



February 3, 2012

## Consolidated Financial Results of the Third Quarter ended December 31, 2011 (Japanese Standards)

### Company name: NIKON CORPORATION

Code number: 7731; Stock listings: Tokyo Stock Exchange

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Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes (for institutional investors and analysts)

Note: Amounts less than 1 million yen are omitted.

### 1. Consolidated Results of the Third Quarter ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(1) Financial Results (Percentage represents comparison change to the corresponding previous quarterly period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2011	701,667	7.7	69,358	105.5	76,181	113.6	46,749	130.3
Nine months ended December 31, 2010	651,779	10.2	33,749	—	35,672	—	20,300	—

(Note) Comprehensive Income: Third Quarter ended, December 31, 2011: 32,093 million yen ( 198.9%)

Third Quarter ended, December 31, 2010: 10,738 million yen ( —%)

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Nine months ended December 31, 2011	117.91	117.80
Nine months ended December 31, 2010	51.21	49.18

### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
Third Quarter ended December 31, 2011	823,212	409,777	49.7
Year ended March 31, 2011	829,909	389,220	46.8

(Reference) Equity: Third Quarter ended December 31, 2011: 409,325 million yen

Year ended March 31, 2011: 388,793 million yen

### 2. Dividends

	Dividend per share				
	First Quarter ended	Second Quarter ended	Third Quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	—	5.00	—	14.00	19.00
Year ending March 31, 2012	—	17.00	—		
Year ending March 31, 2012 (Planned)				17.00	34.00

(Note) Revision of cash dividend forecast for this period: None

### 3. Forecasts for Year Ending March 31, 2012 (From April 1, 2011, to March 31, 2012)

(Percentage represents comparison to previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share of common stock
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	925,000	4.2	72,000	33.2	80,000	43.3	55,000	101.4	138.72

(Note) Revision of forecast for this period: Yes

4. Others (For details, please refer to page 6 of this report.)

(1) Changes of significant subsidiaries during the current fiscal year: None

(Note) This refers to presence/absence of changes to specified subsidiaries accompanying changes in scope of consolidation in the period under review.

(2) Adoption of special accounting methods: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1. Changes in accounting policies with revision of accounting standards: None

2. Changes in accounting policies other than the above: None

3. Changes in accounting estimate: None

4. Revision restatements: None

(4) Number of shares issued (common stock)

1. Number of shares issued as of the term end (including treasury stocks):

Third Quarter ended December 31, 2011 400,878,921 shares

Year ended March 31, 2011 400,878,921 shares

2. Number of treasury stock as of the term end:

Third Quarter ended December 31, 2011 4,369,889 shares

Year ended March 31, 2011 4,401,391 shares

3. Average number of shares during the term (consolidated total for quarter):

Third Quarter ended December 31, 2011 396,495,961 shares

Third Quarter ended December 31, 2010 396,425,154 shares

(※Indication of quarterly review procedures implementation status)

This quarterly financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

(※Appropriate use of business forecasts; other special items)

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

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## 1. Performance and Financial Position

### (1) Qualitative information regarding the consolidated operating results

During the nine months ended December 31, 2011, capital investment by manufacturers remained strong in both semiconductor-related and liquid crystal panel-related markets in the Precision Equipment Business. In the Imaging Products Business, the compact digital camera market shrank, and floods in Thailand affected product supply for some manufacturers, including the Group, in the digital camera—interchangeable lens type market. Furthermore, in the Instruments Business, the bioscience-related market faced challenges due to amendments to government budget execution, while industrial instruments-related markets suffered due to sluggish capital investment across various fields.

Under these circumstances, we devoted Group-wide efforts to recovering from the flood damage in Thailand, while also working to expand sales. As a result, for the nine months ended December 31, 2011, net sales increased by 49,888 million yen (7.7%) year-on-year to 701,667 million yen, operating income climbed by 35,608 million yen (105.5%) year-on-year to 69,358 million yen, ordinary income was up 40,509 million yen (113.6%) year-on-year to 76,181 million yen, resulting in net income of 46,749 million yen, an increase of 26,448 million yen (130.3%) year-on-year.

Following the flooding in Thailand, we posted an extraordinary loss of 10,904 million yen as confirmed losses for the nine months ended December 31, 2011, and an extraordinary gain of 500 million yen from insurance revenue.

Performance by business segment is as follows.

In the Precision Equipment Business, we worked to expand sales, concentrating on the state-of-the-art ArF immersion scanner in the IC steppers and scanners field, and on models compatible with mid-to-small size high definition display substrates in the LCD steppers and scanners field. In addition, improvements to the profit structure paid off with a significant improvement in operating income compared to the same period of the previous year.

In the Imaging Products Business, record high sales volume in the midst of a shrinking compact digital camera market, the strong performance of the Nikon 1 series launched in October of last year, in addition to the robust sales in the first half of the fiscal year of digital cameras—interchangeable lens type offsetting the effects of the floods in Thailand, led to an overall increase in revenue and profit compared to the same period of the previous year. We also strove to effect rapid recovery and to bring production back to normal at our manufacturing base for digital SLR cameras and interchangeable lenses, Nikon (Thailand) Co., Ltd., where operation has been suspended last October due to the floods.

In the Instruments Business, revenues declined in bioscience business due to government budget reductions, and the industrial instruments business saw a downturn in related market and its sales remained on a level with those of the same period of the previous fiscal year.

### (2) Qualitative information on Consolidated Financial Position

During the nine months ended December 31, 2011, total assets decreased by 6,696 million yen from the end of the previous fiscal year to 823,212 million yen. This is due mainly to a decrease in cash and deposits by 31,044 million yen and a increase in inventories by 19,843 million yen.

Total liabilities decreased by 27,254 million yen from the end of the previous fiscal year to 413,434 million yen. This is due mainly to a decrease in provision for retirement benefits due to contributions to retirement benefit trust by 11,002 million yen, as well as a decrease in notes and accounts payable by 9,427 million yen.

Total net assets increased by 20,557 million yen from the end of the previous fiscal year to 409,777 million yen. This is mainly attributed to an increase in retained earnings by posting of net income by 35,091 million yen, in spite of an decrease in foreign currency translation adjustment by 10,738 million yen.

During the nine months ended December 31, 2011, cash flows from operating activities amounted to an inflow of 17,403 million yen (compared with an inflow of 82,189 million yen in the same period of the previous year). This is due mainly to posting of income before income taxes by 65,558 million yen, in spite of reversal of provision for retirement benefits by 10,816 million yen due to contributions to retirement benefit trust, an increase in inventory by 26,764 million yen, and a decrease in advances received by 20,254 million yen.

Cash flows from investing activities amounted to an outflow of 30,748 million yen (compared with an outflow of 16,255 million yen in the same period of the previous year), due mainly to purchase of property, plant and equipment in the amount of 21,544 million yen.

Cash flows from financing activities amounted to an outflow of 13,730 million yen (compared with an outflow of 17,003 million yen in the same period of the previous year) mainly because of 11,695 million yen in cash dividends paid.

(3) Qualitative information regarding the consolidated financial forecasts

Looking forward, in the Precision Equipment Business, there are concerns that the market will take a turn for the worse next fiscal year due to reduced capital investment by manufacturing companies in the semiconductor and LCD related markets and we will continue to enhance our profit structure; however, strong sales are expected throughout the current fiscal year. In the Instruments Business, bioscience-related markets will suffer from the effects of deferred government budget execution, while industrial instruments-related markets will become worse, forecasting a challenging business climate for both. Additionally, in the Imaging Products Business, strong sales are expected for digital cameras—interchangeable lens type and compact digital cameras. Production of certain digital SLR cameras and interchangeable camera lenses at Nikon (Thailand) Co., Ltd. resumed earlier than expected on January 3 of this year, and the Group's production volume, including alternate production at our partner factories, is scheduled to resume to the normal level by the end of March 2012.

As a result of the above, the financial forecast for the year ending March 31, 2012 announced on November 4, 2011, has been revised as follows, in view of third quarter results that exceeded forecasts in the Imaging Products Business, amid the revision of the assumed exchange rate to account for ongoing appreciation of the yen against the euro.

Additionally, any further extraordinary loss expected to be incurred as a result of the floods in Thailand will be related to suspension of business and compensation, etc., for Nikon (Thailand) Co., Ltd., and are not expected to substantially affect the consolidated forecast for the year ending March 31, 2012. We also hold disaster insurance to insure against losses, etc., of affected noncurrent assets and inventories, and upon finalizing the amounts, the future posting of insurance claims as extraordinary gain is expected to cover losses incurred.

Assumed exchange rates for the fourth quarter are 75 yen to 1 U.S. dollar, and 100 yen to 1 euro.

Revised Consolidated Forecast for the Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share of common stock
	million yen	million yen	million yen	million yen	Yen
Previous Forecast (A)	925,000	67,000	72,000	55,000	138.72
Revised Forecast (B)	925,000	72,000	80,000	55,000	138.72
Difference (B-A)	-	5,000	8,000	-	-
Ratio (%)	-	7.5	11.1	-	-

## 2. Notes Regarding Summary Information (Others)

Changes in Significant Consolidated Subsidiaries  
Not applicable

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Million of yen)

	As of March 31, 2011	As of December 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	181,077	150,033
Notes and accounts receivable-trade	123,077	118,927
Inventories	236,407	256,250
Other	57,758	63,055
Allowance for doubtful accounts	(7,365)	(4,411)
<b>Total Current Assets</b>	<b>590,954</b>	<b>583,854</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,362	38,133
Machinery, equipment and vehicles, net	34,003	33,195
Land	14,777	14,327
Construction in progress	7,566	13,497
Other, net	19,306	18,852
<b>Total property, plant and equipment</b>	<b>119,016</b>	<b>118,006</b>
Intangible assets	39,473	39,030
Investments and other assets		
Investment securities	56,303	49,100
Other	24,422	33,410
Allowance for doubtful accounts	(260)	(189)
<b>Total investments and other assets</b>	<b>80,465</b>	<b>82,321</b>
<b>Total noncurrent assets</b>	<b>238,954</b>	<b>239,357</b>
<b>Total assets</b>	<b>829,909</b>	<b>823,212</b>

(Million of yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	171,735	162,308
Short-term loans payable	16,732	13,850
Income taxes payable	2,520	9,174
Provision for product warranties	7,296	6,986
Other	144,009	131,759
Total current liabilities	342,295	324,080
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	24,700	27,400
Provision for retirement benefits	14,951	3,948
Asset retirement obligations	2,324	2,344
Other	16,417	15,660
Total noncurrent liabilities	98,393	89,354
Total liabilities	440,689	413,434
Net assets		
Shareholders' equity		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	272,227	307,319
Treasury stock	(13,173)	(13,077)
Total shareholders' equity	405,241	440,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,450	(1,350)
Deferred gains or losses on hedges	(696)	1,185
Foreign currency translation adjustment	(20,201)	(30,940)
Total accumulated other comprehensive income	(16,448)	(31,104)
Subscription rights to shares	427	452
Total net assets	389,220	409,777
Total liabilities and net assets	829,909	823,212



## (2) Consolidated Statement of Income and Statements of Comprehensive Income

## ① Consolidated Statements of Income

Nine months ended December 31, 2011

(Million of yen)

	Nine months ended December 31, 2010 (from April 1, 2010 to December 31, 2010)	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)
Net sales	651,779	701,667
Cost of sales	424,970	428,155
Gross profit	226,808	273,512
Selling, general and administrative expenses	193,059	204,153
Operating income	33,749	69,358
Non-operating income		
Interest income	368	624
Dividends income	959	1,049
Foreign exchange gains	2,648	3,798
Equity in earnings of affiliates	1,034	594
Other	2,424	2,631
Total non-operating income	7,434	8,698
Non-operating expenses		
Interest expenses	677	788
Other	4,833	1,086
Total non-operating expenses	5,511	1,874
Ordinary income	35,672	76,181
Extraordinary income		
Gain on sales of noncurrent assets	42	139
Gain on sales of investment securities	24	20
Insurance income	—	500
Total extraordinary income	66	659
Extraordinary loss		
Loss on retirement of noncurrent assets	867	168
Loss on sales of noncurrent assets	48	3
Impairment loss	—	0
Loss on sales of investment securities	28	0
Loss on valuation of investment securities	4,255	206
Effect of application in accounting standard for asset retirement obligations	1,073	—
Loss on disaster	—	10,904
Total extraordinary losses	6,274	11,283
Income before income taxes	29,465	65,558
Income taxes	9,164	18,808
Income before minority interests	20,300	46,749
Net income	20,300	46,749

② Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2011

(Million of yen)

	Nine months ended December 31, 2010 (from April 1, 2010 to December 31, 2010)	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)
Income before minority interests	20,300	46,749
Other comprehensive income		
Unrealized gains or losses on available-for-sale securities	(1,115)	(5,801)
Deferred gains or losses on hedges	663	1,882
Foreign currency translation adjustment	(8,670)	(10,738)
Equivalent share of gains or losses to equity method affiliates	(440)	0
Total other comprehensive income	(9,562)	(14,656)
Comprehensive income	10,738	32,093
(Breakdown)		
Comprehensive income attributable to owners of the parent	10,738	32,093

## (3) Consolidated Statement of Cash Flows

(Million of yen)

	Nine months ended December 31, 2010 (from April 1, 2010 to December 31, 2010)	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)
Cash flows from operating activities		
Income before income tax	29,465	65,558
Depreciation and amortization	25,055	23,794
Impairment loss	—	5,746
Increase (decrease) in allowance for doubtful accounts	198	(2,391)
Increase (decrease) in provision for product warranties	987	23
Increase (decrease) in provision for retirement benefits	(1,553)	(10,816)
Increase (decrease) in provision for directors' retirement benefits	14	(606)
Interest and dividends income	(1,327)	(1,674)
Equity in earnings of affiliates	(1,034)	(594)
Interest expenses	677	788
Loss (gain) on sales of noncurrent assets	6	(135)
Loss on retirement of noncurrent assets	867	168
Loss (gain) on sales of investment securities	4	(20)
Loss (gain) on valuation of investment securities	4,255	206
Decrease (increase) in notes and accounts receivable-trade	(34,180)	(5,493)
Decrease (increase) in inventories	(25,830)	(26,764)
Increase (decrease) in notes and accounts payable-trade	46,524	(6,978)
Increase (decrease) in advances received	21,616	(20,254)
Increase (decrease) in accrued expenses	16,795	5,336
Other, net	7,419	1,205
Subtotal	89,962	27,097
Interest and dividends income received	1,327	1,913
Interest expenses paid	(823)	(802)
Income taxes (paid) refund	(8,277)	(10,805)
Net cash provided by (used in) operating activities	82,189	17,403
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,949)	(21,544)
Proceeds from sales of property, plant and equipment	484	1,277
Purchase of investment securities	(73)	(789)
Proceeds from sales of investment securities	172	45
Decrease (increase) in loans receivable	(135)	(939)
Proceeds from compensation for expropriation	2,317	—
Other, net	(3,069)	(8,798)
Net cash provided by (used in) investing activities	(16,255)	(30,748)

(Million of yen)

	Nine months ended December 31, 2010 (from April 1, 2010 to December 31, 2010)	Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(850)	(1,303)
Proceeds from long-term loans payable	—	2,900
Repayment of long-term loans payable	(10,420)	(1,760)
Cash dividends paid	(3,382)	(11,695)
Other, net	(2,350)	(1,871)
Net cash provided by (used in) financing activities	(17,003)	(13,730)
Effect of exchange rate change on cash and cash equivalents	(6,570)	(5,283)
Net increase (decrease) in cash and cash equivalents	42,360	(32,359)
Cash and cash equivalents at beginning of period	104,669	181,061
Increase in cash and cash equivalents from newly consolidated subsidiary	231	536
Cash and cash equivalents at end of period	147,261	149,238

(4) Notes regarding Going Concern Assumption  
Not applicable

(5) Segment Information

Information on sales and income (loss) by business segment reported

Three months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)

(Million of yen)

	Business segments reported				Other <sup>1</sup>	Total	Adjustment <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	142,155	454,408	37,215	633,778	18,000	651,779	—	651,779
Intersegment sales or transfer	565	604	1,291	2,461	12,460	14,922	(14,922)	—
Total	142,720	455,012	38,507	636,240	30,460	666,701	(14,922)	651,779
Operating income (loss)	(1,401)	39,059	(5,761)	31,896	1,870	33,767	(18)	33,749

Notes: 1. The “Other Business” category incorporates operations not included in business segments reported, including the glass-related business and the customized products business.

2. Adjustment of segment income (loss) refers to elimination of intersegment transactions of minus 18 million yen.

3. Segment income is adjusted with reported operating income on the consolidated financial statements.

4. From the three months ended June 30, 2011, the sport optics products business, formerly included in “Other Business,” was transferred to the “Imaging Products Business.” Due to this change, the segment information for the nine months ended December 31, 2011 was prepared according to the revised business segment. As a result of revising the business segments, sales to outside customers, intersegment sales or transfer, and segment income for the Imaging Products Business increased by 424 million yen, 7 million yen, and 1,107 million yen, respectively.

Three months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(Million of yen)

	Business segments reported				Other <sup>1</sup>	Total	Adjustment <sup>2</sup>	Consolidated Statement of Income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	183,684	461,989	37,862	683,536	18,130	701,667	—	701,667
Intersegment sales or transfer	601	914	1,230	2,745	18,425	21,171	(21,171)	—
Total	184,285	462,903	39,093	686,282	36,556	722,839	(21,171)	701,667
Operating income (loss)	32,127	51,208	(3,458)	79,877	1,918	81,796	(12,437)	69,358

Notes: 1. The “Other Business” category incorporates operations not included in business segments reported, including the glass-related business and the customized products business.

2. Segment income or loss adjustment includes elimination of intersegment transactions of 623 million yen and corporate expenses of minus 13,061 million yen. From the three months ended June 30, 2011, the Group has revised its method of performance management regarding headquarter division-related expenses; and among such headquarter division-related expenses, research and development expenses and a portion of expenses relating to the provision of services, which had previously been allocated to each segment, have been accounted for as corporate expenses. The impact of this change on segment income has been 4,459 million yen in the Precision Equipment Business, 7,230 million yen in the Imaging Products Business, 969 million yen in the Instruments Business, and 403 million yen in Other Business. The net sales of each segment and the net sales and operating income under corporate have not been impacted by this change.

3. Segment income is adjusted with reported operating income on the consolidated financial statements.

(6) Note in Event of Significant Change in Shareholders' Equity

Not applicable