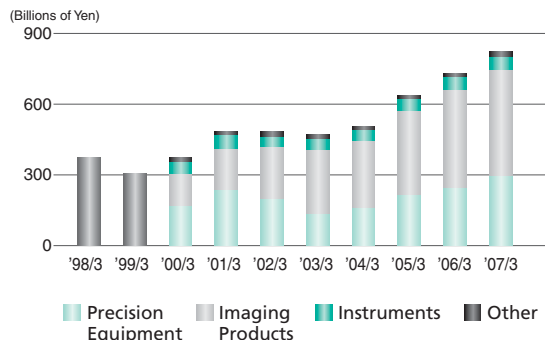


# Consolidated Financial Results

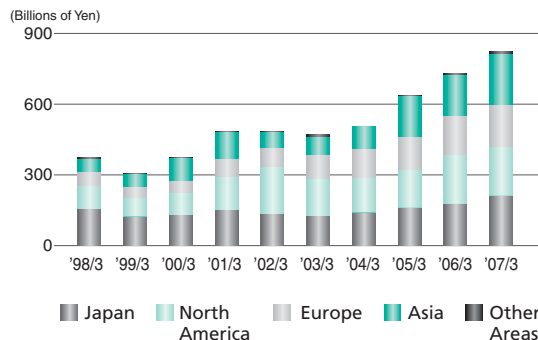
## Sales

### 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)

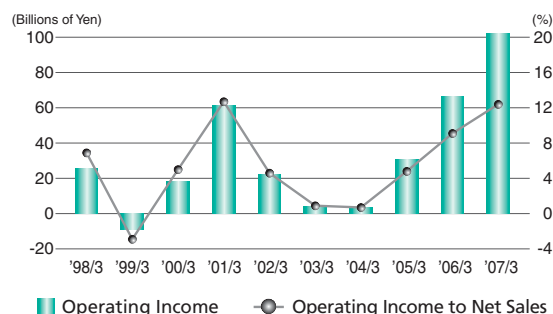
Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Net Sales *1	372,145	305,764	371,800	483,956	482,975	468,958	506,378	638,468	730,943	822,813
Net Sales by Industry Segment *1/*2 (figures in parentheses indicate net sales for outside customers)										
Precision Equipment	—	—	172,260	234,807	198,991	133,101	158,053	214,325	243,207	292,562
			(166,218)	(230,565)	(194,927)	(131,126)	(156,571)	(212,470)	(242,317)	(291,912)
Imaging Products	—	—	137,247	180,111	221,577	271,955	284,712	355,489	416,606	449,790
			(135,095)	(176,219)	(219,575)	(270,326)	(283,346)	(354,181)	(415,685)	(448,825)
Instruments	—	—	50,904	59,008	46,641	49,871	47,992	52,183	54,874	61,170
			(49,460)	(57,792)	(45,410)	(48,696)	(46,705)	(50,657)	(53,280)	(59,251)
Other	—	—	31,241	43,610	48,175	41,875	39,643	44,252	49,832	57,244
			(21,026)	(19,379)	(23,061)	(18,809)	(19,754)	(21,159)	(19,660)	(22,828)
Eliminations	—	—	-19,852	-33,581	-32,410	-27,845	-24,024	-27,783	-33,576	-37,954
Consumer Products	130,266	139,204	—	—	—	—	—	—	—	—
Industrial Instruments	241,879	166,560	—	—	—	—	—	—	—	—
Net Sales in Japan and Export Sales by Region *1										
Japan	150,985	119,395	124,610	147,272	128,505	121,504	136,675	156,713	173,144	207,699
Overseas	221,160	186,369	247,190	336,684	354,470	347,454	369,703	481,755	557,799	615,114
North America	99,830	78,869	95,557	141,828	202,242	157,163	146,623	160,840	209,675	207,845
Europe	59,794	46,713	52,001	75,535	81,815	100,577	122,583	138,792	166,127	176,261
Asia	54,453	53,754	95,194	114,676	65,172	76,864	96,726	175,193	173,307	217,939
Other Areas	7,080	7,032	4,436	4,643	5,239	12,849	3,770	6,928	8,688	13,068

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

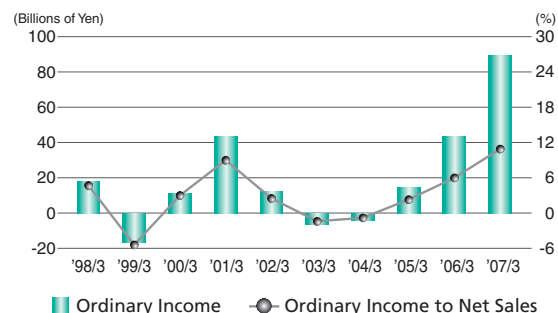
\*2 From fiscal 2001, Industry Segments changed in line with the in-house company system and figures for fiscal 2000 have been duly adjusted.

## Income

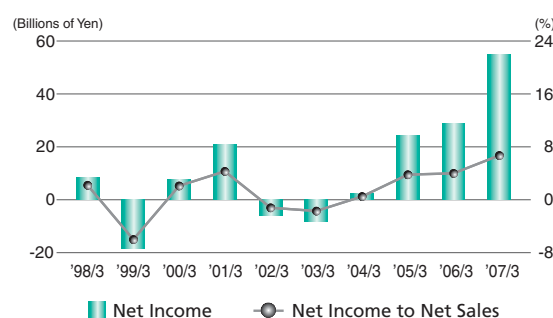
### Operating Income, Operating Income to Net Sales



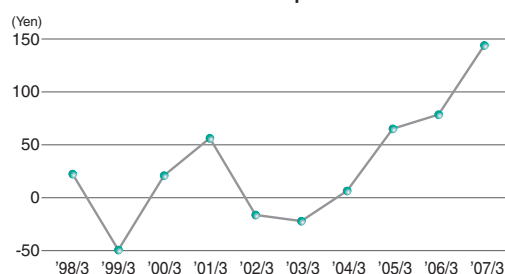
### Ordinary Income, Ordinary Income to Net Sales



### Net Income, Net Income to Net Sales



### Net Income per Share



	(Millions of Yen Unless Indicated)									
Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Operating Income*	25,504	-8,741	18,434	61,422	22,239	4,186	3,674	30,545	66,587	102,006
Operating Income to Net Sales (%)*	6.9	-2.9	5.0	12.7	4.6	0.9	0.7	4.8	9.1	12.4
Ordinary Income	17,674	-16,496	11,318	43,321	12,213	-6,741	-4,280	14,693	43,496	89,551
Ordinary Income to Net Sales (%)	4.7	-5.4	3.0	9.0	2.5	-1.4	-0.8	2.3	6.0	10.8
Net Income	8,318	-18,232	7,770	20,910	-6,003	-8,142	2,409	24,141	28,944	54,824
Net Income to Net Sales (%)	2.2	-6.0	2.1	4.3	-1.2	-1.7	0.5	3.8	4.0	6.7
Net Income per Share (Yen)	22.48	-49.28	21.01	56.53	-16.23	-22.03	6.52	65.19	78.16	146.36

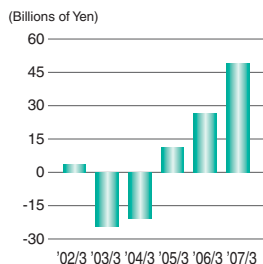
\* The figures for operating income through to fiscal 1998 have been prepared in accordance with the old Japanese accounting regulations.

# Consolidated Financial Results

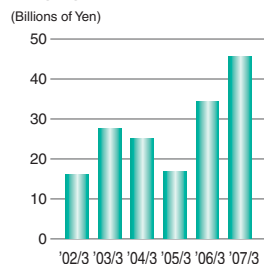
## Income

### Operating Income by Industry Segment

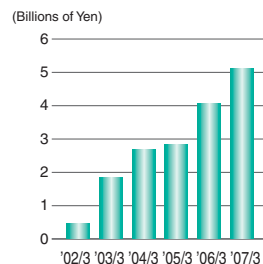
#### Precision Equipment



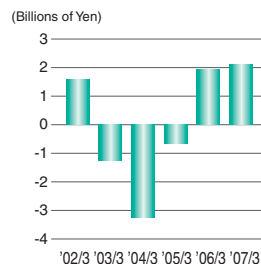
#### Imaging Products



#### Instruments



#### Other



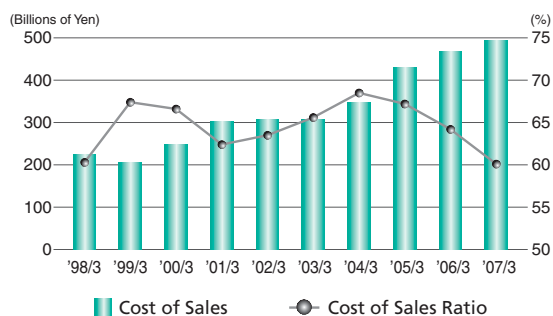
(Millions of Yen)

Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Operating Income by Industry Segment*										
Precision Equipment	—	—	9,147	44,486	3,634	-24,595	-20,806	11,386	26,375	49,320
Imaging Products	—	—	7,743	10,503	16,134	27,744	25,221	16,841	34,368	45,678
Instruments	—	—	817	5,190	467	1,841	2,685	2,825	4,085	5,122
Other	—	—	873	1,728	1,577	-1,259	-3,231	-647	1,929	2,102
Eliminations	—	—	-147	-486	426	454	-194	137	-171	-217
Consumer Products	2,044	2,521	—	—	—	—	—	—	—	—
Industrial Instruments	23,460	-11,262	—	—	—	—	—	—	—	—

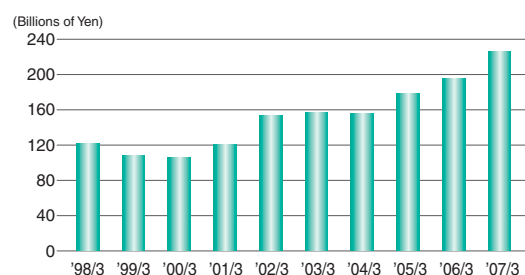
\* From fiscal 2001, Industry Segments changed in line with in-house company system and figures for fiscal 2000 have been duly adjusted.

## Cost and Expenses

### Cost of Sales / Cost of Sales Ratio



### SG&A Expenses



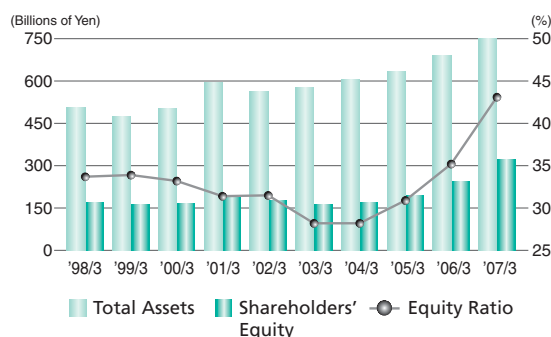
(Millions of Yen Unless Indicated)

Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Cost of Sales	224,545	205,984	247,472	301,758	306,793	307,503	346,897	429,143	468,943	494,663
Cost of Sales Ratio (%)	60.3	67.4	66.6	62.4	63.5	65.6	68.5	67.2	64.2	60.1
SG&A Expenses	122,095	108,521	105,893	120,775	153,943	157,269	155,805	178,780	195,413	226,143

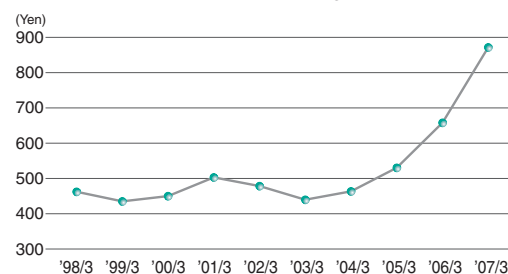
\* From fiscal 2002, after sales service revenue and its cost, previously recorded in SG&A expenses, are recorded in net sales and cost of sales, respectively.

## Assets, Liabilities, Shareholders' Equity

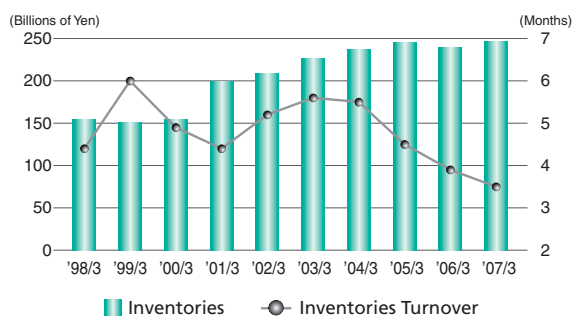
### Total Assets, Shareholders' Equity, Equity Ratio



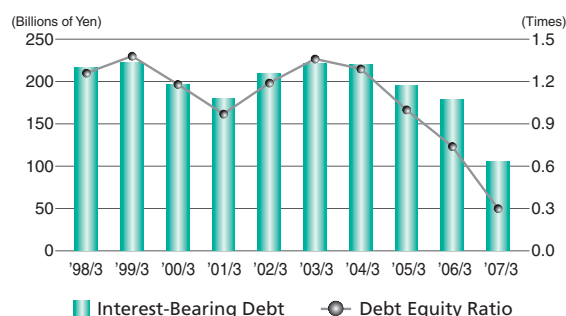
### Shareholders' Equity per Share



### Inventories / Inventories Turnover



### Interest-Bearing Debt / Debt Equity Ratio



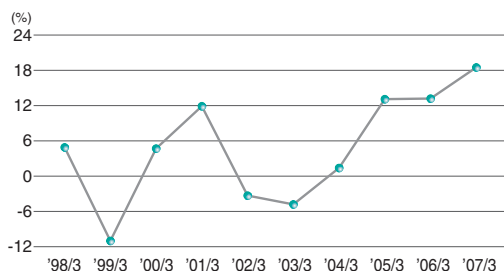
(Millions of Yen Unless Indicated)

Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Total Assets	507,326	474,964	502,174	593,453	561,275	576,911	606,513	633,426	690,919	748,939
Shareholders' Equity	171,051	160,990	166,494	186,118	176,960	162,463	171,194	196,030	243,122	322,588
Equity Ratio (%)	33.7	33.9	33.2	31.4	31.5	28.2	28.2	30.9	35.2	43.1
Shareholders' Equity per Share (Yen)	462.39	435.19	450.08	503.12	478.52	439.81	463.54	530.41	658.03	871.67
Inventories	154,368	150,576	153,847	199,797	208,410	226,627	237,506	245,623	238,846	246,400
Inventories Turnover (Months)	4.4	6.0	4.9	4.4	5.2	5.6	5.5	4.5	3.9	3.5
Interest-Bearing Debt	216,221	222,266	196,724	180,151	209,961	220,861	220,516	195,338	178,830	105,325
Debt Equity Ratio (Times)*	1.26	1.38	1.18	0.97	1.19	1.36	1.29	1.00	0.74	0.30

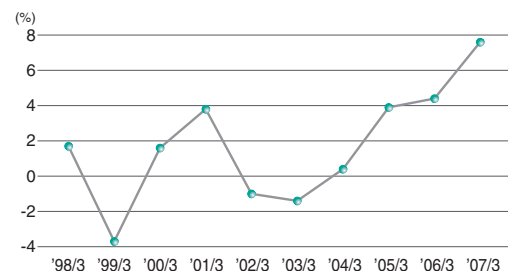
\* Interest-Bearing Debt/Shareholders' Equity

## ROE, ROA

### Return on Equity (ROE)



### Return on Assets (ROA)

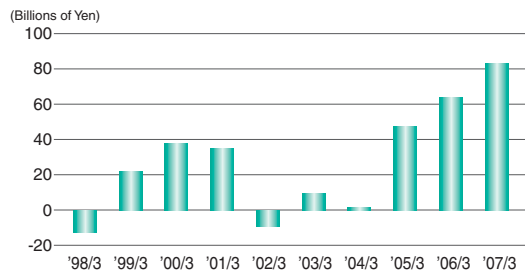


Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Return on Equity (ROE) (%)	4.9	-11.0	4.7	11.9	-3.3	-4.8	1.4	13.1	13.2	18.5
Return on Assets (ROA) (%)	1.7	-3.7	1.6	3.8	-1.0	-1.4	0.4	3.9	4.4	7.6

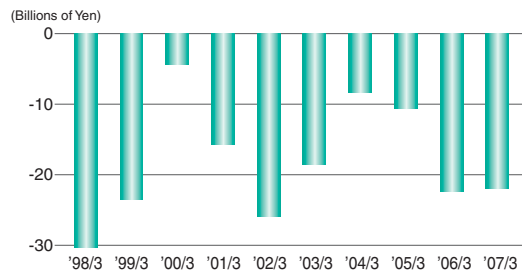
# Consolidated Financial Results

## Cash Flows

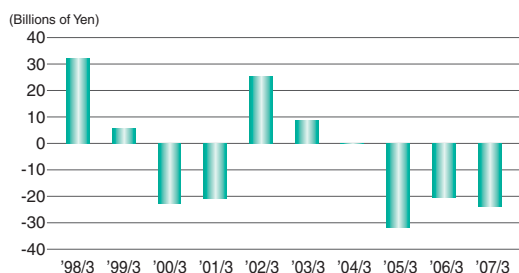
### Net Cash Provided by (Used in) Operating Activities



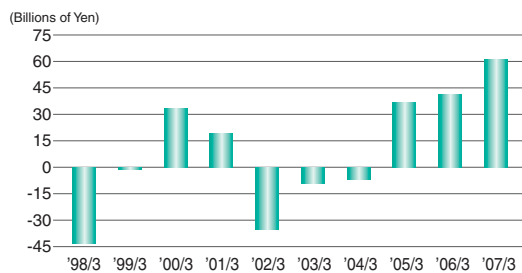
### Net Cash Used in Investing Activities



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



### Free Cash Flows

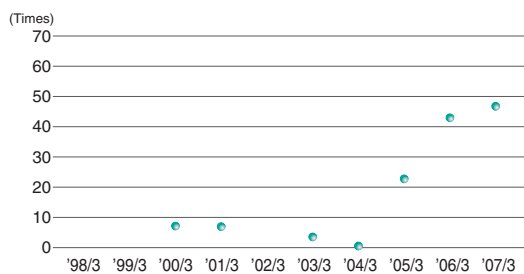


Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Net Cash Provided by (Used in) Operating Activities*	-12,918	22,088	37,483	34,924	-9,470	9,404	1,399	47,128	63,744	83,200
Net Cash Used in Investing Activities*	-30,378	-23,496	-4,426	-15,693	-25,851	-18,532	-8,327	-10,542	-22,427	-21,898
Net Cash Provided by (Used in) Financial Activities*	32,108	5,458	-22,808	-20,634	25,113	8,645	-184	-31,785	-20,515	-23,673
Free Cash Flows*	-43,296	-1,408	33,058	19,231	-35,322	-9,128	-6,928	36,585	41,317	61,302

\* Before fiscal 1998: The figures are calculated solely for comparative purposes.

## Interest Coverage Ratio

### Interest Coverage Ratio

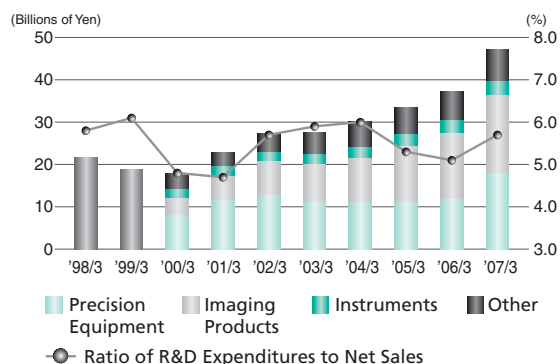


Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Interest Coverage Ratio (Times)*	—	—	7.2	7.0	—	3.6	0.6	22.8	43.0	46.8

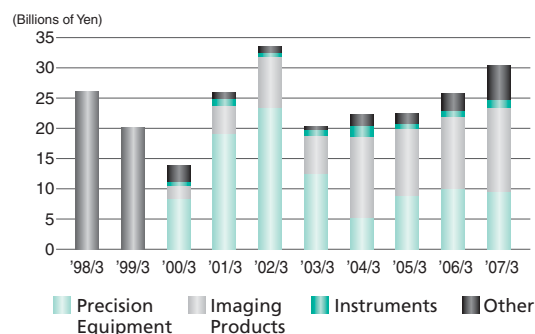
\*Net cash provided by operating activities/Interest expense (in consolidated statements of cash flows)  
 Figures have not been calculated before fiscal 1999.  
 Due to negative net cash provided by operating activities, data for fiscal 2002 is not indicated above.

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

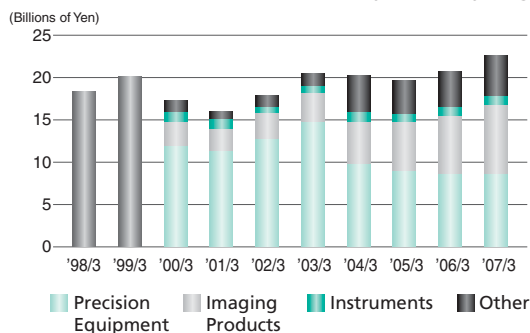
### R&D Expenditures by Industry Segment / Ratio of R&D Expenditures to Net Sales



### Capital Expenditures by Industry Segment



### Depreciation and Amortization by Industry Segment



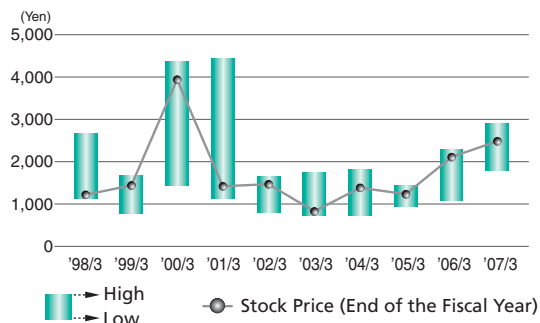
	(Millions of Yen Unless Indicated)									
Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
R&D Expenditures	21,633	18,729	17,798	22,794	27,313	27,505	30,165	33,560	37,139	47,217
Ratio of R&D Expenditures to Net Sales (%)	5.8	6.1	4.8	4.7	5.7	5.9	6.0	5.3	5.1	5.7
R&D Expenditures by Industry Segment										
Precision Equipment	—	—	7,929	11,558	12,576	11,117	11,033	10,915	11,617	17,982
Imaging Products	—	—	3,931	5,617	8,140	8,876	10,397	13,262	15,754	18,307
Instruments	—	—	2,326	2,441	2,103	2,255	2,465	2,962	3,113	3,398
Other	—	—	3,612	3,204	4,493	5,287	6,214	6,420	6,654	7,529
Capital Expenditures*	26,168	20,719	13,881	25,996	33,545	20,225	22,266	22,458	25,817	30,431
Capital Expenditures by Industry Segment										
Precision Equipment	—	—	8,265	18,960	23,265	12,297	5,133	8,679	9,894	9,339
Imaging Products	—	—	2,103	4,655	8,385	6,404	13,381	11,183	11,905	13,872
Instruments	—	—	611	1,152	735	860	1,839	751	921	1,380
Other	—	—	2,900	1,227	1,158	662	1,912	1,844	3,096	5,838
Depreciation and Amortization*	18,407	20,110	17,251	16,007	17,917	20,435	20,213	19,704	20,759	22,625
Depreciation and Amortization by Industry Segment										
Precision Equipment	—	—	11,865	11,223	12,693	14,661	9,684	8,896	8,510	8,515
Imaging Products	—	—	2,854	2,595	3,011	3,447	5,063	5,833	6,889	8,142
Instruments	—	—	1,099	1,225	726	823	1,132	968	1,021	1,077
Other	—	—	1,432	962	1,485	1,502	4,332	4,006	4,338	4,890

\* Fiscal 1998–1999: Investments in or depreciation of property, plant and equipment, intangible fixed assets and long-term prepaid expenses.  
Fiscal 2000–2007: Investments in or depreciation of property, plant and equipment and intangible fixed assets.

# Consolidated Financial Results

## Stock Price

Stock Price

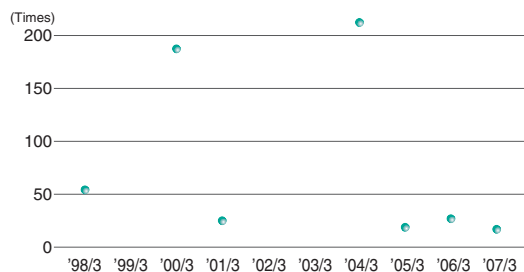


Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Stock Price (End of the Fiscal Year) (Yen)	1,220	1,440	3,940	1,421	1,469	827	1,385	1,233	2,110	2,485
High (Yen)	2,660	1,682	4,370	4,430	1,660	1,740	1,807	1,440	2,290	2,905
Low (Yen)	1,120	785	1,445	1,120	800	720	724	950	1,074	1,802

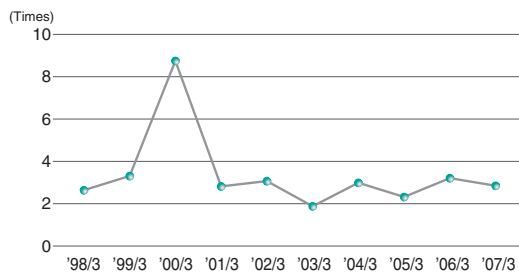
The stock price of Tokyo Stock Exchange

## PER, PBR

Price Earning Ratio (PER)



Price Book-Value Ratio (PBR)



Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Price Earning Ratio (PER) (Times) *1	54.3	—	187.5	25.1	—	—	212.4	18.9	27.0	17.0
Price Book-Value Ratio (PBR) (Times) *2	2.64	3.31	8.75	2.82	3.07	1.88	2.99	2.32	3.21	2.85

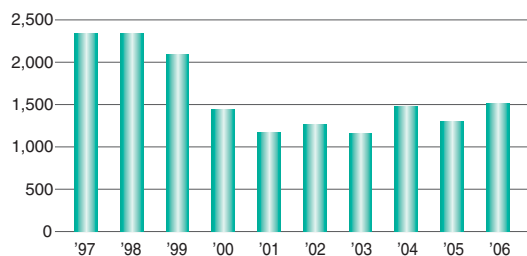
\*1 PER: Stock price (end of the fiscal year)/Net income per share

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

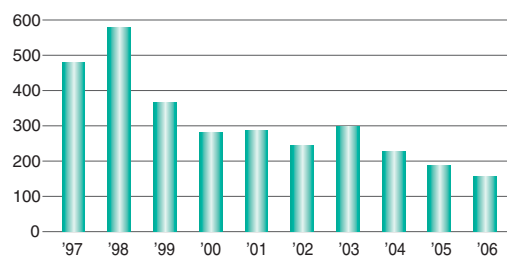
\*2 PBR: Stock price (end of the fiscal year)/Shareholders' equity per share

## Number of Patents

### Number of Patent Applications in Japan



### Number of U.S. Patents Granted

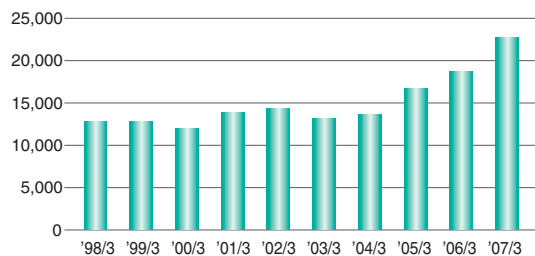


Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of Patent Applications in Japan*	2,338	2,336	2,092	1,447	1,174	1,267	1,156	1,482	1,299	1,509
Number of U.S. Patents Granted*	479	580	367	280	287	245	299	228	188	157

\* Years ending at December 31.

## Number of Employees

### Number of Employees



Fiscal Year-End	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3
Number of Employees*	12,797	12,761	11,946	13,894	14,328	13,184	13,636	16,758	18,725	22,705

\* 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.