

CONSOLIDATED STATEMENTS OF INCOME

Nikon Corporation and Consolidated Subsidiaries
Years ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
Net sales	¥ 822,813	¥ 730,944	\$ 6,970,042
Cost of sales	494,663	468,944	4,190,287
Gross profit	328,150	262,000	2,779,755
Selling, general and administrative expenses (Note 10)	226,143	195,413	1,915,658
Operating income	102,007	66,587	864,097
Other income (expenses)			
Interest and dividend income	1,724	1,138	14,601
Interest expense	(1,633)	(1,501)	(13,833)
Cash discount	(3,840)	(5,243)	(32,533)
Royalty income	418	391	3,541
Write-down of inventories	(1,747)	(6,495)	(14,800)
Loss on disposals of inventories	(6,998)	(9,910)	(59,279)
Loss on disposals of property, plant and equipment	(804)	(1,770)	(6,810)
Loss on impairment of fixed assets		(245)	
Gain on sales of property, plant and equipment	825	116	6,990
Gain on sales of investment securities	24	1,896	202
Gain on transfer of investments in affiliate	67		568
Proceeds from patents and know-how licenses		1,236	
Loss on Patent settlement		(2,890)	
Loss on restructuring of business (Note 13)	(1,847)		(15,643)
Equity in earnings of unconsolidated subsidiaries and associated companies	1,541	1,101	13,050
Other-net	(1,924)	(3,486)	(16,291)
Other expenses-net	(14,194)	(25,662)	(120,237)
Income before income taxes and minority interests	87,813	40,925	743,860
Income taxes (Note 11)			
Current	34,128	14,282	289,096
Deferred	(1,153)	(2,304)	(9,763)
Total income taxes	32,975	11,978	279,333
Minority interests	13	2	106
Net income	¥ 54,825	¥ 28,945	\$ 464,421
Per share of common stock (Note 2 (s)) :			
Basic net income	¥ 146.36	¥ 78.16	\$ 1.24
Diluted net income	131.42	69.33	1.11
Cash dividends applicable to the year	18.00	10.00	0.15

See Notes to Consolidated Financial Statements.