



(Summary for reference only)

Date: August 10, 2004

## Financial Results for the First Quarter ended June 30, 2004 (Consolidated)

**Company name:** NIKON CORPORATION

**Code number:** 7731

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**Stock listings:** Tokyo Stock Exchange, Osaka Securities Exchange

The accounting methods used in this report are not consistent with U.S. standards accounting methods.

### 1. Notes to Consolidated Financial Statements

(1) Difference in Accounting Policies from the fiscal year ended March 31, 2004: Applicable

The practical estimation has been applied for the calculation of some allowances instead of actual basis.

The effect from change is not material.

(2) Changes in Consolidation and Equity method Policies

Consolidation New : 0, Exclusion : 1

Equity method New : 0, Exclusion : 0

### 2. Results of the First Quarter ended June 30, 2004 (From April 1, 2004 to June 30, 2004)

(Notes)1. Amount Unit: 1 Million Yen unless otherwise specified (Amounts less than 1 Million Yen are omitted.)

#### (1) Financial Results

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
1st Quarter ended June 30, 2004	¥138,242	22.5%	¥3,126	-	¥3,230	483.3%	¥1,718	-
1st Quarter ended June 30, 2003	¥112,891	-	¥70	-	¥553	-	¥69	-
(Reference) Year ended March 31, 2004	¥506,378		¥3,674		¥(4,280)		¥2,409	

  

	Net Income per share of Common Stock (Yen)	Net Income Per Share of Common Stock after dilution (Yen)
1st Quarter ended June 30, 2004	¥4.65	¥4.13
1st Quarter ended June 30, 2003	¥0.19	¥0.17
(Reference) Year ended March 31, 2004	¥6.52	¥6.02

#### (2) Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share of Common Stock (Yen)
1st Quarter ended June 30, 2004	¥640,028	¥172,803	27.0%	¥467.91
1st Quarter ended June 30, 2003	¥587,837	¥166,595	28.3%	¥451.01
(Reference) Year ended March 31, 2004	¥606,513	¥171,194	28.2%	¥463.54

#### (3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Term-end
1st Quarter ended June 30, 2004	¥(5,560)	¥(2,060)	¥10,187	¥18,791
1st Quarter ended June 30, 2003	¥1,112	¥(5,003)	¥1,339	¥22,300
(Reference) Year ended March 31, 2004	¥1,399	¥(8,327)	¥(184)	¥16,099

### 3. Forecast for Year ending March 31, 2005 (From April 1, 2004 to March 31, 2005)

The forecasts for First Half ending September 30, 2004 and Year ending March 31, 2005 have remained unchanged since May 10, 2004.

English Translation of "RENKETSU KESSAN TANSHIN"  
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**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of June 30, 2004		As of March 31, 2004	
		%		%
<b>Assets</b>				
<b>Current assets</b>				
Cash and time deposits	19,211		17,618	
Notes and accounts receivable-trade	130,344		119,900	
Inventories	254,407		237,506	
Other current assets	41,377		36,878	
Allowance for doubtful receivables	(2,700)		(2,572)	
Total current assets	442,639	69.2	409,331	67.5
<b>Fixed assets</b>				
Tangible fixed assets				
Buildings and structures	39,949		39,890	
Machinery, equipment and vehicles	32,748		33,161	
Furniture and fixtures	11,053		11,229	
Land	16,489		16,418	
Construction in progress	5,961		6,138	
Total tangible fixed assets	106,201	16.5	106,838	17.6
Intangible fixed assets	10,761	1.7	10,924	1.8
Investments and other assets				
Investment securities	61,522		61,575	
Other	18,953		17,893	
Allowance for doubtful receivables	(50)		(50)	
Total investments and other assets	80,425	12.6	79,418	13.1
Total fixed assets	197,388	30.8	197,181	32.5
<b>Total assets</b>	640,028	100.0	606,513	100.0

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**Consolidated Balance Sheets**

Amount Unit: 1 Million Yen

	As of June 30, 2004		As of March 31, 2004	
		%		%
<b>Liabilities</b>				
<b>Current liabilities</b>				
Notes and accounts payable-trade	155,942		141,132	
Short-term bank loans	60,428		46,645	
Current portion of bonds	20,000		10,000	
Accrued income taxes	2,812		2,960	
Accrued expenses	31,807		30,934	
Warranty reserve	4,219		4,005	
Other current liabilities	17,887		13,261	
Total current liabilities	293,097	45.8	248,940	41.1
<b>Long-term liabilities</b>				
Bonds	145,500		155,500	
Long-term debt	6,413		8,370	
Liability for employees' retirement benefits	20,813		21,009	
Other long-term liabilities	1,223		1,321	
Total long-term liabilities	173,950	27.2	186,201	30.7
Total liabilities	467,048	73.0	435,142	71.8
<b>Minority interest</b>	176	0.0	176	0.0
<b>Shareholders' equity</b>				
Common stock	36,660		36,660	
Capital surplus	51,927		51,927	
Retained earnings	84,022		83,035	
Unrealized gains on available-for-sale securities	5,844		6,109	
Foreign currency translation adjustments	(4,989)		(5,885)	
Total	173,465		171,847	
Treasury stock	(662)		(653)	
Total shareholders' equity	172,803	27.0	171,194	28.2
<b>Total liabilities and shareholders' equity</b>	640,028	100.0	606,513	100.0

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**Consolidated Statements of Income**

Amount Unit: 1 Million Yen

	1st Quarter ended June 30, 2004		Year ended March 31, 2004	
		%		%
<b>Net sales</b>	138,242	100.0	506,378	100.0
Cost of sales	94,529	68.4	346,897	68.5
Selling, general and administrative expenses	40,585	29.4	155,805	30.8
<b>Operating income</b>	3,126	2.2	3,674	0.7
<b>Non-operating income</b>				
Interest and dividend income	703	0.5	808	0.2
Other income	2,043	1.5	4,058	0.8
<b>Non-operating expenses</b>				
Interest expenses	868	0.6	2,355	0.5
Other expenses	1,774	1.3	10,466	2.1
<b>Ordinary income (loss)</b>	3,230	2.3	(4,280)	(0.8)
<b>Extraordinary gains</b>				
Gains on sales of fixed assets	6	0.0	13,359	2.6
Gains on sales of investment securities	102	0.1	3,418	0.7
<b>Extraordinary losses</b>				
Losses on sales and disposal of fixed assets	98	0.1	778	0.1
Losses on sales of investment securities	1	0.0	486	0.1
Additional retirement benefits paid to employees	-		1,070	0.2
Other losses	-		672	0.1
<b>Income before income taxes</b>	3,239	2.3	9,489	1.9
<b>Income taxes</b>	1,516	1.1	7,056	1.4
<b>Minority interest</b>	5	0.0	23	0.0
<b>Net Income</b>	1,718	1.2	2,409	0.5