

CONSOLIDATED BALANCE SHEETS

Nikon Corporation and Consolidated Subsidiaries March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
ASSETS			
Current assets			
Cash and cash equivalents	¥ 83,849	¥ 44,472	\$ 710,281
Notes and accounts receivable — trade:			
Customers	145,987	134,009	1,236,658
Unconsolidated subsidiaries and associated companies	2,927	3,626	24,798
Allowance for doubtful receivables	(3,073)	(2,832)	(26,028)
Inventories (Note 4)	246,401	238,846	2,087,259
Deferred tax assets (Note 11)	33,053	29,876	279,995
Other current assets	14,054	21,108	119,039
Total current assets	<u>523,198</u>	<u>469,105</u>	<u>4,432,002</u>
Property, plant and equipment			
Land	15,965	15,917	135,239
Buildings and structures	102,792	99,650	870,748
Machinery and equipment	148,994	137,565	1,262,131
Furniture and fixtures	55,338	50,077	468,765
Construction in progress	4,947	5,432	41,904
Total	<u>328,036</u>	<u>308,641</u>	<u>2,778,787</u>
Accumulated depreciation	(211,362)	(198,316)	(1,790,445)
Net property, plant and equipment	<u>116,674</u>	<u>110,325</u>	<u>988,342</u>
Investments and other assets			
Investment securities (Notes 3 and 6)	75,890	79,864	642,860
Investments in and advances to unconsolidated subsidiaries and associated companies	10,214	9,469	86,524
Long-term loans to employees and other	101	99	852
Allowance for doubtful receivables	(96)	(105)	(811)
Software	9,352	8,245	79,223
Goodwill	163	143	1,384
Security deposit	3,045	4,983	25,797
Deferred tax assets (Note 11)	3,457	1,458	29,285
Other	6,941	7,334	58,795
Total investments and other assets	<u>109,067</u>	<u>111,490</u>	<u>923,909</u>
Total	<u>¥ 748,939</u>	<u>¥ 690,920</u>	<u>\$ 6,344,253</u>

See Notes to Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings (Note 6)	¥ 15,514	¥ 12,632	\$ 131,417
Current portion of long-term debt (Note 6)	21,942	77,556	185,874
Notes and accounts payable — trade:			
Suppliers	145,339	150,883	1,231,166
Unconsolidated subsidiaries and associated companies	573	622	4,850
Income taxes payable	27,561	8,231	233,466
Accrued expenses	55,457	47,527	469,777
Other current liabilities (Note 11)	42,570	37,494	360,615
Total current liabilities	<u>308,956</u>	<u>334,945</u>	<u>2,617,165</u>
Long-term liabilities			
Long-term debt (Notes 6)	67,870	88,643	574,925
Liability for employees' retirement benefits (Note 7)	15,164	16,967	128,451
Retirement allowances for directors and corporate auditors (Note 2(h))	456	339	3,861
Other long-term liabilities (Note 11)	8,048	6,722	68,180
Total long-term liabilities	<u>91,538</u>	<u>112,671</u>	<u>775,417</u>
Minority interests	<u>—</u>	<u>182</u>	<u>—</u>
Commitments and Contingent liabilities (Notes 14, 15 and 16)			
Equity			
Common stock (Note 8) :			
Authorized — 1,000,000,000 shares;			
issued, 400,101,468 shares in 2007 and 369,945,332 shares in 2006	64,676	36,661	547,869
Capital surplus (Note 8)	79,912	51,933	676,929
Stock acquisition rights	83	—	704
Retained earnings (Notes 8)	179,019	130,405	1,516,469
Unrealized gain on available-for-sale securities	22,105	24,534	187,251
Deferred loss on derivatives under hedge accounting	(199)	—	(1,683)
Foreign currency translation adjustments	3,672	286	31,108
Treasury stock — at cost; 674,372 shares in 2007 and 585,198 shares in 2006	(1,018)	(697)	(8,624)
Total	<u>348,250</u>	<u>243,122</u>	<u>2,950,023</u>
Minority interests	195	—	1,648
Total equity	<u>348,445</u>	<u>243,122</u>	<u>2,951,671</u>
Total	<u>¥ 748,939</u>	<u>¥ 690,920</u>	<u>\$ 6,344,253</u>

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