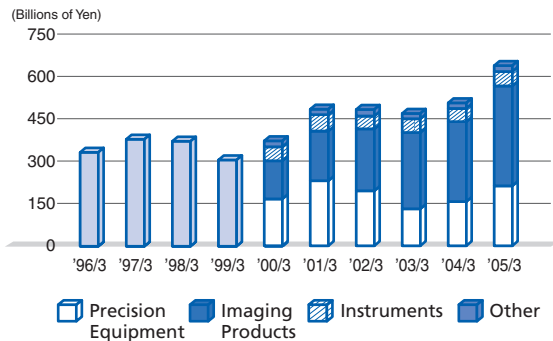


# Consolidated Financial Results

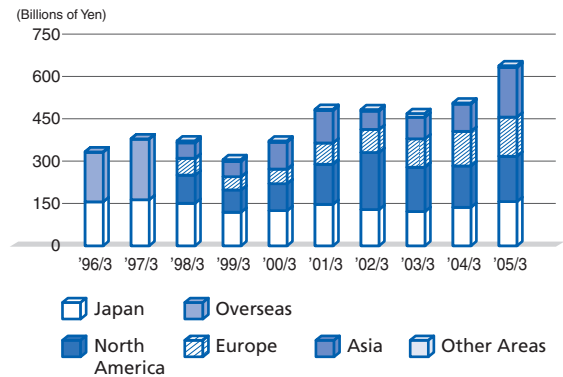
## Sales

### Net Sales by Industry Segment



\* Net sales by industry segment comprise sales for outside customers

### Net Sales in Japan and Export Sales by Region



(Millions of Yen)

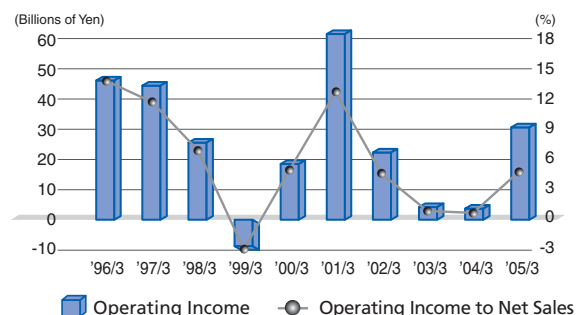
Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Net Sales *1	332,799	379,089	372,145	305,764	371,800	483,956	482,975	468,958	506,378	638,468
Net Sales by Industry Segment *1/*2 (figures in parentheses indicate net sales for outside customers)										
Precision Equipment	—	—	—	—	172,260	234,807	198,991	133,101	158,053	214,325
					(166,218)	(230,565)	(194,927)	(131,126)	(156,571)	(212,470)
Imaging Products	—	—	—	—	137,247	180,111	221,577	271,955	284,712	355,489
					(135,095)	(176,219)	(219,575)	(270,326)	(283,346)	(354,181)
Instruments	—	—	—	—	50,904	59,008	46,641	49,871	47,992	52,183
					(49,460)	(57,792)	(45,410)	(48,696)	(46,705)	(50,657)
Other	—	—	—	—	31,241	43,610	48,175	41,875	39,643	44,252
					(21,026)	(19,379)	(23,061)	(18,809)	(19,754)	(21,159)
Eliminations	—	—	—	—	-19,852	-33,581	-32,410	-27,845	-24,024	-27,783
Consumer Products	106,918	131,282	130,266	139,204	—	—	—	—	—	—
Industrial Instruments	225,881	247,806	241,879	166,560	—	—	—	—	—	—
Net Sales in Japan and Export Sales by Region *1										
Japan	155,970	163,337	150,985	119,395	124,610	147,272	128,505	121,504	136,675	156,713
Overseas	176,829	215,752	221,160	186,369	247,190	336,684	354,470	347,454	369,703	481,755
North America	—	—	99,830	78,869	95,557	141,828	202,242	157,163	146,623	160,840
Europe	—	—	59,794	46,713	52,001	75,535	81,815	100,577	122,583	138,792
Asia	—	—	54,453	53,754	95,194	114,676	65,172	76,864	96,726	175,193
Other Areas	—	—	7,080	7,032	4,436	4,643	5,239	12,849	3,770	6,928

\*1 From fiscal 2002, income from repairs is recorded in net sales as after sales service revenue.

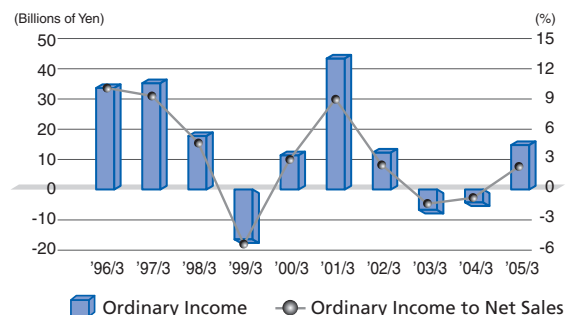
\*2 From fiscal 2001, Industry Segments changed in line with the in-house company system and figures for fiscal 2000 have been duly adjusted.

## Income

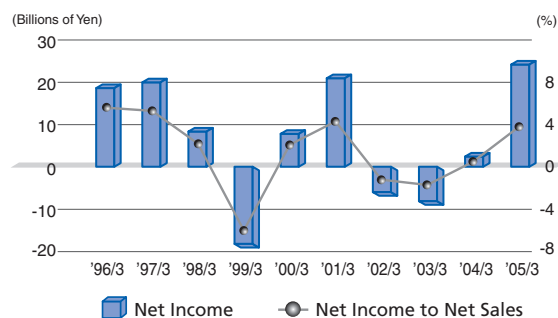
### Operating Income, Operating Income to Net Sales



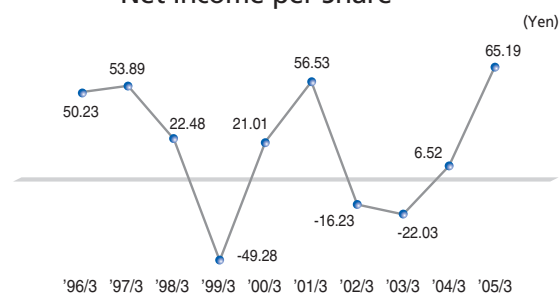
### Ordinary Income, Ordinary Income to Net Sales



### Net Income, Net Income to Net Sales



### Net Income per Share



	(Millions of Yen Unless Indicated)									
Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Operating Income*	46,057	44,348	25,504	-8,741	18,434	61,422	22,239	4,186	3,674	30,545
Operating Income to Net Sales (%)*	13.8	11.7	6.9	-2.9	5.0	12.7	4.6	0.9	0.7	4.8
Ordinary Income	33,560	35,154	17,674	-16,496	11,318	43,321	12,213	-6,741	-4,280	14,693
Ordinary Income to Net Sales (%)	10.1	9.3	4.7	-5.4	3.0	9.0	2.5	-1.4	-0.8	2.3
Net Income	18,581	19,936	8,318	-18,232	7,770	20,910	-6,003	-8,142	2,409	24,141
Net Income to Net Sales (%)	5.6	5.3	2.2	-6.0	2.1	4.3	-1.2	-1.7	0.5	3.8
Net Income per Share (Yen)	50.23	53.89	22.48	-49.28	21.01	56.53	-16.23	-22.03	6.52	65.19

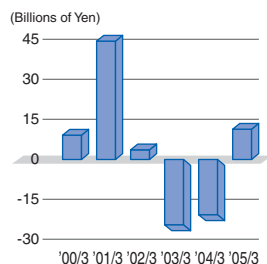
\* The figures for operating income through to fiscal 1998 have been prepared in accordance with the old Japanese accounting regulations.

# Consolidated Financial Results

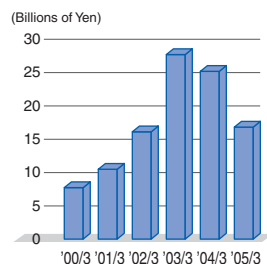
## Income

### Operating Income by Industry Segment

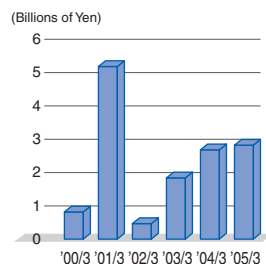
#### Precision Equipment



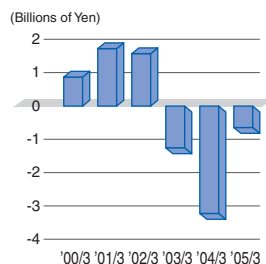
#### Imaging Products



#### Instruments



#### Other



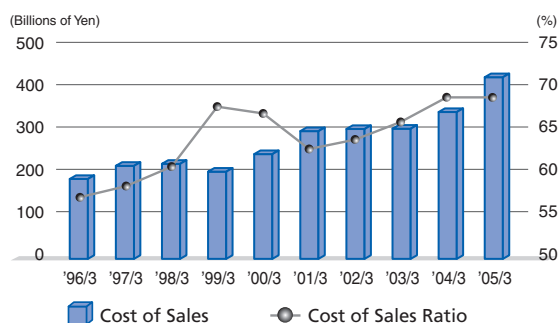
(Millions of Yen Unless Indicated)

Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Operating Income by Industry Segment*										
Precision Equipment	—	—	—	—	9,147	44,486	3,634	-24,595	-20,806	11,386
Imaging Products	—	—	—	—	7,743	10,503	16,134	27,744	25,221	16,841
Instruments	—	—	—	—	817	5,190	467	1,841	2,685	2,825
Other	—	—	—	—	873	1,728	1,577	-1,259	-3,231	-647
Eliminations	—	—	—	—	-147	-486	426	454	-194	137
Consumer Products	-6,770	-5,837	2,044	2,521	—	—	—	—	—	—
Industrial Instruments	52,827	50,186	23,460	-11,262	—	—	—	—	—	—

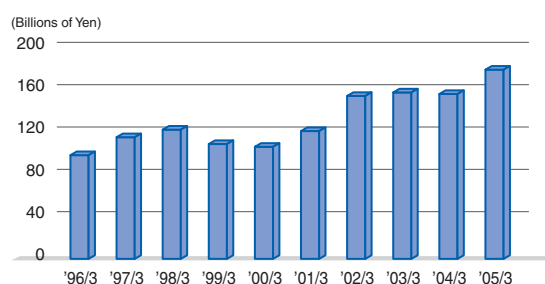
\* From fiscal 2001, Industry Segments changed in line with in-house company system and figures for fiscal 2000 have been duly adjusted.

## Cost and Expenses

### Cost of Sales / Cost of Sales Ratio



### SG&A Expenses



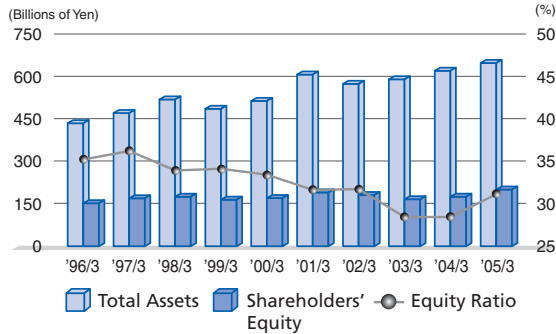
(Millions of Yen Unless Indicated)

Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Cost of Sales	188,726	219,791	224,545	205,984	247,472	301,758	306,793	307,503	346,897	429,143
Cost of Sales Ratio (%)	56.7	58.0	60.3	67.4	66.6	62.4	63.5	65.6	68.5	68.5
SG&A Expenses	98,015	114,949	122,095	108,521	105,893	120,775	153,943	157,269	155,805	178,780

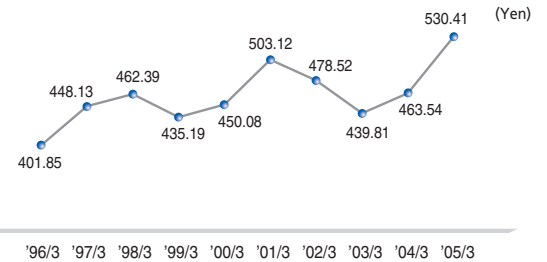
\* From fiscal 2002, after sales service revenue and its cost, previously recorded in SG&A expenses, are recorded in net sales and cost of sales, respectively.

## Assets, Liabilities, Shareholders' Equity

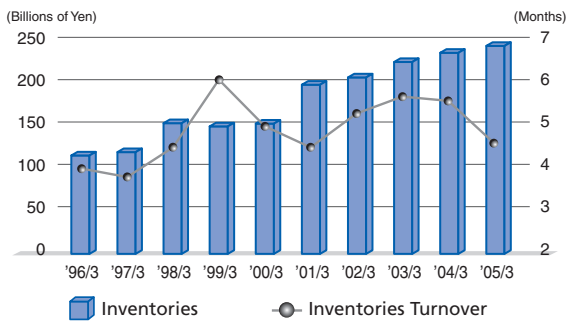
### Total Assets, Shareholders' Equity, Equity Ratio



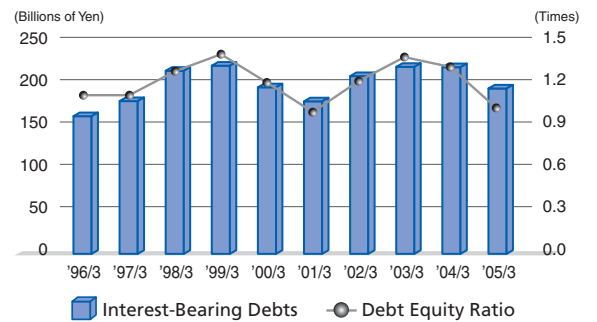
### Shareholders' Equity per Share



### Inventories / Inventories Turnover



### Interest-Bearing Debt / Debt Equity Ratio



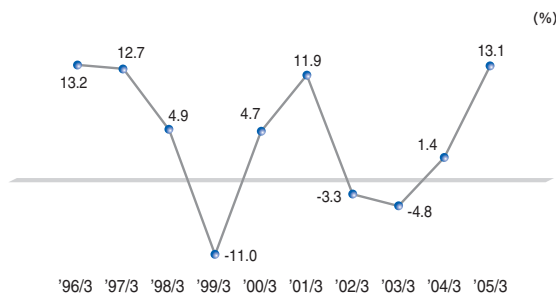
(Millions of Yen Unless Indicated)

Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Total Assets	425,083	460,271	507,326	474,964	502,174	593,453	561,275	576,911	606,513	633,426
Shareholders' Equity	148,657	165,773	171,051	160,990	166,494	186,118	176,960	162,463	171,194	196,030
Equity Ratio (%)	35.0	36.0	33.7	33.9	33.2	31.4	31.5	28.2	28.2	30.9
Shareholders' Equity per Share (Yen)	401.85	448.13	462.39	435.19	450.08	503.12	478.52	439.81	463.54	530.41
Inventories	116,229	120,175	154,368	150,576	153,847	199,797	208,410	226,627	237,506	245,623
Inventories Turnover (Months)	3.9	3.7	4.4	6.0	4.9	4.4	5.2	5.6	5.5	4.5
Interest-Bearing Debt	162,627	180,442	216,221	222,266	196,724	180,151	209,961	220,861	220,516	195,338
Debt Equity Ratio (Times)*	1.09	1.09	1.26	1.38	1.18	0.97	1.19	1.36	1.29	1.00

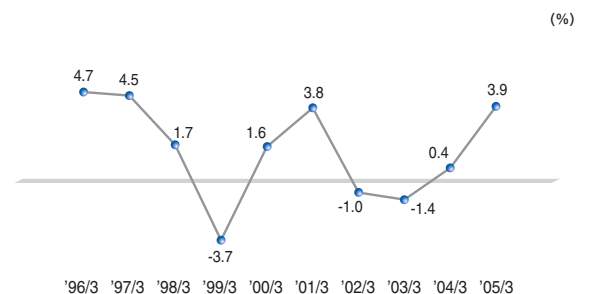
\* Interest-Bearing Debt/Shareholders' Equity

## ROE, ROA

### Return on Equity (ROE)



### Return on Assets (ROA)

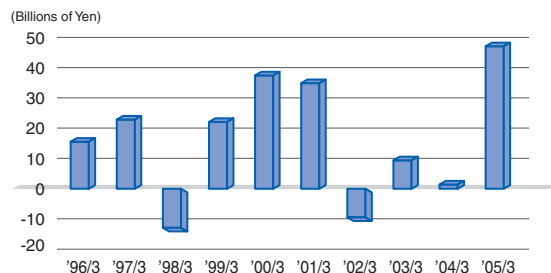


Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Return on Equity (ROE) (%)	13.2	12.7	4.9	-11.0	4.7	11.9	-3.3	-4.8	1.4	13.1
Return on Assets (ROA) (%)	4.7	4.5	1.7	-3.7	1.6	3.8	-1.0	-1.4	0.4	3.9

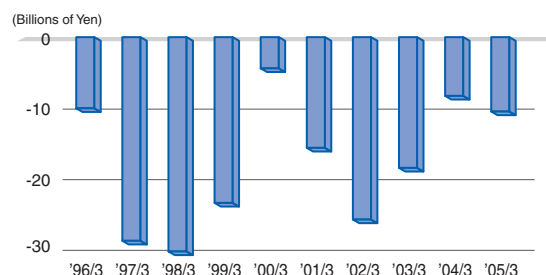
# Consolidated Financial Results

## Cash Flows

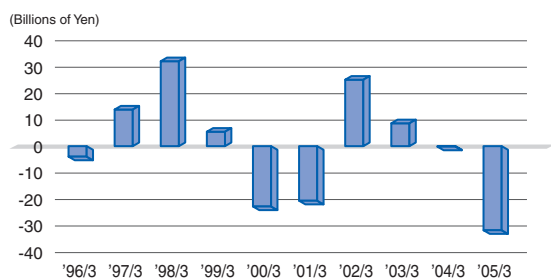
### Net Cash Provided by (Used in) Operating Activities



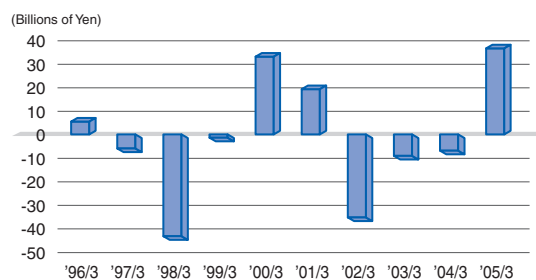
### Net Cash Used in Investing Activities



### Net Cash Provided by (Used in) Financial Activities



### Free Cash Flows

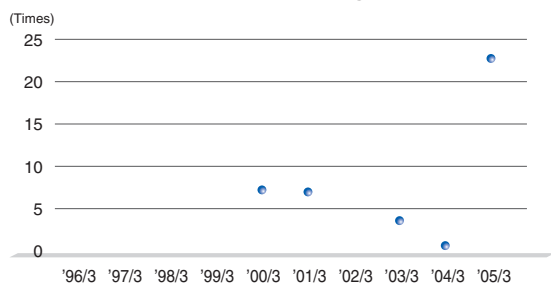


Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Net Cash Provided by (Used in) Operating Activities*	15,543	22,877	-12,918	22,088	37,483	34,924	-9,470	9,404	1,399	47,128
Net Cash Used in Investing Activities*	-10,087	-28,866	-30,378	-23,496	-4,426	-15,693	-25,851	-18,532	-8,327	-10,542
Net Cash Provided by (Used in) Financial Activities*	-3,961	13,845	32,108	5,458	-22,808	-20,634	25,113	8,645	-184	-31,785
Free Cash Flows*	5,456	-5,989	-43,296	-1,408	33,058	19,231	-35,322	-9,128	-6,928	36,585

\* Fiscal 1996–1998: The figures are calculated solely for comparative purposes.

## Interest Coverage Ratio

### Interest Coverage Ratio



Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Interest Coverage Ratio (Times)*	—	—	—	—	7.2	7.0	—	3.6	0.6	22.8

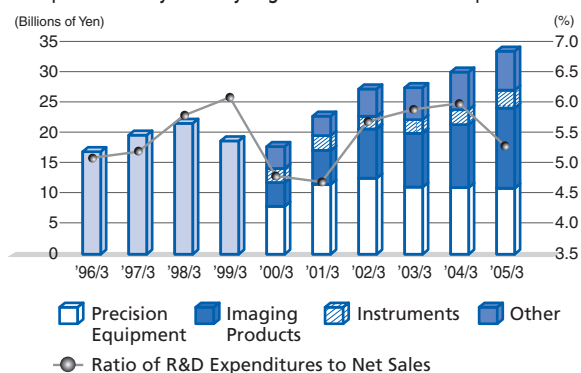
\*Net cash provided by operating activities/Interest expense (in consolidated statements of cash flows)

Figures have not been calculated before fiscal 1999.

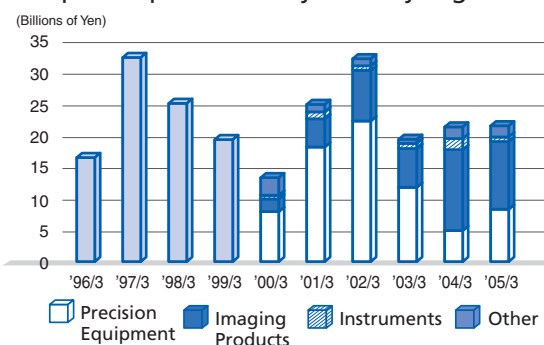
Due to negative net cash provided by operating activities, data for fiscal 2002 is not indicated above.

## R&D Expenditures, Capital Expenditures, Depreciation and Amortization

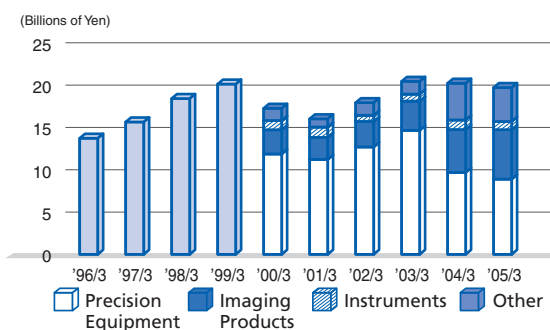
### R&D Expenditures by Industry Segment / Ratio of R&D Expenditures to Net Sales



### Capital Expenditures by Industry Segment



### Depreciation and Amortization by Industry Segment



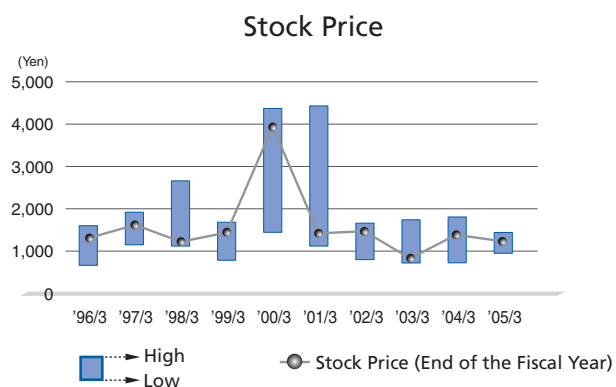
(Millions of Yen Unless Indicated)

Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
R&D Expenditures	16,951	19,681	21,633	18,729	17,798	22,794	27,313	27,505	30,165	33,560
Ratio of R&D Expenditures to Net Sales (%)	5.1	5.2	5.8	6.1	4.8	4.7	5.7	5.9	6.0	5.3
<b>R&amp;D Expenditures by Industry Segment</b>										
Precision Equipment	—	—	—	—	7,929	11,558	12,576	11,117	11,033	10,915
Imaging Products	—	—	—	—	3,931	5,617	8,140	8,876	10,397	13,262
Instruments	—	—	—	—	2,326	2,441	2,103	2,255	2,465	2,962
Other	—	—	—	—	3,612	3,204	4,493	5,287	6,214	6,420
Capital Expenditures*	17,206	33,757	26,168	20,719	13,881	25,996	33,545	20,225	22,266	22,458
<b>Capital Expenditures by Industry Segment</b>										
Precision Equipment	—	—	—	—	8,265	18,960	23,265	12,297	5,133	8,679
Imaging Products	—	—	—	—	2,103	4,655	8,385	6,404	13,381	11,183
Instruments	—	—	—	—	611	1,152	735	860	1,839	751
Other	—	—	—	—	2,900	1,227	1,158	662	1,912	1,844
Depreciation and Amortization*	13,715	15,635	18,407	20,110	17,251	16,007	17,917	20,435	20,213	19,704
<b>Depreciation and Amortization by Industry Segment</b>										
Precision Equipment	—	—	—	—	11,865	11,223	12,693	14,661	9,684	8,896
Imaging Products	—	—	—	—	2,854	2,595	3,011	3,447	5,063	5,833
Instruments	—	—	—	—	1,099	1,225	726	823	1,132	968
Other	—	—	—	—	1,432	962	1,485	1,502	4,332	4,006

\* Fiscal 1996–1999: Investments in or depreciation of property, plant and equipment, intangible fixed assets and long-term prepaid expenses.  
Fiscal 2000–2005: Investments in or depreciation of property, plant and equipment and intangible fixed assets.

# Consolidated Financial Results

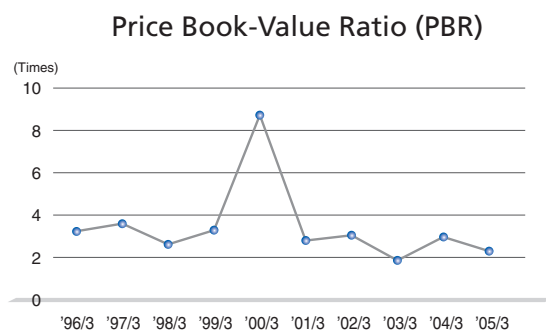
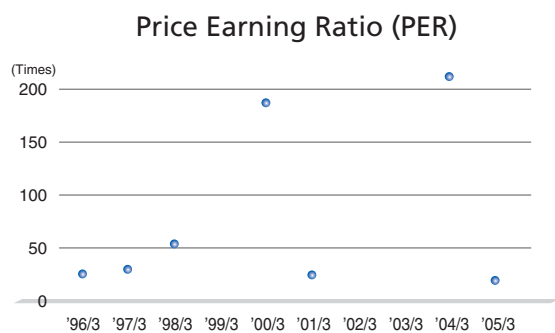
## Stock Price



Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Stock Price (End of the Fiscal Year) (Yen)	1,310	1,620	1,220	1,440	3,940	1,421	1,469	827	1,385	1,233
High (Yen)	1,600	1,920	2,660	1,682	4,370	4,430	1,660	1,740	1,807	1,440
Low (Yen)	665	1,150	1,120	785	1,445	1,120	800	720	724	950

The stock price of Tokyo Stock Exchange

## PER, PBR



Fiscal Year-End	1996/3	1997/3	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3
Price Earning Ratio (PER) (Times) *1	26.1	30.1	54.3	—	187.5	25.1	—	—	212.4	18.9
Price Book-Value Ratio (PBR) (Times) *2	3.26	3.62	2.64	3.31	8.75	2.82	3.07	1.88	2.99	2.32

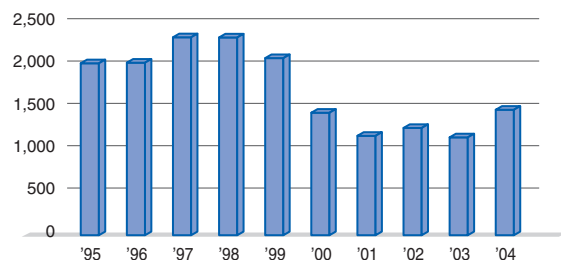
\*1 PER: Stock price (end of the fiscal year)/Net income per share

The figures for fiscal 1999, 2002 and 2003 are not indicated above due to recording a net loss for the relevant fiscal years.

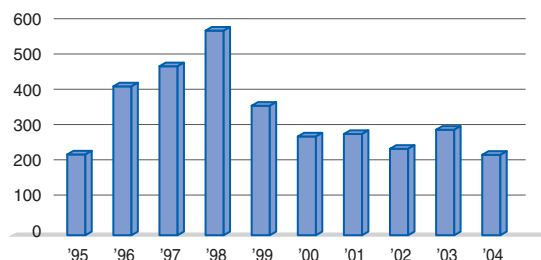
\*2 PBR: Stock price (end of the fiscal year)/Shareholders' equity per share

## Number of Patents

### Number of Patent Applications in Japan



### Number of U.S. Patents Granted

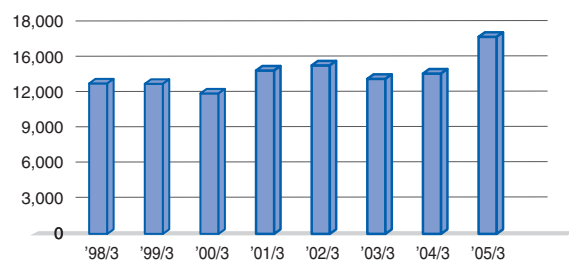


Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of Patent Applications in Japan*	2,031	2,038	2,338	2,336	2,092	1,447	1,174	1,267	1,156	1,482
Number of U.S. Patents Granted*	229	422	479	580	367	280	287	245	299	228

\* Years ending at December 31.

## Number of Employees

### Number of Employees



\* The figures for fiscal 1998 and 1999 include Nikon's personnel dispatched to unconsolidated subsidiaries and associated companies. From fiscal 2000, the figures exclude the dispatched personnel and those on leaves of absence.