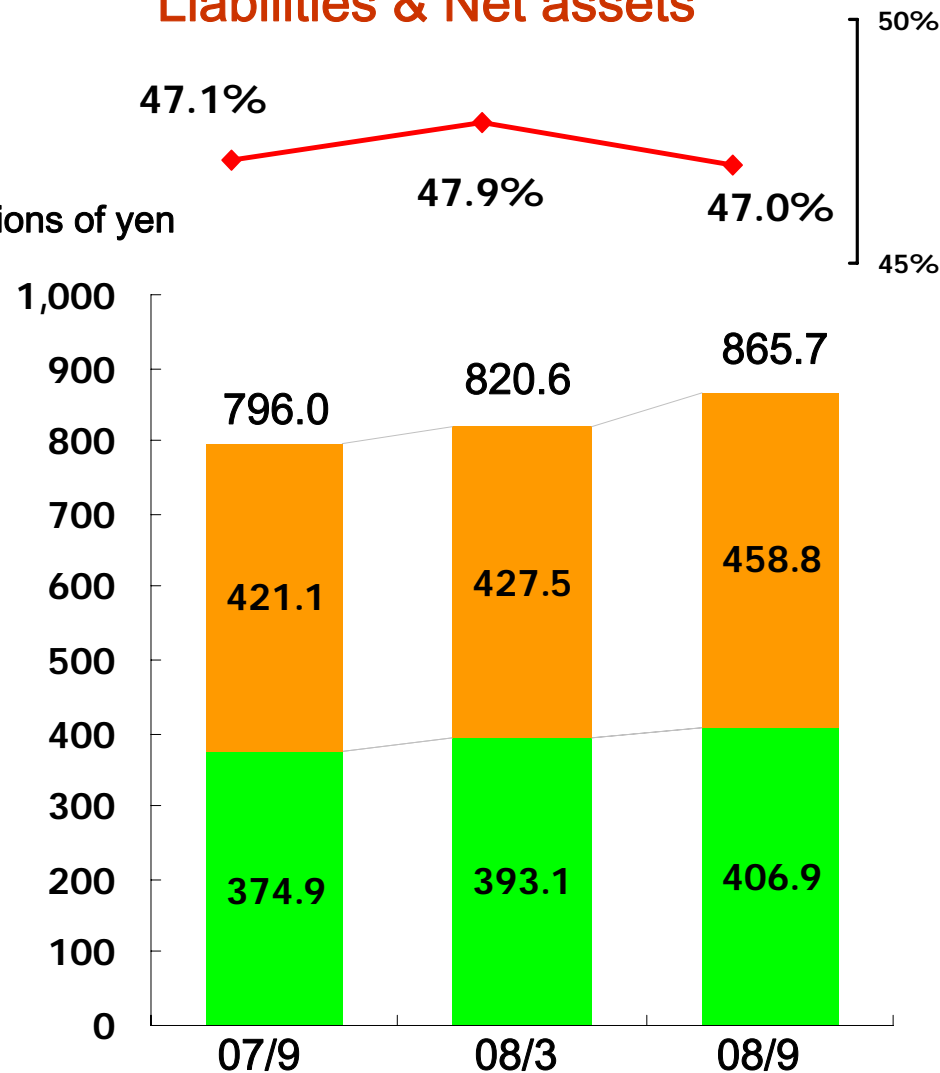
Assets

Billions of yen



Liabilities & Net assets

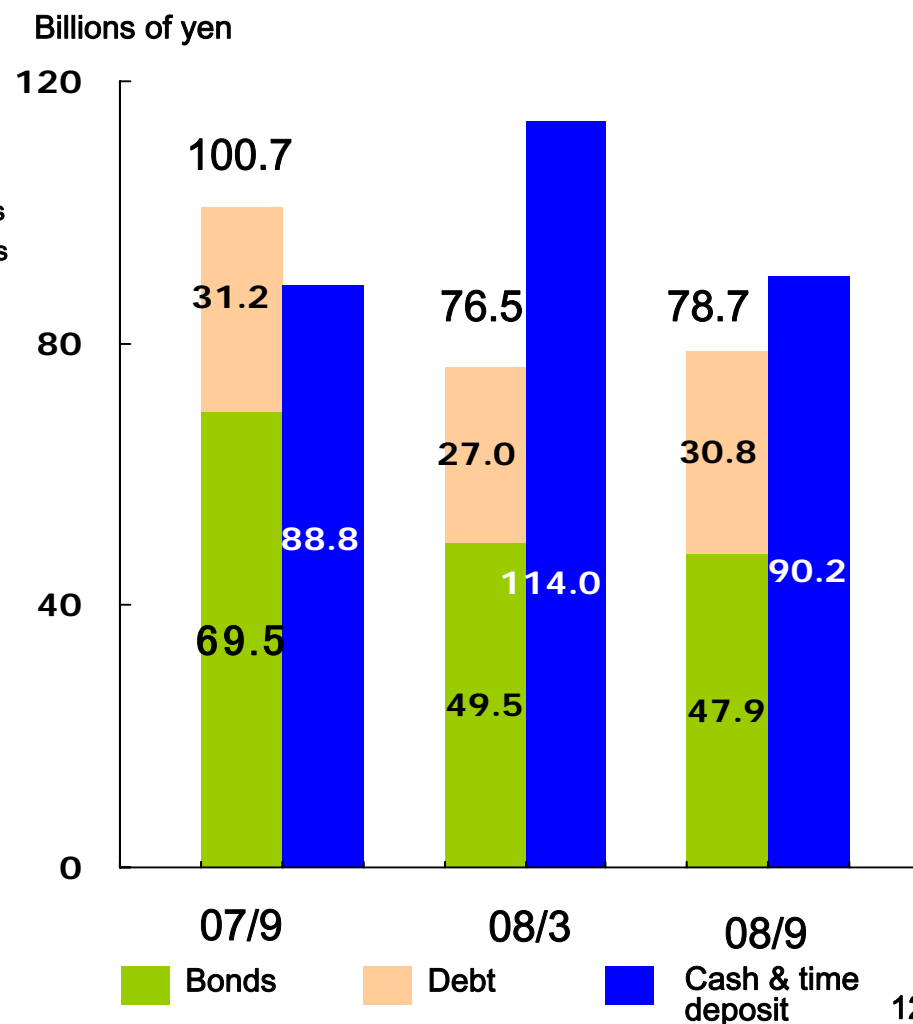
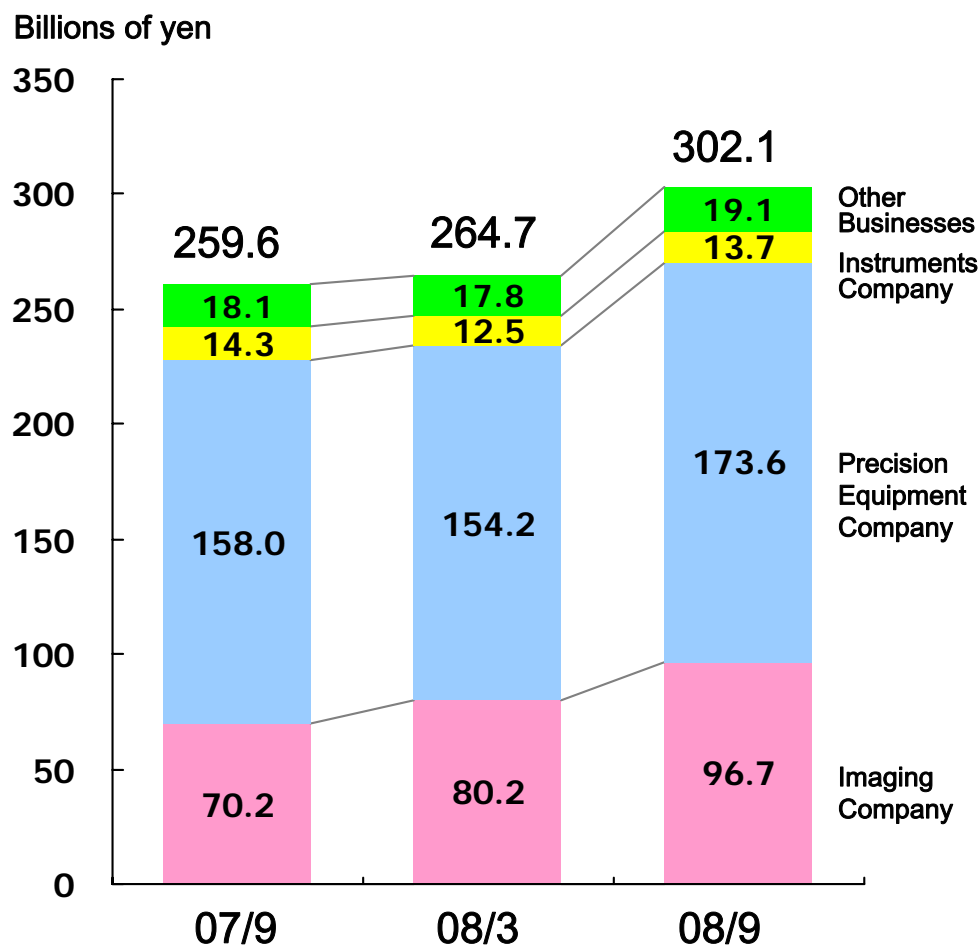
Billions of yen



Balance Sheet : 1st Half

Inventories

Bond , Debt and Cash & time deposit



Summary for the First Half of the Year Ending March 31, 2009

- Net Sales achieved its highest-ever results 6 years in a row for 1H.
- Operating Income, Ordinary Income and Net Income decreased compared to 1H of the previous year.

Precision Equipment Company:

Despite recovery of LCD steppers & scanners sales, operating income decreased compared to 1H of the previous year due to IC market slowdown.

Imaging Company:

Achieved record high Net Sales and Operating Income through substantial sales increase of all products despite economic slowdown concern and severer competitive market conditions.

Comparison to 1H of the previous year:

Negative effect of “Lower of cost or market value method”

8.0 billion yen to Operating Income

6.5 billion yen to Ordinary Income

Negative effect of currency exchange rate:

24.1 billion yen to Net Sales

8.8 billion yen to Operating Income

Interim cash dividend per share of common stock: 12.5 yen



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Performance Estimation for the Year Ending March 31, 2009

	08/3 (A)	Previous Estimation as of August 6, 2008 (B)	New Estimation (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	955.8	980.0	940.0	-40.0	-15.8
Operating Income (Billions of yen) % vs Net Sales	135.2 14.1%	130.0 13.3%	82.0 8.7%	-48.0	-53.2
Ordinary Income (Billions of yen) % vs Net Sales	120.1 12.6%	125.0 12.8%	79.0 8.4%	-46.0	-41.1
Net Income (Billions of yen) % vs Net Sales	75.5 7.9%	78.0 8.0%	47.0 5.0%	-31.0	-28.5
Exchange : US\$ Rate	114	101	101		
EURO	162	157	144		

Lowered our estimation considering revision of estimated exchange rate (US\$ 1=95 yen, Euro 1=125 yen), capital expenditure cut-down for IC/LCD manufacture and slowdown of consumer mind /severer competitive environment.



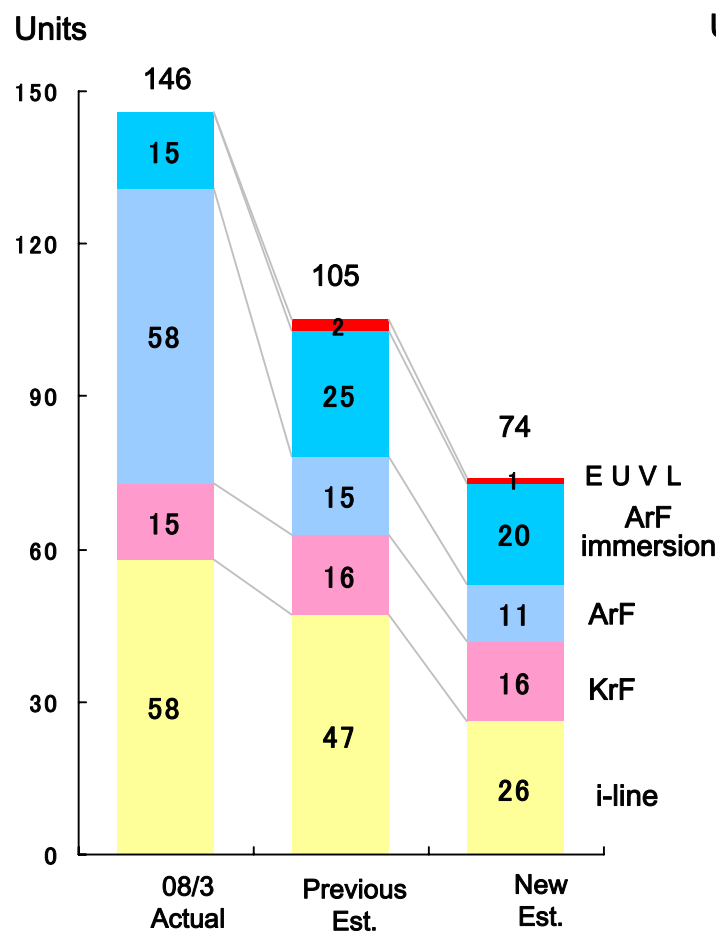
Estimation for Precision Equipment Company

	08/3	1H 2H	Previous Estimation as of August 6, 2008	1H 2H	New Estimation	1H 2H
Net Sales (Billions of yen)	290.8	<u>140.4</u> 150.4	290.0	<u>115.0</u> 175.0	245.0	<u>117.2</u> 127.8
Operating Income (Billions of yen) % vs Net Sales	43.3 14.9%	<u>21.3</u> 22.0	44.0 15.2%	<u>13.0</u> 31.0	18.0 7.3%	<u>12.2</u> 5.8
IC Steppers & Scanners New / Refurbished (units sold)	146/18	<u>68/10</u> 78/ 8	105/20	<u>36/ 8</u> 69/12	74/20	<u>32/10</u> 42/10
LCD Steppers & Scanners (units sold)	45	<u>24</u> 21	70	<u>38</u> 32	65	<u>37</u> 28
Market Scale CY07/08 IC Steppers & Scanners (units sold)	564		Approx.400		Approx.300	
Market Scale CY07/08 LCD Steppers & Scanners (TFT-array Only) (units sold)	Approx.70		Approx.110		Approx.100	

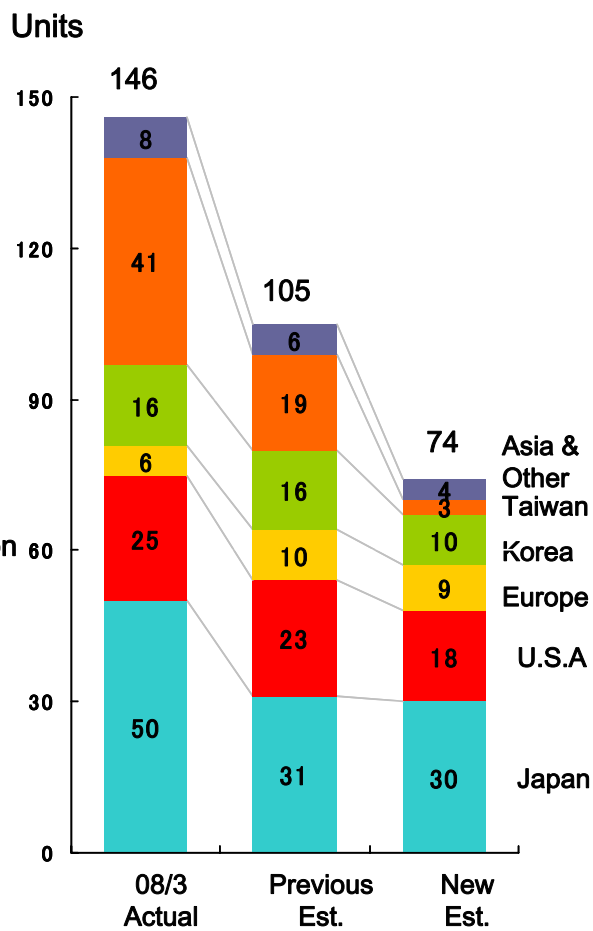
Review of capital expenditure for IC exposure tools is rapidly progressing from summer '08 and the market of the tool will drop near to the half of the previous year. Capital expenditure for LCD exposure tools also began from September.

Estimation for Precision Equipment Company

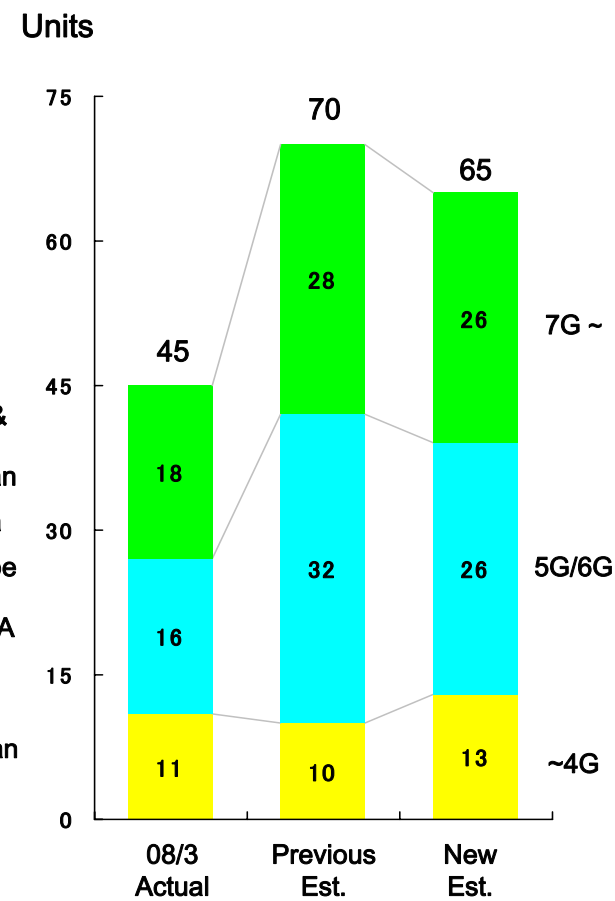
IC Steppers & Scanners Sales by Technology



IC Steppers & Scanners Sales by Region



LCD Steppers & Scanners by Generation





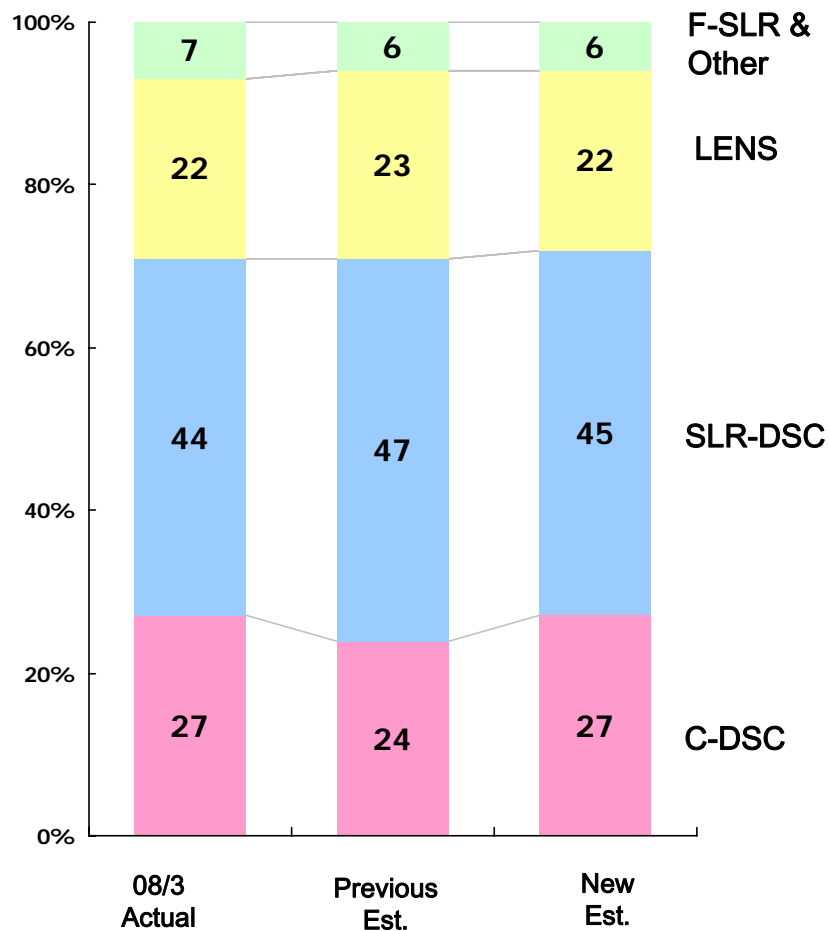
Estimation for Imaging Company

	08/3	1H 2H	Previous Estimation as of August 6, 2008	1H 2H	New Estimation	1H 2H
Net Sales (Billions of yen)	586.1	<u>270.3</u> 315.8	620.0	<u>310.0</u> 310.0	625.0	<u>337.2</u> 287.8
Operating Income (Billions of yen) % vs Net Sales	84.0 14.3%	<u>38.8</u> 45.2	80.0 12.9%	<u>36.0</u> 44.0	62.0 9.9%	<u>42.0</u> 20.0
Single-Lens Reflex DSC (1,000 of units sold)	3,090	<u>1,470</u> 1,620	3,300	<u>1,750</u> 1,550	3,500	<u>1,870</u> 1,630
Interchangeable Lenses (1,000 of units sold)	4,450	<u>2,200</u> 2,250	4,700	<u>2,400</u> 2,300	4,900	<u>2,630</u> 2,270
Compact DSC (1,000 of units sold)	8,550	<u>4,030</u> 4,520	9,300	<u>4,900</u> 4,400	10,000	<u>5,910</u> 4,090
Market Scale SLR-DSC (1,000 of units sold)	7,720		8,800		9,500	
Market Scale Interchangeable Lenses (1,000 of units sold)	13,070		15,000		16,000	
Market Scale C-DSC (1,000 of units sold)	98,570		120,000		115,000	

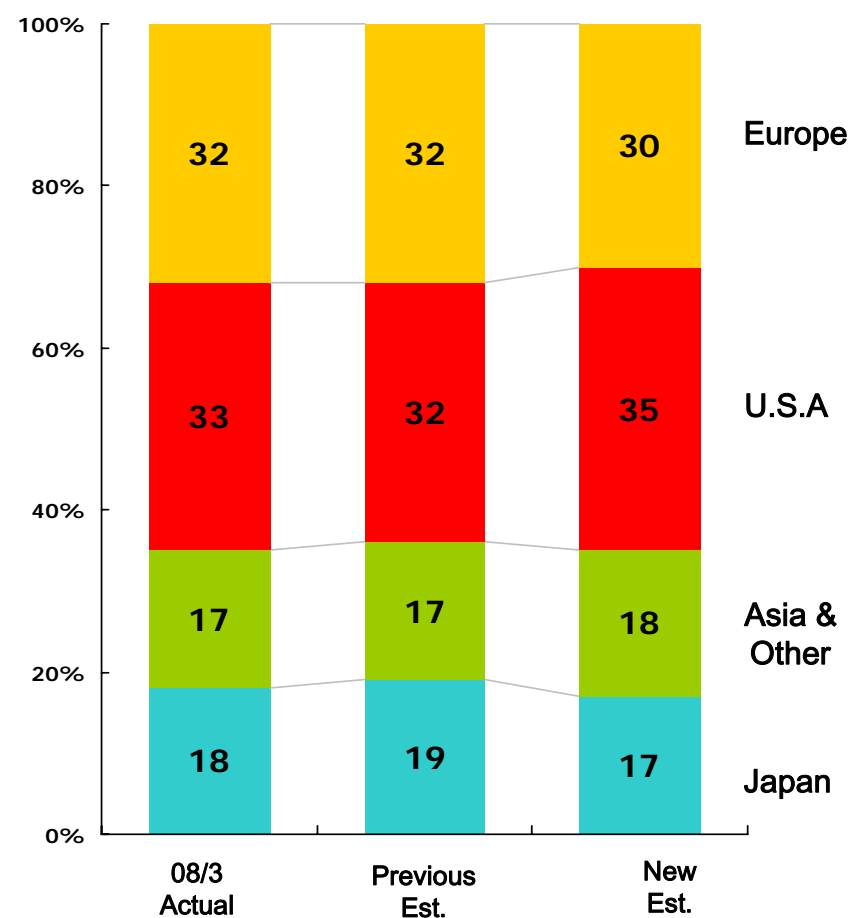
Raised our estimation of Net Sales due to good result in 1H. Lowered Operating Income estimation due to expected slowdown of consumer mind /severer competitive environment and the effect of the strong Yen.

Estimation for Imaging Company

Shipment value by Products

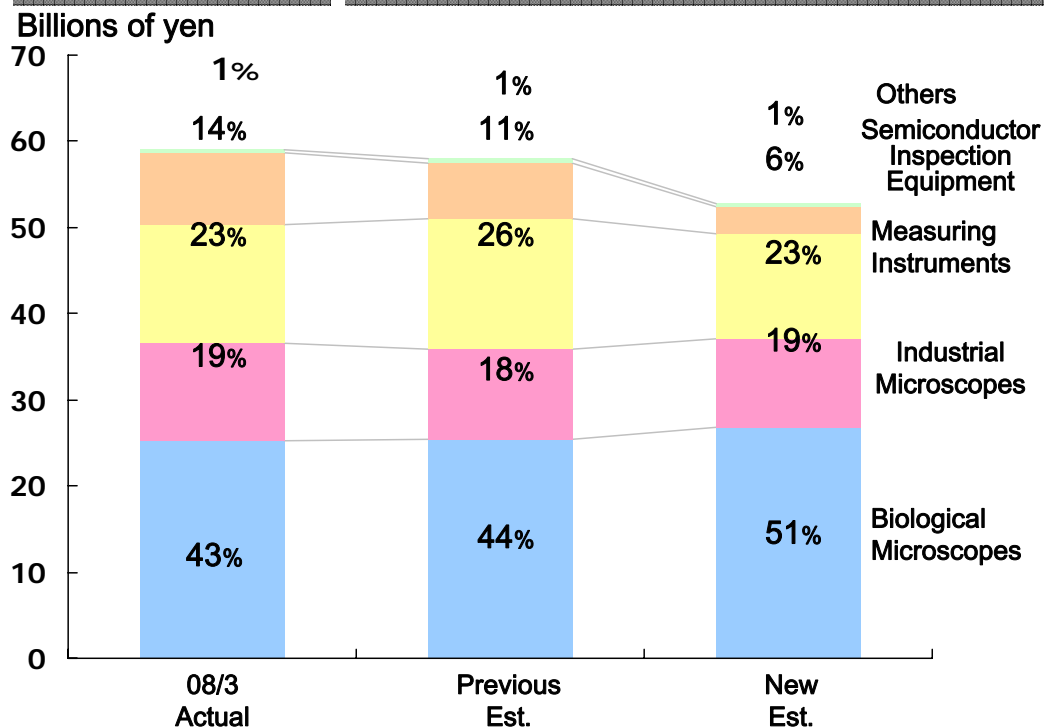


Shipment value by Region



Estimation for Instruments Company

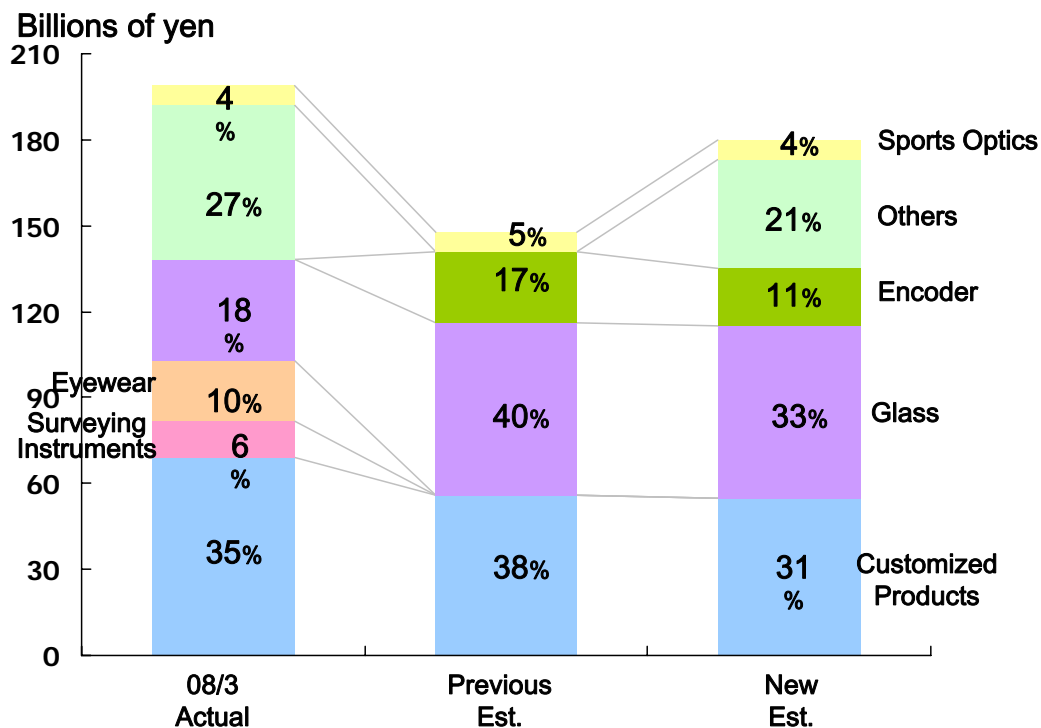
	08/3	1H 2H	Previous Estimation as of August 6, 2008	1H 2H	New Estimation	1H 2H
Net Sales (Billions of yen)	59.0	<u>26.3</u> 32.7	58.0	<u>24.0</u> 34.0	52.0	<u>23.2</u> 28.8
Operating Income (Billions of yen) % vs Net Sales	4.1 6.9%	<u>0.9</u> 3.2	4.0 6.9%	<u>-0.5</u> 4.5	0.0 -%	<u>-1.3</u> 1.3



Expecting steady growth of Net Sales for biological microscope and severe sales of industrial instruments due to capital expenditure cut-down.

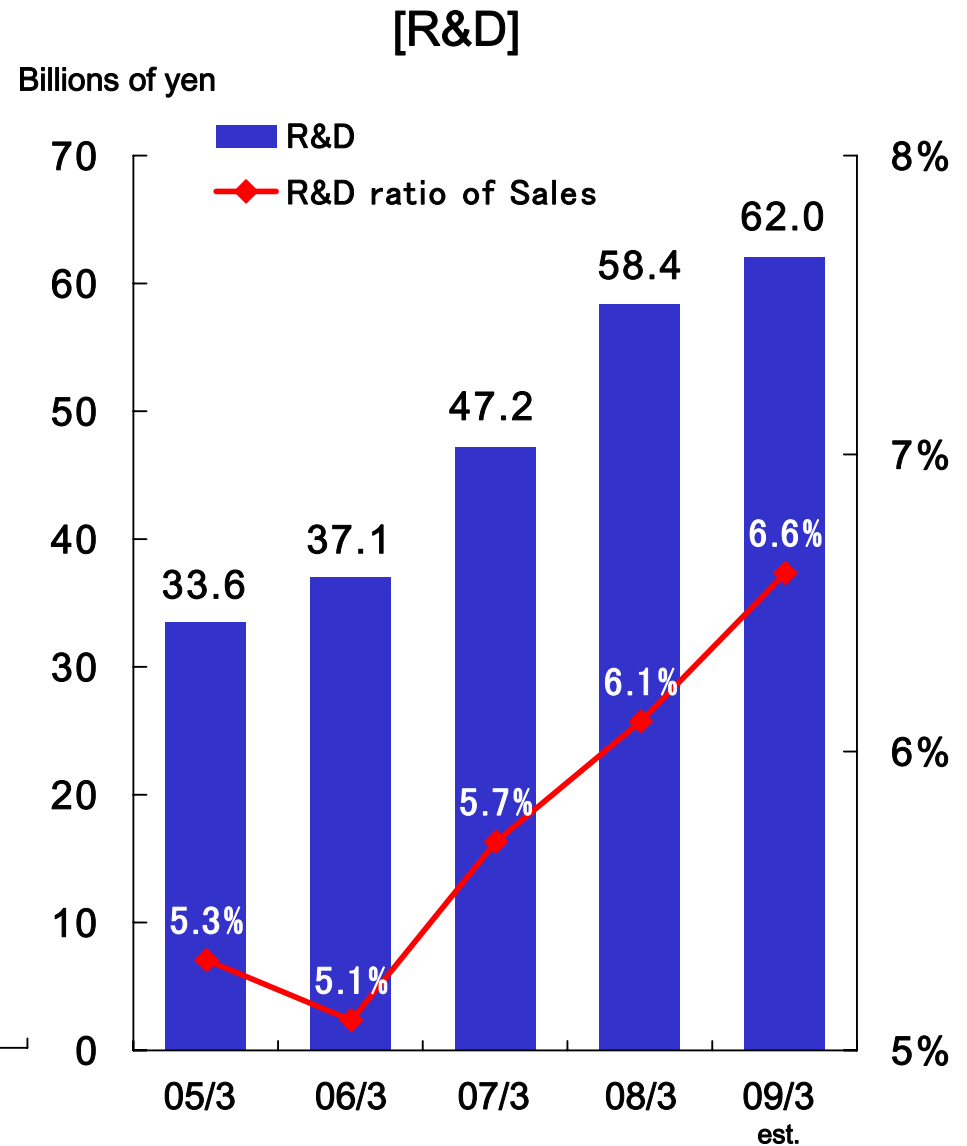
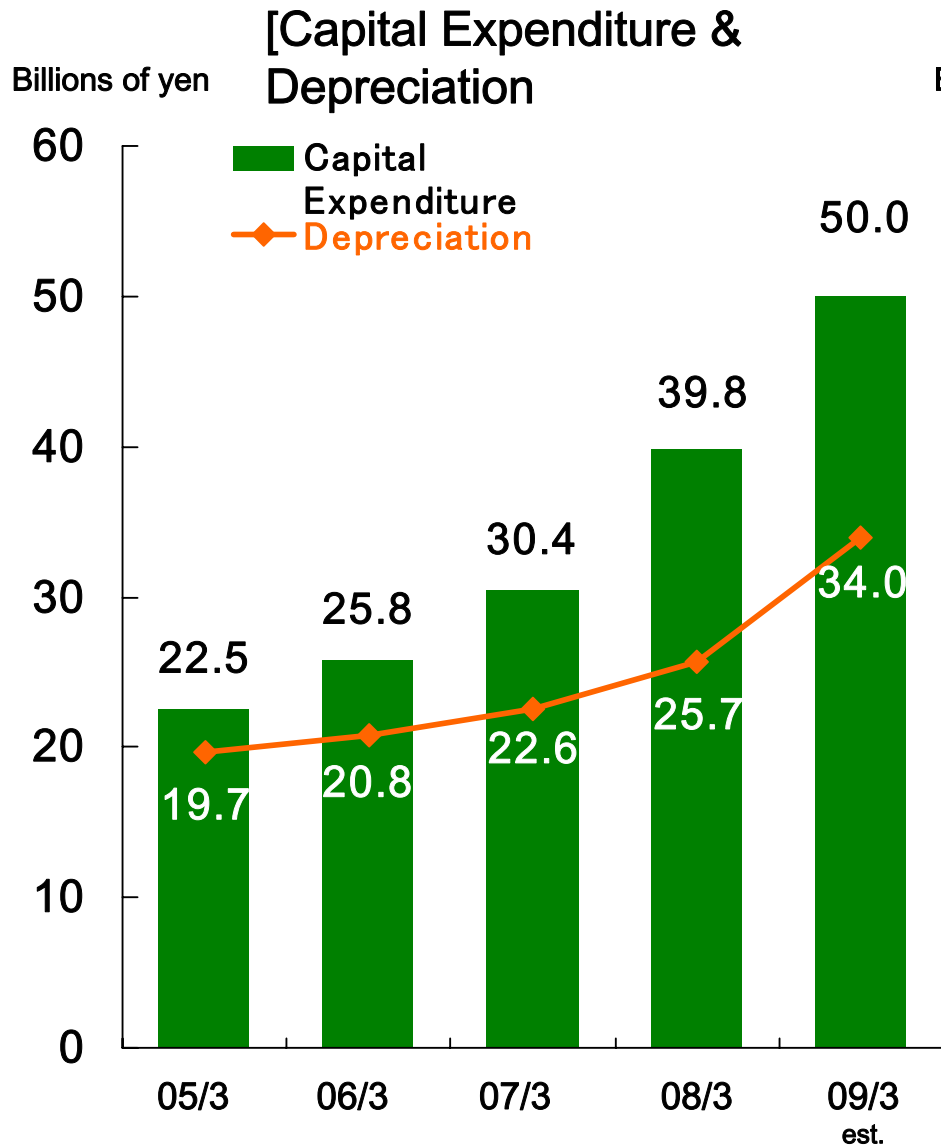
Estimation for Other Business

	08/3	1H 2H	Previous Estimation as of August 6, 2008	1H 2H	New Estimation	1H 2H
Net Sales (Billions of yen)	19.8	<u>8.9</u> 10.9	12.0	<u>6.0</u> 6.0	18.0	<u>9.6</u> 8.4
Operating Income (Billions of yen) % vs Net Sales	3.6 18.2%	<u>2.5</u> 1.1	2.0 16.7%	<u>1.5</u> 0.5	2.0 11.1%	<u>1.5</u> 0.5



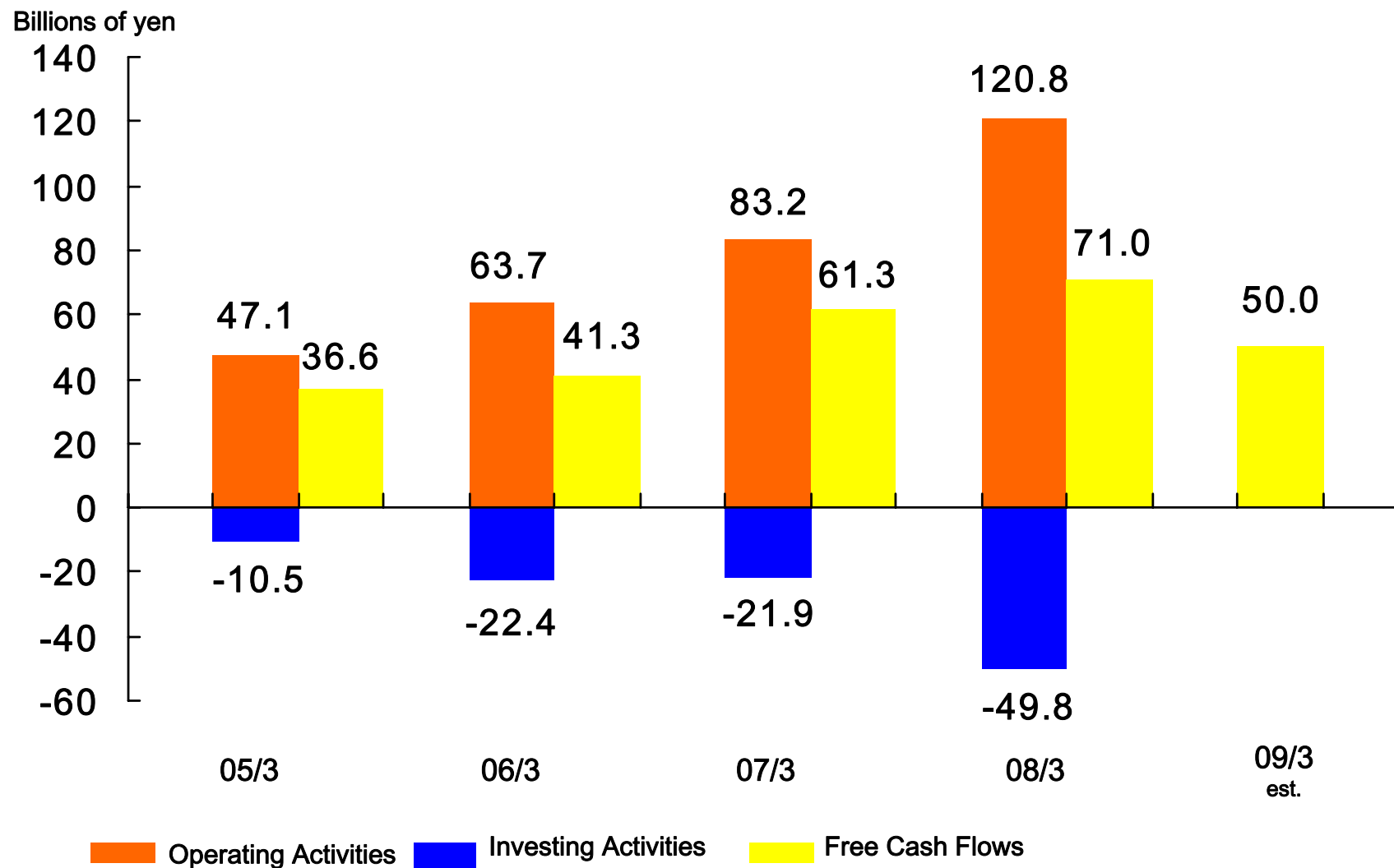
Glass business will expand its sales thanks to Photomask substrates for LCD.

Estimation for Capital Expenditure, Depreciation and R&D



The above include acquisition of lease asset in accordance with accounting rules revision.

Estimation for Cash Flows



Summary of Estimation for the Year Ending March 31, 2009 < Future outlook of the market (the 2H onward) >

From “Ready for stormy weather” to “ Under stormy weather”

Severe business environment of capital investment and consumers spending to continue for the moment.

- The IC steppers & scanners business suffers from the stormy weather severer than expected with steep drop of memory IC price. In the LCD steppes & scanners business, the panel manufacturers are successively revising their Capital expenditure plan.
- The Imaging business faces a strong concern on progress of the global stagnant consumer spending and evaluation of Japanese Yen while sales results achieved highest-ever record up to 1H.
- The business management and control will be executed assuming that it will take long time before the recovery.

Summary of Estimation for the Year Ending March 31, 2009 < Our business policy and measures (the 2H onward) >

Careful and precise management based on our identity, strength and challenge.

- Development of product exceeding expectations and overwhelming competitions with integration of not only the product development but also marketing, manufacturing, sales and servicing
- Strict control of inventory and account receivable
- Careful selection of expense and investment, and implementation of investment necessary for medium and long term growth even under severe management environment.
- Taking this opportunity, promotion of further cost reduction through manufacturing competitiveness enhancement, procurement innovation and thorough review of our cost structure including measure for currency exchange risk.

Maintaining annual dividend of 25 yen per share.

No change to our financial targets of Medium Term Management Plan
(Net sales: 1,200 billion yen, Operating income: 160 billion yen)



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Exchange Rate

09/3
Estimation

	Exchange Rate	Financial Impact from fluctuation by 1 yen	
	09/3 2H Forecast	Net Sales (2H)	Operating Income (2H)
US\$	95	Approx.1.3 billions of yen	Approx.0.7 billions of yen
EURO	125	Approx.0.6 billions of yen	Approx.0.5 billions of yen

Earning Estimation for the Year Ending March 31, 2009

Billions of yen		08/3 Actual		09/3 Estimation	
Operating Income	1H	135.2	63.3	82.0	54.1
	2H		71.9		27.9
Non-operating Income		8.2		8.4	
Non-operating Expenses		23.2		11.4	
Ordinary Income	1H	120.1	58.9	79.0	53.1
	2H		61.2		25.9
Extra ordinary gain & loss		-3.4		-1.5	
Income Taxes		41.2		30.5	
Net Income	1H	75.5	34.4	47.0	33.6
	2H		41.1		13.4

Precision Equipment Company: 2nd Quarter

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	79.2	57.1	59.3	+2.2	-19.9
Operating Income (Billions of yen) % vs Net Sales	13.1 16.5%	6.8 11.9%	5.9 9.9%	-0.9	-7.2
IC Steppers & Scanners New / Refurbished (units sold)	36/6	19/3	15/5	-4/+2	-21/-1
LCD Steppers & Scanners (units sold)	12	21	20	-1	+8

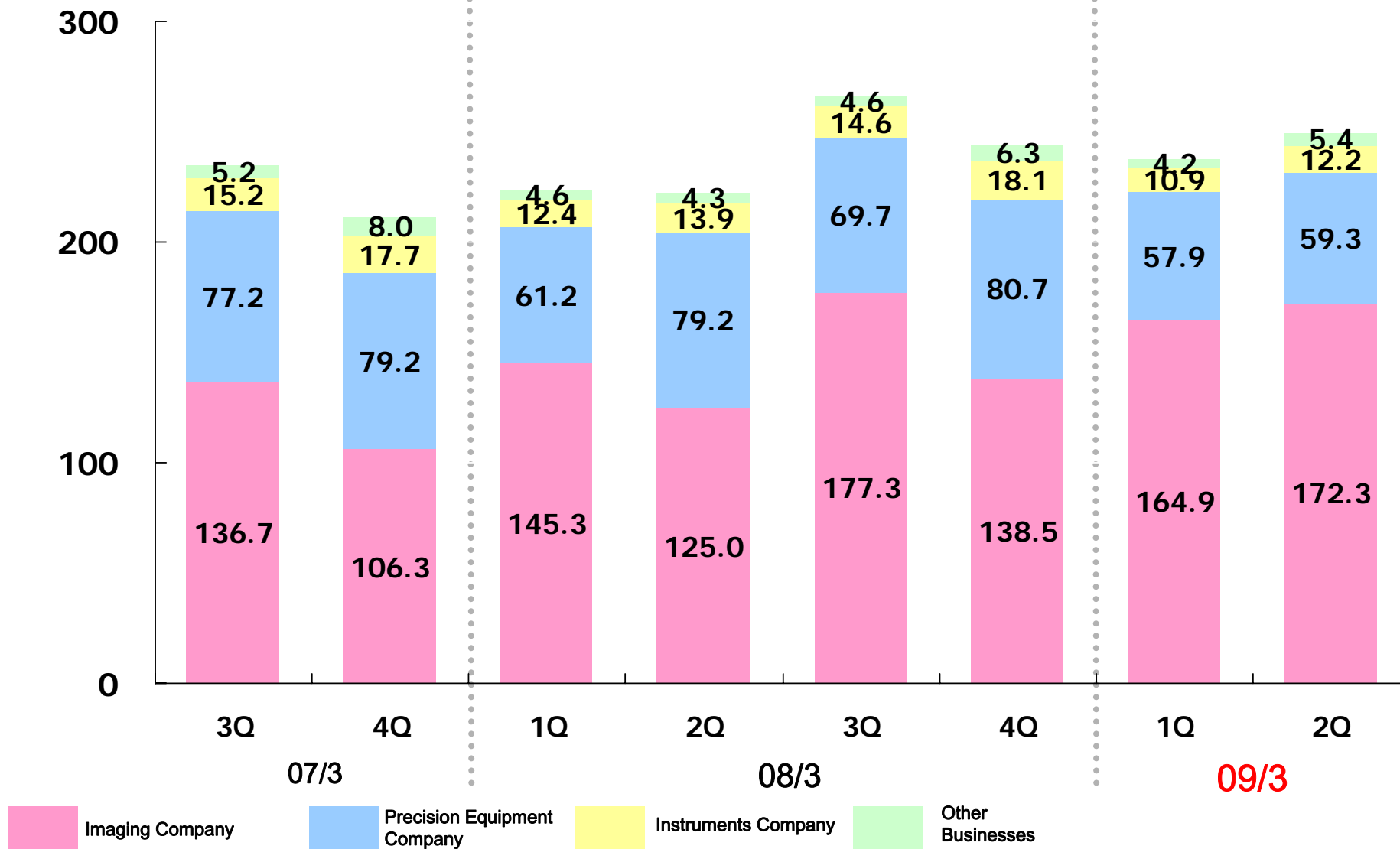


Imaging Company: 2nd Quarter

	07/9 (A)	Previous Forecast as of August 6, 2008 (B)	08/9 Result (C)	Change (C-B)	Change (C-A)
Net Sales (Billions of yen)	125.0	145.1	172.3	+27.2	+47.3
Operating Income (Billions of yen) % vs Net Sales	12.2 9.8%	12.9 8.9%	18.9 11.0%	+6.0	+6.7
Single-Lens Reflex DSC (1,000 of units sold)	710	930	1,050	+120	+340
Interchangeable Lenses (1,000 of units sold)	1,090	1,270	1,500	+230	+410
Compact DSC (1,000 of units sold)	2,000	2,180	3,190	+1,010	+1,190

Quarterly Net Sales by segments

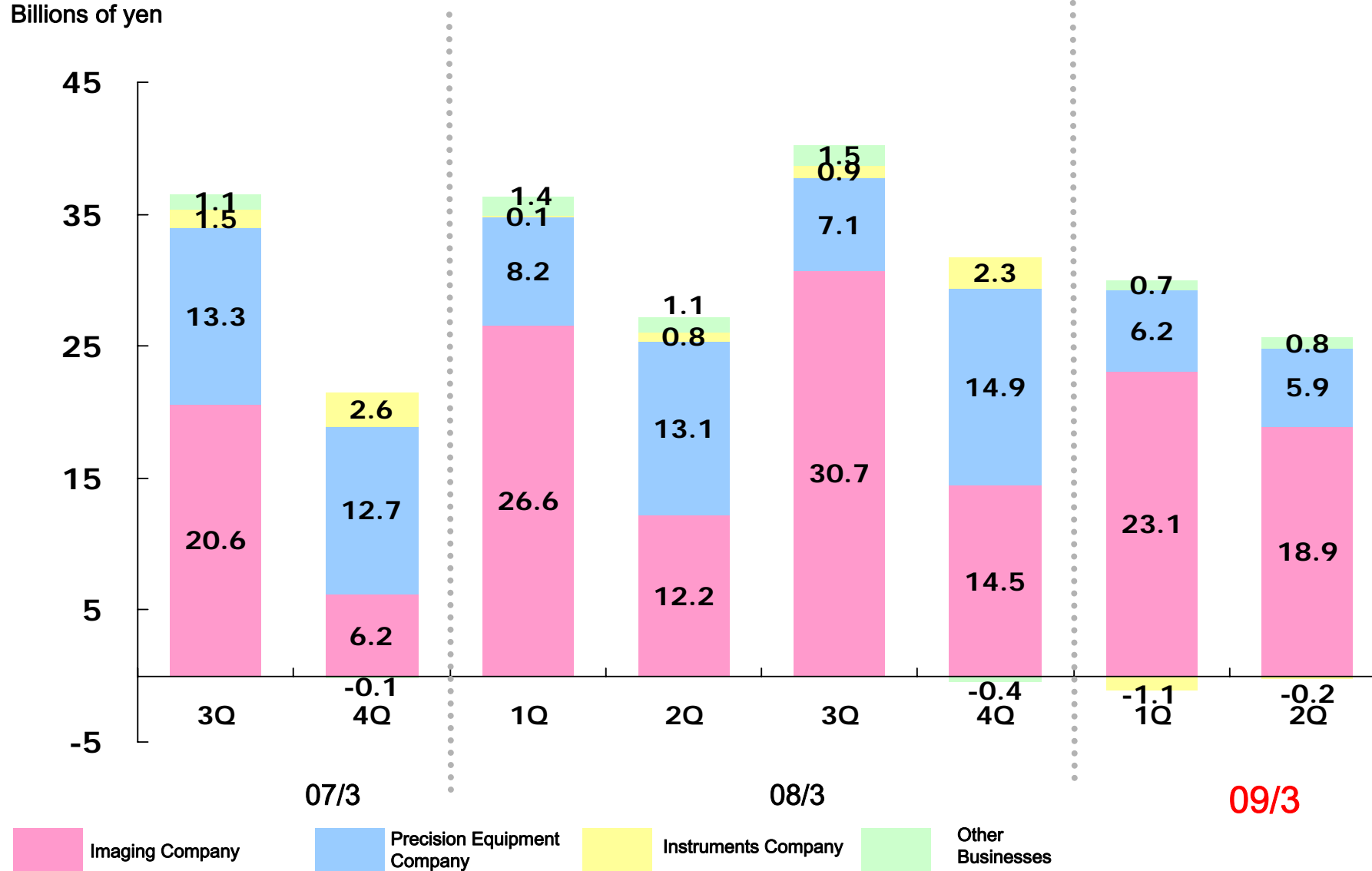
Billions of yen



09/3

Quarterly Operating Income by segments

Billions of yen





NIKON CORPORATION