

consolidated balance sheets

NIKON CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARCH 31, 2004 AND 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
ASSETS			
Current assets			
Cash and cash equivalents	¥ 16,099	¥ 23,692	\$ 152,326
Notes and accounts receivable — trade (Note 6):			
Customers	117,652	104,042	1,113,177
Unconsolidated subsidiaries and associated companies	2,249	858	21,276
Allowance for doubtful receivables	(2,572)	(2,940)	(24,340)
Inventories (Note 5)	237,506	226,627	2,247,198
Deferred tax assets (Note 10)	19,675	23,606	186,156
Other current assets	18,722	12,428	177,150
Total current assets	<u>409,331</u>	<u>388,313</u>	<u>3,872,943</u>
Property, plant and equipment			
Land	16,419	16,894	155,349
Buildings and structures	93,964	94,968	889,050
Machinery and equipment	127,216	123,738	1,203,672
Furniture and fixtures	56,485	56,171	534,437
Construction in progress	6,138	6,815	58,077
Total	<u>300,222</u>	<u>298,586</u>	<u>2,840,585</u>
Accumulated depreciation	(193,383)	(188,075)	(1,829,718)
Net property, plant and equipment	<u>106,839</u>	<u>110,511</u>	<u>1,010,867</u>
Investments and other assets			
Investment securities (Notes 4 and 6)	54,592	37,534	516,533
Investments in and advances to unconsolidated subsidiaries and associated companies	7,541	6,946	71,354
Long-term loans to employees and other	257	497	2,435
Allowance for doubtful receivables	(51)	(148)	(479)
Software	6,520	5,538	61,690
Goodwill	204	272	1,934
Security deposit	2,942	3,239	27,840
Deferred tax assets (Note 10)	9,817	17,374	92,888
Other	8,521	6,836	80,600
Total investments and other assets	<u>90,343</u>	<u>78,088</u>	<u>854,795</u>
Total	<u>¥ 606,513</u>	<u>¥ 576,912</u>	<u>\$ 5,738,605</u>

See Notes to Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings (Note 6)	¥ 43,918	¥ 59,845	\$ 415,538
Current portion of long-term debt (Note 6)	12,727	22,208	120,416
Notes and accounts payable — trade:			
Suppliers	140,325	98,145	1,327,707
Unconsolidated subsidiaries and associated companies	807	648	7,637
Income taxes payable	2,961	3,227	28,015
Accrued expenses	34,940	38,976	330,591
Other current liabilities (Note 10)	13,262	31,267	125,480
Total current liabilities	<u>248,940</u>	<u>254,316</u>	<u>2,355,384</u>
Long-term liabilities			
Long-term debt (Note 6)	163,871	138,809	1,550,484
Liability for employees' retirement benefits (Note 7)	21,010	19,880	198,786
Other long-term liabilities (Note 10)	1,321	1,289	12,502
Total long-term liabilities	<u>186,202</u>	<u>159,978</u>	<u>1,761,772</u>
Minority interests	<u>177</u>	<u>154</u>	<u>1,673</u>
Commitments and Contingent liabilities (Notes 12, 13 and 14)			
Shareholders' equity			
Common stock (Note 8):			
Authorized — 1,000,000,000 shares			
Issued — 369,945,332 shares in 2004 and 2003	36,661	36,661	346,872
Capital surplus (Note 8)	51,927	51,924	491,316
Retained earnings (Note 8)	83,035	80,582	785,650
Unrealized gain (loss) on available-for-sale securities	6,109	(3,531)	57,803
Foreign currency translation adjustments	(5,885)	(2,628)	(55,682)
Treasury stock, at cost:			
626,596 shares in 2004 and 550,081 shares in 2003	(653)	(544)	(6,183)
Total shareholders' equity	<u>171,194</u>	<u>162,464</u>	<u>1,619,776</u>
Total	<u>¥ 606,513</u>	<u>¥ 576,912</u>	<u>\$ 5,738,605</u>

See Notes to Consolidated Financial Statements.