

consolidated statements of operations

NIKON CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2004 AND 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
Net sales (Note 3)	¥ 506,378	¥ 468,959	\$ 4,791,163
Cost of sales (Note 3)	346,898	307,503	3,282,220
Gross profit	159,480	161,456	1,508,943
Selling, general and administrative expenses (Note 3 and 9)	155,805	157,269	1,474,172
Operating income	3,675	4,187	34,771
Other income (expenses)			
Interest and dividend income	808	1,067	7,648
Interest expense	(2,356)	(2,627)	(22,288)
Cash discount	(3,160)	(3,528)	(29,897)
Royalty income	478	1,186	4,519
Bond issue costs		(1,353)	
Write-down of inventories	(4,453)	(5,063)	(42,131)
Loss on disposals of inventories	(830)	(2,513)	(7,855)
Loss on sales of investment securities	(486)	(2,041)	(4,602)
Loss on disposals of property, plant and equipment	(707)	(606)	(6,692)
Gain on sales of property, plant and equipment	13,359	9,270	126,402
Gain on sales of investment securities	3,418	1,548	32,343
Additional retirement benefits paid to employees	(1,070)	(11,019)	(10,125)
Equity in earnings of unconsolidated subsidiaries and associated companies	839	757	7,937
Other-net	(25)	(393)	(243)
Other income (expenses)-net	5,815	(15,315)	55,016
Income (loss) before income taxes and minority interest	9,490	(11,128)	89,787
Income taxes (Note 10)			
Current	2,745	5,400	25,963
Deferred	4,312	(8,380)	40,803
Total income taxes	7,057	(2,980)	66,766
Minority interests	23	(5)	219
Net income (loss)	¥ 2,410	¥ (8,143)	\$ 22,802

	Yen	U.S. Dollars (Note 1)
Per share of common stock (Note 2(o)):		
Basic net income (loss)	¥ 6.52	¥ (22.03) \$ 0.06
Diluted net income	6.02	0.06
Cash dividends applicable to the year	4.00	0.04

See Notes to Consolidated Financial Statements.