

**Fiscal Year 2001 Financial Results(Consolidated)****NIKON CORPORATION (7731)**

Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8331, Japan

Contact :Norio Matsuoka      General Manager, Corporate Communications Department.

**1. Results of Fiscal Year 2001 (From April 1, 2000 to March 31, 2001)**

(Note)Amount Unit: 1 Mill Yen unless otherwise specified. (Amount less than 1 Mill Yen are omitted)

**(1) Financial Results**

	Net Sales	Operating Income	Ordinary Income
Fiscal Year 2001	483,956	61,422	43,321
Fiscal Year 2000	371,800	18,434	11,318

	Net Income	Net Income per share of Common Stock
Fiscal Year 2001	20,910	56.53Yen
Fiscal Year 2000	7,770	21.01Yen

(Note) 1. Equity in Earnings of non-consolidated subsidiaries and associated companies : Fiscal year 2001 : 39 Mill Yen  
[Fiscal year 2000 : 173 Mill Yen]

2. Change in accounting method : Applicable

**(2) Changes in Financial Position**

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share of Common Stock
Fiscal Year 2001	593,453	186,118	31.4%	503.12Yen
Fiscal Year 2000	502,174	166,494	33.2 %	450.08Yen

**(3) Cash Flows**

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Term-end
Fiscal Year 2001	34,924	(15,693)	(20,634)	33,732
Fiscal Year 2000	37,483	(4,426)	(22,808)	32,573

**(4) Consolidated and Equity method Policies**

Number of Consolidated Subsidiaries : 41

Number of Non-consolidated Subsidiaries accounted for by equity method : 0

Number of Affiliates accounted for by equity method : 1

**(5) Changes in Consolidation and Equity method Policies**

Consolidation New : 9, Exclusion : 1

Equity method New : 0, Exclusion : 3

**2. Forecast for Fiscal Year 2002 (From April 1, 2001 to March 31, 2002)**

(Amount Unit : 1 mill Yen)

	Net Sales	Ordinary Income	Net Income
First Half of Fiscal Year 2002	250,000	15,000	3,000
Fiscal Year 2002	510,000	30,000	10,000

Ref. Expected net income per share of common stock for Fiscal Year 2002 : 27.03Yen

**Balance Sheet (Consolidated) 1**

Amount Unit: 1 Mill Yen

	Fiscal Year 2001		Fiscal Year 2000		Increase (Decrease)
		%		%	
<b>Assets</b>					
<b>Current assets</b>					
Cash and time deposits	34,293		23,816		10,477
Notes and accounts receivable-trade	141,349		122,964		18,385
Inventories	199,797		153,847		45,950
Deferred tax assets	26,693		12,521		14,171
Other current assets	16,391		21,272		(4,880)
Allowance for doubtful receivables	(2,623)		(2,116)		(507)
<b>Total current assets</b>	415,902	70.1	332,304	66.2	83,597
<b>Fixed assets</b>					
Tangible fixed assets					
Buildings and structures	36,830		36,116		713
Machinery and vehicles	24,728		23,913		814
Land	15,866		13,736		2,130
Construction in progress	11,517		6,242		5,275
Other	9,292		9,416		(123)
<b>Total tangible fixed assets</b>	98,235	16.5	89,424	17.8	8,810
Intangible fixed assets	8,153	1.4	7,448	1.5	704
Investments and other assets					
Investments in securities	57,615		54,665		2,949
Deferred tax assets	5,369		4,140		1,229
Other	8,260		7,130		1,129
Allowance for doubtful receivables	(83)		(47)		(35)
<b>Total investments and other assets</b>	71,161	12.0	65,889	13.1	5,272
<b>Total fixed assets</b>	177,551	29.9	162,762	32.4	14,788
<b>Cumulative translation adjustments</b>	-	-	7,106	1.4	(7,106)
<b>Total assets</b>	593,453	100.0	502,174	100.0	91,278

**Balance Sheet (Consolidated) 2**

Amount Unit: 1 Mill Yen

	Fiscal Year 2001		Fiscal Year 2000		Increase (Decrease)
		%		%	
<b>Liabilities</b>					
<b>Current liabilities</b>					
Notes and accounts payable-trade	114,843		87,788		27,055
Short-term borrowings	56,347		76,996		(20,649)
Commercial papers	32,000		14,000		18,000
Current portion of bonds	20,000		10,000		10,000
Accrued income taxes	22,022		3,174		18,847
Accrued expenses	32,851		26,774		6,077
Warranty reserve	6,034		3,419		2,614
Other current liabilities	39,303		16,083		23,219
<b>Total current liabilities</b>	<b>323,403</b>	<b>54.5</b>	<b>238,236</b>	<b>47.4</b>	<b>85,166</b>
<b>Long-term liabilities</b>					
Bonds	60,000		80,000		(20,000)
Long-term debt	11,803		15,727		(3,924)
Employee's retirements allowances	-		1,349		(1,349)
Liability for severance indemnities	10,023		-		10,023
Other long-term liabilities	1,928		354		1,573
<b>Total long-term liabilities</b>	<b>83,755</b>	<b>14.1</b>	<b>97,431</b>	<b>19.4</b>	<b>(13,675)</b>
<b>Total liabilities</b>	<b>407,158</b>	<b>68.6</b>	<b>335,668</b>	<b>66.8</b>	<b>71,490</b>
<b>Minority interest</b>	<b>175</b>	<b>0.0</b>	<b>11</b>	<b>0.0</b>	<b>164</b>
<b>Shareholders' equity</b>					
Common stock	36,660		36,660		-
Additional paid-in capital	51,909		51,909		-
Retained earnings	96,560		77,949		18,610
Unrealized gains on securities	4,715		-		4,715
Cumulative translation adjustments	(3,726)		-		(3,726)
<b>Total</b>	<b>186,118</b>		<b>166,520</b>		<b>19,599</b>
Treasury stock	( 0 )		(25)		24
<b>Total shareholders' equity</b>	<b>186,118</b>	<b>31.4</b>	<b>166,494</b>	<b>33.2</b>	<b>19,624</b>
<b>Total liabilities and shareholders' equity</b>	<b>593,453</b>	<b>100.0</b>	<b>502,174</b>	<b>100.0</b>	<b>91,278</b>

**Profit and Loss Statements (Consolidated)**

Amount Unit: 1 Mill Yen

	Fiscal Year 2001 (April 1,2000 to March 31,2001)		Fiscal Year 2000 (April 1,1999 to March 31,2000)		Increase (Decrease)
		%		%	
<b>1. Operating revenues</b>					
Net sales	483,956	100.0	371,800	100.0	112,155
<b>2. Operating cost and expenses</b>					
Cost of sales	301,758	62.4	247,472	66.6	54,285
Selling, general and administrative expenses	120,775	24.9	105,893	28.5	14,881
<b>3. Operating income</b>	61,422	12.7	18,434	4.9	42,988
<b>4. Non-operating income</b>					
Interest and dividend income	1,412	0.3	1,062	0.3	350
Other income	4,949	1.0	6,264	1.7	(1,314)
<b>5. Non-operating expenses</b>					
Interest expenses	4,330	0.9	5,215	1.4	(884)
Losses on disposal of inventories	10,506	2.1	2,533	0.7	7,972
Other expenses	9,627	2.0	6,693	1.8	2,933
<b>6. Ordinary income</b>	43,321	9.0	11,318	3.0	32,002
<b>7. Special gains</b>					
Gains on sales of fixed assets	4,575	0.9	735	0.2	3,839
Gains on sales of investment securities	-		46	0.0	(46)
Gains on transfer of goodwill	-		1,000	0.3	(1,000)
Gains on establishment of retirement benefits plan	1,724	0.4	-		1,724
<b>8. Special losses</b>					
Losses on sales and disposal of fixed assets	1,250	0.3	1,003	0.3	247
Losses on sales of investment securities	1,667	0.3	319	0.1	1,348
Losses on sales of investment in consolidated subsidiaries	-		299	0.0	(299)
Losses on devaluation of investment securities	265	0.1	-		265
Provision for liability for severance indemnities	16,459	3.4	-		16,459
Other losses	149	0.0	-		149
<b>9. Income before income taxes</b>	29,827	6.2	11,478	3.1	18,348
<b>10. Income taxes-current</b>	26,978	5.6	4,739	1.3	22,238
<b>11. Income taxes-deferred</b>	(18,076)	(3.7)	(1,032)	(0.3)	(17,044)
<b>12. Minority interest</b>	15	0.0	0	0.0	14
<b>13. Net income</b>	20,910	4.3	7,770	2.1	13,140

**Statements of Shareholders' Equity (Consolidated)**

Amount Unit: 1 Mill Yen

	Fiscal Year 2001 (April 1, 2000 to March 31, 2001)	Fiscal Year 2000 (April 1, 1999 to March 31, 2000 )	Increase (Decrease)
<b>Retained earnings (Beginning)</b>	77,949	72,423	5,525
<b>Increase of retained earnings</b>			
Adjustment due to increase in consolidated subsidiaries	134	-	134
Adjustment due to increase in applicable affiliate of equity method	-	19	(19)
<b>Decrease of retained earnings</b>			
Cash dividends	2,404	2,034	369
Directors' bonuses	30	-	30
Adjustment due to increase in consolidated subsidiaries	-	229	(229)
<b>Net income</b>	20,910	7,770	13,140
<b>Retained earnings (Ending)</b>	96,560	77,949	18,610

**Cash Flow Statement (Consolidated)**

Amount Unit: 1 Mill Yen

	Fiscal Year 2001 (April 1, 2000 to March 31, 2001)	Fiscal Year 2000 (April 1, 1999 to March 31, 2000)	Increase (Decrease)
<b>1. Cash flows from operating activities</b>			
Income before income taxes	29,827	11,478	18,348
Depreciation and amortization	16,007	17,251	(1,243)
Net increase (decrease) in warranty reserve	2,424	1,542	882
Net increase (decrease) in liability for severance indemnities	10,023	-	10,023
Interest and dividend income	(1,412)	(1,062)	(350)
Interest expenses	4,330	5,215	(884)
Gains on sales of fixed assets	(4,575)	(735)	(3,839)
Losses on sales and disposal of fixed assets	1,250	1,003	247
Losses on sales of investment securities	1,667	319	1,348
Losses on devaluation of investment securities	265	-	265
Net decrease (increase) in trade notes and accounts receivable	(12,632)	(27,372)	14,739
Net decrease (increase) in inventories	(41,943)	(7,310)	(34,633)
Net increase (decrease) in trade notes and accounts payable	22,534	38,874	(16,339)
Other, net (operating activities)	19,355	4,944	14,410
Sub total	47,123	44,147	2,976
Interest and dividends received	1,399	1,117	282
Interest paid	(5,006)	(5,220)	213
Income taxes paid	(8,592)	(2,561)	(6,030)
<b>Net cash provided by operating activities</b>	34,924	37,483	(2,559)
<b>2. Cash flows from investing activities</b>			
Payments for purchases of tangible fixed assets	(18,183)	(10,102)	(8,081)
Proceeds from sales of tangible fixed assets	5,452	2,222	3,229
Payments for purchases of investment securities	(5,089)	(5,629)	539
Proceeds from sales of investment securities	2,203	1,281	921
Net decrease (increase) in loans receivable	3,249	(3,961)	7,210
Other, net (investing activities)	(3,325)	11,762	(15,087)
<b>Net cash used in investing activities</b>	(15,693)	(4,426)	(11,267)
<b>3. Cash flows from financing activities</b>			
Increase (decrease) in short-term borrowings	(20,943)	(1,033)	(19,910)
Increase (decrease) in commercial paper	18,000	(18,000)	36,000
Proceeds from long-term debt	1,316	10,629	(9,313)
Repayments of long-term debt	(16,617)	(12,340)	(4,277)
Dividends paid	(2,391)	(2,036)	(354)
Other, net (financing activities)	1	(27)	29
<b>Net cash used in financing activities</b>	(20,634)	(22,808)	2,174
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b>	1,494	(1,081)	2,576
<b>5. Net increase (decrease) in cash and cash equivalents</b>	92	9,167	(9,075)
<b>6. Cash and cash equivalents at beginning of year</b>	32,573	23,419	9,153
<b>7. Cash and cash equivalents of newly consolidated subsidiaries at beginning of year</b>	1,066	38	1,027
<b>8. Cash and cash equivalents of exclusive consolidated subsidiaries at end of year</b>	-	(52)	52
<b>9. Cash and cash equivalents at end of year</b>	33,732	32,573	1,158

**Segment Information****1. Industry Segments**

Amount Unit:1Mill Yen

	Fiscal Year 2001 (April 1, 2000 to March 31, 2001)						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	230,565	176,219	57,792	19,379	483,956	-	483,956
2)Intersegment sales/transfer	4,242	3,891	1,215	24,230	33,581	(33,581)	-
Total	234,807	180,111	59,008	43,610	517,537	(33,581)	483,956
Operating expenses	190,320	169,608	53,817	41,881	455,628	(33,094)	422,533
Operating income	44,486	10,503	5,190	1,728	61,909	(486)	61,422
2. Assets, depreciation & capital expenditure							
Assets	312,964	87,307	41,453	43,603	485,328	108,124	593,453
Depreciation & amortization	11,223	2,595	1,225	962	16,007	-	16,007
Capital expenditure	18,960	4,655	1,152	1,227	25,996	-	25,996

Amount Unit:1Mill Yen

	Fiscal Year 2000 (April 1, 1999 to March 31, 2000)						
	Precision Equipment	Imaging Products	Instruments	Other	Total	Elimination or corporate	Consolidated
1. Net sales							
1)Outside	166,218	135,095	49,460	21,026	371,800	-	371,800
2)Intersegment sales/transfer	6,041	2,152	1,443	10,215	19,852	(19,852)	-
Total	172,260	137,247	50,904	31,241	391,653	(19,852)	371,800
Operating expenses	163,112	129,503	50,087	30,367	373,071	(19,705)	353,366
Operating income	9,147	7,743	817	873	18,581	(147)	18,434
2. Assets, depreciation & capital expenditure							
Assets	248,043	72,933	48,901	30,288	400,167	102,007	502,174
Depreciation & amortization	11,865	2,854	1,099	1,432	17,251	-	17,251
Capital expenditure	8,265	2,103	611	2,900	13,881	-	13,881

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

Imaging Products----- Cameras, Interchangeable lenses, Digital cameras, etc .

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

Other----- Binocular and telescope products, Ophthalmic frames, Surveying instruments, etc.

## Segment Information

### 2. Geographic Segments

Amount Unit: 1 Mill Yen

	Fiscal Year 2001 (April 1, 2000 to March 31, 2001)						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	251,354	143,225	77,532	11,844	483,956	-	483,956
2)Intersegment sales	172,853	1,064	111	13,162	187,192	(187,192)	-
Total	424,208	144,289	77,643	25,006	671,148	(187,192)	483,956
Operating expenses	369,468	136,282	73,230	21,114	600,095	(177,561)	422,533
Operating income	54,739	8,007	4,413	3,892	71,052	(9,630)	61,422
2. Assets	425,394	89,514	37,241	12,344	564,494	28,958	593,453

Amount Unit: 1 Mill Yen

	Fiscal Year 2000 (April 1, 1999 to March 31, 2000)						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate	Consolidated
1. Net sales							
1)Outside	219,188	96,699	48,925	6,987	371,800	-	371,800
2)Intersegment sales	114,092	321	104	3,879	118,398	(118,398)	-
Total	333,280	97,021	49,030	10,866	490,199	(118,398)	371,800
Operating expenses	323,877	91,002	48,702	9,261	472,843	(119,476)	353,366
Operating income	9,403	6,018	327	1,605	17,355	1,078	18,434
2. Assets	346,126	50,257	25,080	7,321	428,786	73,388	502,174

North America : U.S.A., Canada

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

Asia : South Korea, Taiwan, Thailand, etc.



**Segment Information****3. Export sales**

Amount Unit: 1 Mill Yen

	Fiscal Year 2001 (April 1, 2000 to March 31, 2001)					
	North America	Europe	Asia	Other	Total	
Export sales(A)	141,828	75,535	114,676	4,643	336,684	
Net sales(B)						483,956
(A) / (B)	29.3%	15.6%	23.7%	1.0%	69.6%	

Amount Unit: 1 Mill Yen

	Fiscal Year 2000 (April 1, 1999 to March 31, 2000)					
	North America	Europe	Asia	Other	Total	
Export sales(A)	95,557	52,001	95,194	4,436	247,190	
Net sales(B)						371,800
(A) / (B)	25.7%	14.0%	25.6%	1.2%	66.5%	

North America : U.S.A., Canada

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

Asia : South Korea, Taiwan, Singapore, etc.

Other : Middle &amp; South America, Oceania, Africa, etc.

**Securities (Consolidated)**

**Fiscal Year 2001 (As of March 31, 2001)**

**1. Other securities for which market prices are applicable**

Amount Unit: 1 Mill Yen

	Acquisition cost	Book value	Unrealized gain (loss)
Securities with book value higher than acquisition cost			
1) Stocks	25,436	36,526	11,089
2) Bonds			
National and local government bonds	2	2	0
Other bonds	783	784	1
Sub total	26,222	37,313	11,091
Securities with book value lower than acquisition cost			
1) Stocks	14,328	11,367	(2,961)
2) Bonds			
National and local government bonds	-	-	-
Other bonds	-	-	-
Sub total	14,328	11,367	(2,961)
Total	40,551	48,681	8,130

**2. Other securities sold in this fiscal year (April 1, 2000 to March 31, 2001)**

Amount Unit: 1 Mill Yen

Total sales value	Gain on sales	Loss on sales
2,203	-	1,667

**3. Book value of non-marketable securities**

Amount Unit: 1 Mill Yen

	Book value
Unlisted equity securities (excluding over-the-counter traded equities)	4,483
Beneficial securities of loan trust	50
Total	4,533

## **Derivatives (Consolidated)**

### **1.Currency Contracts**

Amount Unit : 1Mill Yen

	At end of Fiscal Year 2001 (Consolidated)				At end of Fiscal Year 2000 (Consolidated)			
	Outstand balance of contracts (Off-balance sheets)		Yen equiv. at the spot exchange rate	Net unrealized gain(loss)	Outstand balance of contracts (Off-balance sheets)		Yen equiv. at the spot exchange rate	Net unrealized gain(loss)
		Non-current				Non-current		
Forward exchange contracts								
Sell position								
YEN	2,000	-	1,754	245	-	-	-	-
US\$	1,176	-	1,225	(49)	5,252	-	5,182	70
EUR	6,247	-	6,816	(568)	6,015	-	5,749	266
GBP	663	-	677	(13)	-	-	-	-
Buy position								
YEN	21,793	-	18,125	(3,667)	15,732	444	16,415	682
US\$	156	-	161	5	-	-	-	-
EUR	3,327	-	3,378	50	3,690	-	3,525	(165)
DEM	1,926	-	1,914	(12)	-	-	-	-
GBP	828	-	856	28	-	-	-	-
Currency option contracts								
Selling call US\$ Option premiums	- (-)	- (-)	-	-	1,073 (23)	- (-)	15	8
Buying put US\$ Option premiums	- (-)	- (-)	-	-	1,035 (23)	- (-)	19	(4)
Total	-	-	-	(3,981)	-	-	-	857

### **2. Interest Rate Swap Agreements**

Amount Unit : 1mill Yen

	At end of Fiscal Year 2001 (Consolidated)				At end of Fiscal Year 2000 (Consolidated)			
	Total notional amount		Market value	Net unrealized gain	Total notional amount		Market value	Net unrealized gain
		Non-current included				Non-current included		
Interest swap agreements	50,000	40,000	508	508	60,000	40,000	1,029	1,029

## Financial Results 2001 (Non-Consolidated)

NIKON CORPORATION (7731)

Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8331, Japan  
 Contact :Norio Matsuoka

General Manager, Corporate Communications Department.

Tel. 03 (3216) 1032

Date of Meeting of the Board of Directors for Fiscal Year 2001: May 21, 2001

Date of the General Meeting of Shareholders : June 28, 2001

### 1. Results of Fiscal Year 2001 (From April 1,2000 to March 31, 2001)

Amount Unit : 1 mill Yen unless otherwise specified (Amounts less than 1 mill Yen are omitted)

#### (1) Financial Results

	Net Sales		Operating Income		Ordinary Income	
		%		%		%
Fiscal Year 2001	391,320	26.8	43,021	512.7	32,886	402.7
Fiscal Year 2000	308,604	22.2	7,021	-	6,541	-

	Net Income		Net Income per Share of Common Stock	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Net Sales
		%	Yen	%	%	%
Fiscal Year 2001	11,804	152.7	31.91	7.5	7.6	8.4
Fiscal Year 2000	4,671	-	12.63	3.2	1.7	2.1

(Note) 1. Average number of shares outstanding : Fiscal Year 2001 369,927,584 Shares  
 Fiscal Year 2000 369,927,584 Shares

2. No change in the Accounting policies

3. Percent Increase :Fiscal Year 2001 / Fiscal Year 2000

#### (2) Cash Dividends

	Cash Dividends per Share of Common Stock			Total Cash Dividends	Payment Ratio	Ratio of Cash Dividends to Shareholders' Equity
	Interim	Year End				
	Yen	Yen	Yen		%	%
Fiscal Year 2001	8.00	4.00	4.00	2,959	25.1	1.8
Fiscal Year 2000	5.00	2.50	2.50	1,849	39.6	1.2

#### (3) Changes in Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share of Common Stock
			%	Yen
Fiscal Year 2001	469,025	163,618	34.9	442.30
Fiscal Year 2000	391,470	149,588	38.2	404.37

(Note) 1. Number of shares outstanding : At the end of Fiscal Year 2001 369,927,584 Shares  
 At the end of Fiscal Year 2000 369,927,584 Shares

### 2. Forecast for Fiscal Year 2002 (From April 1, 2001 to March 31, 2002)

(Amount Unit : 1mill Yen)

	Net Sales	Ordinary Income	Net Income	Cash Dividends per Share of Common Stock		
				Interim	Year End	for 2002
First Half of Fiscal Year 2002	190,000	8,000	2,000	4.00	-	-
Fiscal Year 2002	390,000	16,000	6,000	-	4.00	8.00

Ref. Expected Net Income per Share of Common Stock for Fiscal Year 2002 : 16.22 Yen

Balance Sheets (Non-Consolidated)

English Translation of ,  
"KESSAN TANSHIN"

(Amount Unit : 1mill Yen)

	At the end of Fiscal Year 2001		At the end of Fiscal Year 2000		Increase (Decrease)
		%		%	
[ Assets ]					
1. Current Assets					
Cash and time deposits	15,692		8,649		7,042
Notes receivable	37,100		1,471		35,629
Accounts receivable	93,535		89,640		3,895
Marketable securities	-		5,009		(5,009)
Treasury stock	0		25		(24)
Finished goods	36,135		32,390		3,744
Semi-finished products	408		129		279
Raw materials	80		66		13
Work in process	97,201		75,524		21,676
Supplies	2,842		2,756		86
Deferred income taxes	9,653		8,668		985
Short-term loans receivable to subsidiaries and associated companies	8,856		19,103		(10,247)
Other receivables	5,180		4,900		279
Other current assets	1,383		937		445
Allowance for doubtful receivables	(354)		(7,607)		7,253
Total current assets	307,716	65.6	241,667	61.7	66,049
2. Fixed Assets					
Tangible fixed assets	64,959	13.8	60,654	15.5	4,305
Buildings	19,821		20,376		(554)
Structures	1,128		1,185		(56)
Machinery and equipment	17,623		17,767		(143)
Automotive equipment	72		62		10
Tools, furniture and fixtures	6,218		6,634		(416)
Land	10,374		8,921		1,453
Construction in progress	9,719		5,708		4,010
Intangible fixed assets	6,346	1.4	5,833	1.5	513
Patent rights	1,953		475		1,477
Leasehold	77		98		(20)
Trademark	166		4		161
Software	3,980		5,083		(1,103)
Rights to use public facilities and other assets	169		171		(1)
Investments and other assets	90,001	19.2	83,315	21.3	6,686
Investment securities	52,232		49,239		2,992
Investments in stock of subsidiaries and associated companies	22,683		23,203		(520)
Capital contributions	6		6		-
Capital contributions to subsidiaries and associated companies	2,639		1,313		1,325
Long-term loans receivable to employees	124		134		(10)
Long-term loans receivable to subsidiaries and associated companies	1,012		1,273		(261)
Long-term prepaid expenses	670		470		200
Deferred income taxes	6,379		4,107		2,272
Lease deposits and other assets	4,330		3,566		764
Allowance for doubtful receivables	(77)		-		(77)
Total fixed assets	161,308	34.4	149,803	38.3	11,505
Total assets	469,025	100.0	391,470	100.0	77,554

(Amount Unit : 1mill Yen)

	At the end of Fiscal Year 2001		At the end of Fiscal Year 2000		Increase (Decrease)
		%		%	
[ Liabilities ]					
1. Current Liabilities					
Notes payable	1,338		1,292		45
Accounts payable	88,521		69,029		19,491
Short-term bank loans	31,850		36,230		(4,380)
Current portion of long-term debt	1,914		1,742		172
Commercial papers	32,000		14,000		18,000
Current portion of bonds	20,000		10,000		10,000
Accounts payable for construction	5,921		3,179		2,742
Accrued income taxes	13,370		182		13,188
Other accrued expenses	16,780		13,042		3,737
Advances received	5,306		2,016		3,289
Deposits received	10,039		1,226		8,813
Provision for warranty	2,653		2,008		645
Notes payable for construction	185		161		23
Other current liabilities	855		53		802
Total current liabilities	230,737	49.2	154,167	39.4	76,570
2. Long-term Liabilities					
Bonds	60,000		80,000		(20,000)
Long-term bank loans	6,637		7,714		(1,076)
Liability for severance indemnities	7,154		-		7,154
Other long-term liabilities	876		-		876
Total long-term liabilities	74,668	15.9	87,714	22.4	(13,045)
Total liabilities	305,406	65.1	241,881	61.8	63,525
[ Shareholders' Equity ]					
1. Common stock	36,660	7.8	36,660	9.4	-
2. Additional paid in capital	51,909	11.1	51,909	13.3	-
3. Legal reserve	5,412	1.2	5,168	1.3	243
4. Retained earnings	64,975	13.8	55,850	14.2	9,125
Revenue reserve	50,913		50,825		88
Reserve for research and development	2,056		2,056		-
Reserve for retirement benefits	669		669		-
Reserve for losses on overseas investments	1		2		(0)
Reserve for special depreciation	19		23		(3)
Reserve for deferred capital gain for replacement of property	2,760		2,863		(102)
Reserve for advanced depreciation of fixed assets	195		-		195
General reserve	45,211		45,211		-
Unappropriated retained earnings	14,061		5,024		9,037
5. Unrealized gains on securities	4,660	1.0	-	-	4,660
Total shareholders' equity	163,618	34.9	149,588	38.2	14,029
Total Liabilities and Shareholders' Equity	469,025	100.0	391,470	100.0	77,554

Profit and Loss Statements (Non-Consolidated)

English Translation of ,  
"KESSAN TANSHIN"

(Amount Unit : 1mill Yen)

	Fiscal Year 2001 (April 1,2000 - March 31,2001)		Fiscal Year 2000 (April 1,1999 - March 31,2000)		Increase (Decrease)
		%		%	
<b>1. Operating revenues</b>					
Net sales	391,320	100.0	308,604	100.0	82,715
<b>2. Operating cost and expenses</b>					
Cost of sales	280,664	71.7	239,983	77.8	40,680
Selling, general and administrative expenses	67,635	17.3	61,599	20.0	6,035
<b>3. Operating income</b>	43,021	11.0	7,021	2.3	35,999
<b>4. Non-operating income</b>	7,575	1.9	8,390	2.7	(814)
Interest income	201		250		(48)
Dividend income	2,220		1,334		885
Gains on interest rate swap	947		-		947
Rental income from fixed assets	886		913		(27)
Foreign exchange gain	648		989		(341)
Gains on sales of marketable securities	-		2,004		(2,004)
Other income	2,670		2,898		(227)
<b>5. Non-operating expenses</b>	17,710	4.5	8,870	2.9	8,840
Interest expenses	440		492		(52)
Interest expenses on bonds	2,600		2,286		314
Write-down of inventories	2,260		1,693		566
Loss on disposals of inventories	9,355		1,909		7,446
Rental expenses on fixed assets	719		751		(31)
Bond issuance costs	-		58		(58)
Other expenses	2,333		1,679		654
<b>6. Ordinary income</b>	32,886	8.4	6,541	2.1	26,344
<b>7. Special gains</b>	6,260	1.6	3,181	1.0	3,078
Gains on sales of fixed assets	4,536		482		4,053
Gains on establishment of retirement benefits plan	1,724		-		1,724
Gains on sales of investments in stock of subsidiaries and associated companies	-		699		(699)
Gains on sales of good will	-		2,000		(2,000)
<b>8. Special losses</b>	19,154	4.9	1,535	0.5	17,619
Losses on disposal of fixed assets	750		645		104
Losses on sales of fixed assets	85		135		(49)
Losses on sales of investment securities	1,667		144		1,523
Losses on sales of investments in stock of subsidiaries and associated companies	159		609		(449)
Losses on devaluation of investment securities	258		-		258
Losses on devaluation of investments in stock of subsidiaries and associated companies	329		-		329
Provision for liability for severance indemnities	15,764		-		15,764
Provision for losses on doubtful receivables	77		-		77
Losses on devaluation of the golf club membership	59		-		59
<b>9. Income before income taxes</b>	19,992	5.1	8,188	2.7	11,803
<b>10. Income taxes-current</b>	14,820	3.8	510	0.2	14,310
<b>11. Income taxes-deferred</b>	(6,632)	(1.7)	3,007	1.0	(9,639)
<b>12. Net income</b>	11,804	3.0	4,671	1.5	7,132
<b>13. Retained earnings brought forward</b>	3,885		1,370		2,515
<b>14. Interim dividends paid</b>	1,479		924		554
<b>15. Transfer to legal reserve</b>	147		92		55
<b>16. Unappropriated retained earnings at end</b>	14,061		5,024		9,037

Statements of Retained Earnings (Non-Consolidated)  
(Proposed)

English Translation of ,  
"KESSAN TANSHIN"

(Amount Unit : 1mill Yen)

	Fiscal Year 2001 (April 1,2000 - March 31,2001)	Fiscal Year 2000 (April 1,1999 - March 31,2000)	Increase (Decrease)
1. Unappropriated retained earnings at year end	14,061	5,024	9,037
2. Reversal of reserves :			
Reversal of reserve for losses on overseas investments	1	0	0
Reversal of reserve for special depreciation	3	3	-
Reversal of reserve for deferred capital gain for replacement of property	97	102	(4)
Reversal of reserve for advanced depreciation of fixed assets	195	-	195
Total	14,360	5,131	9,228
3. Appropriation of retained earnings :			
Transfer to legal reserve	153	96	57
Cash dividends	1,479	924	554
Bonuses to directors and corporate auditors	50	30	20
Transfer to reserve for deferred capital gain for replacement of property	745	-	745
Transfer to reserve for advanced depreciation of fixed assets	1,522	195	1,326
Total	3,950	1,246	2,704
4. Retained earnings carried forward	10,410	3,885	6,524



Sales Performance (Non-Consolidated)

English Translation of ,  
"KESSAN TANSHIN"

(Amount Unit : 1mill Yen)

Segment	Fiscal Year 2001 (April 1,2000 - March 31,2001)		Fiscal Year 2000 (April 1,1999 - March 31,2000)		Ratio to the previous period
	Amount	%	Amount	%	%
Precision Equipment	222,587	56.9	155,361	50.3	143.3
Imaging Products	123,699	31.6	104,894	34.0	117.9
Instruments	35,233	9.0	33,655	10.9	104.7
Other	9,799	2.5	14,692	4.8	66.7
Total	391,320	100.0	308,604	100.0	126.8
Domestic	120,917	30.9	101,894	33.0	118.7
Export	270,402	69.1	206,709	67.0	130.8