

# CONSOLIDATED BALANCE SHEETS

Nikon Corporation and Consolidated Subsidiaries  
March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	¥ 44,472	¥ 21,507	\$ 378,579
Notes and accounts receivable — trade:			
Customers	134,009	121,622	1,140,795
Unconsolidated subsidiaries and associated companies	3,626	3,485	30,867
Allowance for doubtful receivables	(2,832)	(2,735)	(24,111)
Inventories (Note 4)	238,846	245,623	2,033,253
Deferred tax assets (Note 10)	29,876	25,629	254,332
Other current assets	21,108	15,995	179,684
Total current assets	<u>469,105</u>	<u>431,126</u>	<u>3,993,399</u>
<b>Property, plant and equipment</b>			
Land	15,917	16,289	135,494
Buildings and structures	99,650	97,352	848,298
Machinery and equipment	137,565	130,101	1,171,069
Furniture and fixtures	50,077	54,140	426,295
Construction in progress	5,432	7,711	46,239
Total	<u>308,641</u>	<u>305,593</u>	<u>2,627,395</u>
Accumulated depreciation	(198,316)	(195,803)	(1,688,216)
Net property, plant and equipment	<u>110,325</u>	<u>109,790</u>	<u>939,179</u>
<b>Investments and other assets</b>			
Investment securities (Notes 3 and 6)	79,864	54,773	679,872
Investments in and advances to unconsolidated subsidiaries and associated companies	9,469	8,217	80,608
Long-term loans to employees and other	99	128	842
Allowance for doubtful receivables	(105)	(110)	(897)
Software	8,245	7,104	70,185
Goodwill	143	233	1,218
Security deposit	4,983	6,315	42,422
Deferred tax assets (Note 10)	1,458	9,792	12,409
Other	7,334	6,058	62,432
Total investments and other assets	<u>111,490</u>	<u>92,510</u>	<u>949,091</u>
<b>Total</b>	<u>¥ 690,920</u>	<u>¥ 633,426</u>	<u>\$ 5,881,669</u>

See Notes to Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	<b>2006</b>	2005	<b>2006</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings (Note 6)	¥ 12,632	¥ 38,115	\$ 107,534
Current portion of long-term debt (Note 6)	77,556	7,090	660,218
Notes and accounts payable — trade:			
Suppliers	150,883	135,638	1,284,440
Unconsolidated subsidiaries and associated companies	622	242	5,294
Income taxes payable	8,231	14,706	70,067
Accrued expenses	47,527	39,657	404,587
Other current liabilities (Note 10)	37,494	30,655	319,174
Total current liabilities	<u>334,945</u>	<u>266,103</u>	<u>2,851,314</u>
<b>Long-term liabilities</b>			
Long-term debt (Note 6)	88,643	150,133	754,606
Liability for employees' retirement benefits (Note 7)	16,967	18,691	144,436
Retirement allowances for directors and corporate auditors (Note 2(i))	339	1,035	2,887
Other long-term liabilities (Note 10)	6,722	1,249	57,219
Total long-term liabilities	<u>112,671</u>	<u>171,108</u>	<u>959,148</u>
<b>Minority interests</b>	<u>182</u>	185	<u>1,553</u>
<b>Commitments and Contingent liabilities</b> (Notes 12, 13 and 14)			
<b>Shareholders' equity</b>			
Common stock (Note 8):			
Authorized — 1,000,000,000 shares			
Issued — 369,945,332 shares in 2006 and 2005	36,661	36,661	312,087
Capital surplus (Note 8)	51,933	51,931	442,093
Retained earnings (Note 8)	130,405	104,478	1,110,110
Unrealized gain on available-for-sale securities	24,534	7,297	208,860
Foreign currency translation adjustments	286	(3,813)	2,439
Treasury stock, at cost:			
585,198 shares in 2006 and 484,180 shares in 2005	(697)	(524)	(5,935)
Total shareholders' equity	<u>243,122</u>	<u>196,030</u>	<u>2,069,654</u>
<b>Total</b>	<u>¥ 690,920</u>	<u>¥ 633,426</u>	<u>\$ 5,881,669</u>

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