



Financial Results for the 2nd Quarter of the Year Ending March 31, 2013

Conference in Tokyo (Nov.1, 2012)

NIKON CORPORATION

Forward-looking statements for earnings and other performance data contained herein are based on information currently available to the Company, and all potential risks and uncertainties are taken into account. The Company asks that investors understand that changes in conditions may cause actual performance to significantly differ from these projections.

Agenda

- I . **Financial Results for the First Half
of the Year Ending March 31, 2013**
- II . Estimation for the Year Ending
March 31, 2013
- III . Reference Data

Financial Highlights for the First Half of the Year Ending March 31, 2013



- ◆ As strong yen progresses in the midst of economic downturn, our overall sales and profits exceeded the forecast, marking the record sales in history.

Precision Equipment Company

- Due to the market contraction, IC and LCD steppers/scanners largely decreased the sales volume compared to the 1st half of previous fiscal year.
- Operating income exceeded the forecast thanks to implementation of profitability improvement measures and expense reduction efforts.

Imaging Company

- In comparison with the 1st half of previous year, the sales volume grew in all the product groups more than the market growth rate.
- Both sales and operating income exceeded the forecast.
- Second quarter secured solid profitability (10.3% in Q1 → 11.6% in Q2).

Instruments Company

- Postponed government spending and suppressed investments affected the 1st half year's sales that ended with slight reduction.

- ◆ Interim dividend 19 yen

Financial Highlights for the First Half of the Year Ending March 31, 2013



Billions of yen	2011/9 (A)	Previous Forecast as of Aug. 8 (B)	2012/9 (C)	(C)-(A)	(C)-(B)
Net Sales	486.3	485.0	497.2	+ 10.9	+ 12.2
Operating Income % vs Net Sales	61.1 12.6%	34.0 7.0%	37.1 7.5%	- 24.0	+ 3.1
Ordinary Income % vs Net Sales	65.1 13.4%	37.0 7.6%	39.5 7.9%	- 25.6	+ 2.5
Net Income % vs Net Sales	50.4 10.4%	27.0 5.6%	32.0 6.4%	- 18.4	+ 5.0
FCF	5.3	-	- 0.6	- 5.9	-
Exchange Rate US\$	80 yen	80 yen	79 yen	Impact on Net Sales:	
EURO	114 yen	101 yen	101 yen	- 19.3	- 3.0
				Impact on Op. Income:	
				- 12.6	- 0.8

Sales and profits forecasts were exceeded thanks to better-than-expected Imaging Company's performance.

* Amounts in this statement are rounded down to the hundred million.

Financial Highlights for the 2nd Quarter of the Year Ending March 31, 2013



Billions of yen	2011/9 (A)	Previous Forecast as of Aug. 8 (B)	2012/9 (C)	(C)-(A)	(C)-(B)
Net Sales	240.7	225.6	237.8	- 2.9	+ 12.2
Operating Income	24.2	10.7	13.8	-10.4	+ 3.1
% vs Net Sales	10.0%	4.7%	5.8%		
Ordinary Income	27.4	13.6	16.1	-11.3	+ 2.5
% vs Net Sales	11.4%	6.0%	6.8%		
Net Income	19.7	11.3	16.3	- 3.4	+ 5.0
% vs Net Sales	8.2%	5.0%	6.9%		
Exchange Rate				Impact on Net Sales:	
US\$	78 _{yen}	80 _{yen}	79 _{yen}	- 6.9	- 3.0
EURO	110 _{yen}	100 _{yen}	98 _{yen}	Impact on Op. Income:	
				- 7.9	- 0.8

In the difficult business conditions whereas electronics-related investment was reduced and Euro was weak, sales and profit decreased on previous Q2. Imaging Company absorbed strong yen, posting growth of sales and profit by 20% and 40% respectively.

Precision Equipment Company: 1st Half



Billions of yen	2011/9 (A)	Previous Forecast as of Aug. 8 (B)	2012/9 (C)	(C)-(A)	(C)-(B)
Net Sales	124.8	85.0	80.4	- 44.4	- 4.6
Operating Income	23.2	6.0	7.2	- 16.0	+ 1.2
% vs Net Sales	18.6%	7.1%	9.0%		
IC Steppers & Scanners New / Refurbished	26/16 units	12/9 units	9/5 units	- 17/- 11 units	- 3/- 4 units
LCD Steppers & Scanners	48 units	28 units	25 units	- 23 units	- 3 units

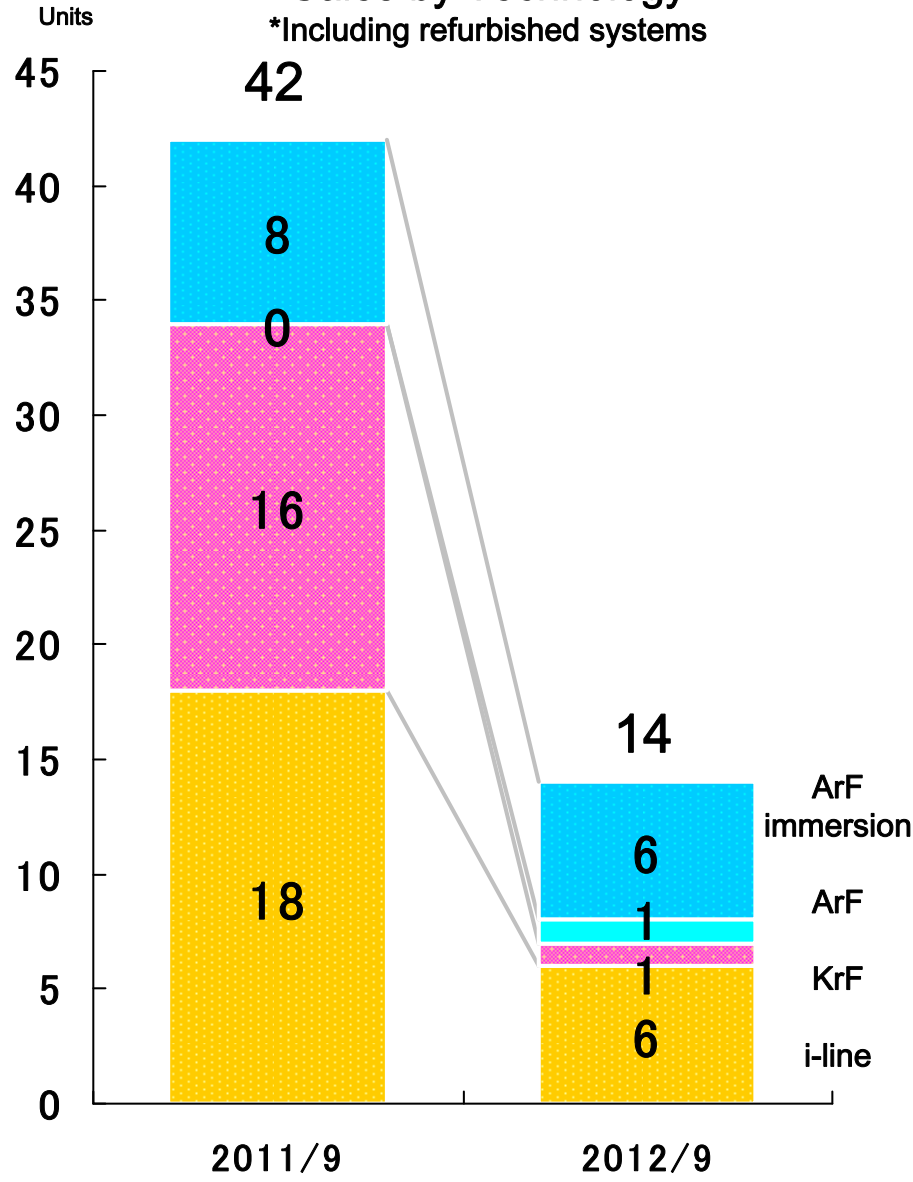
Net sales could not reach the forecast because the expected number of units could not be sold due to customers' investment postponement. But, profit structure improvement and expense reduction effort contributed to higher operating income than forecasted.

Precision Equipment Company: 1st Half

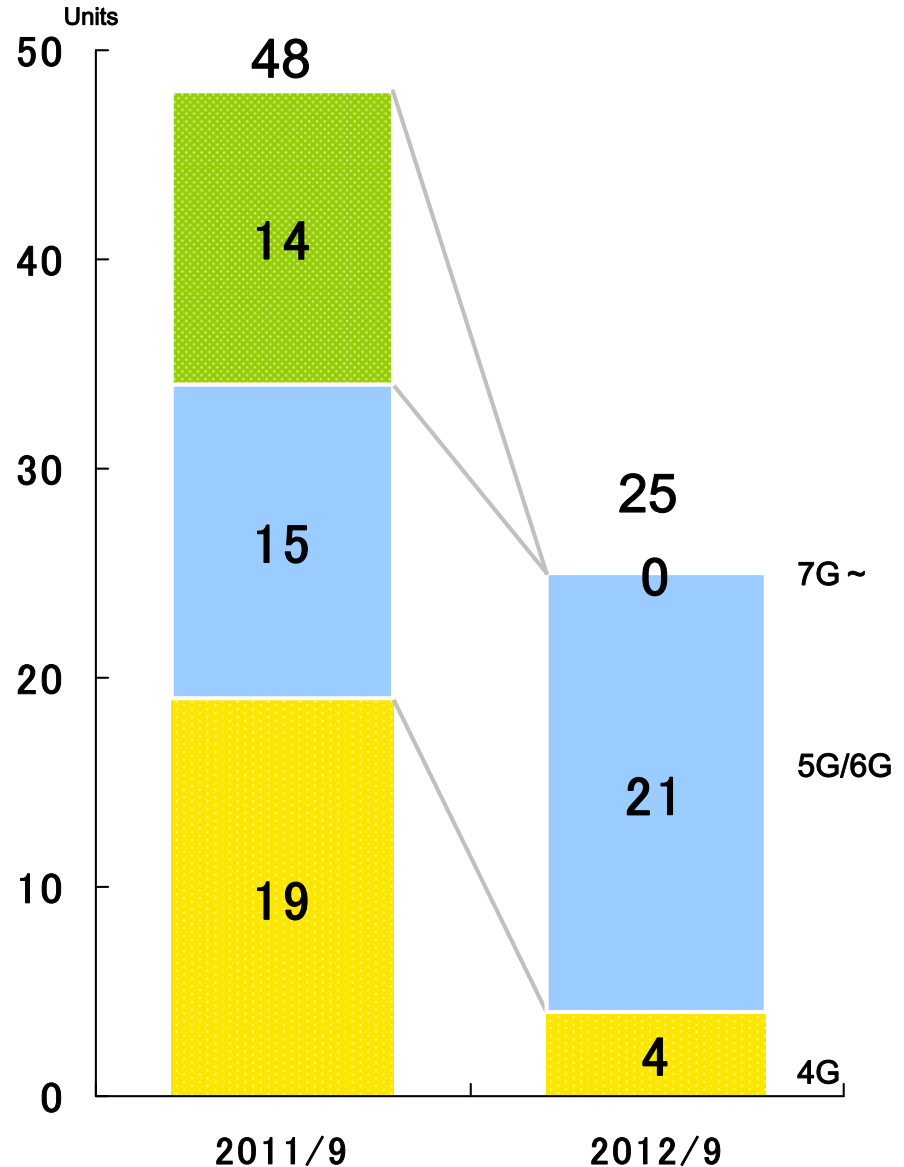


IC Steppers & Scanners Sales by Technology

*Including refurbished systems



LCD Steppers & Scanners Sales by Generation



Imaging Company: 1st Half



Billions of yen Cameras & Lenses (1,000 of units sold)	2011/9 (A)	Previous Forecast as of Aug. 8 (B)	2012/9 (C)	(C)-(A)	(C)-(B)
Net Sales	324.5	360.0	381.0	+ 56.5	+ 21.0
Operating Income % vs Net Sales	47.4 14.6%	37.0 10.3%	41.8 11.0%	- 5.6	+ 4.8
Digital camera – Interchangeable Lens Type	2,730	3,400	3,450	+ 720	+ 50
Interchangeable Lenses	3,930	4,900	4,770	+ 840	-130
Compact DSC	7,860	8,400	8,260	+ 400	-140

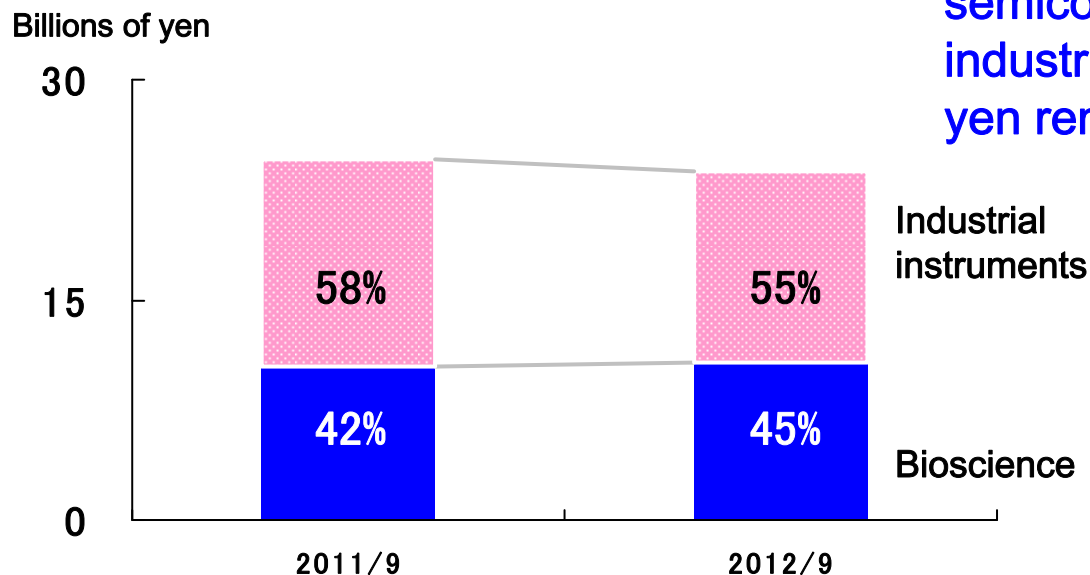
Sales volume increased on previous 1st half: 26% and 21% more units were sold for digital camera–interchangeable lens type and interchangeable lenses. Compact DSC posted 5% hike in spite of shrinking market. Sales in Europe and US were steadier in spite of our concerns, our product mix worked out well to exceed both sales and operating income forecasts. After absorbing the impact by strong yen, net sales marked the record high.

Instruments Company : 1st Half



Billions of yen	2011/9 (A)	Previous Forecast as of Aug. 8 (B)	2012/9 (C)	(C)-(A)	(C)-(B)
Net Sales	24.6	24.0	23.7	- 0.9	- 0.3
Operating Income % vs Net Sales	- 2.3 - %	- 2.5 - %	- 2.9 - %	- 0.6	- 0.4

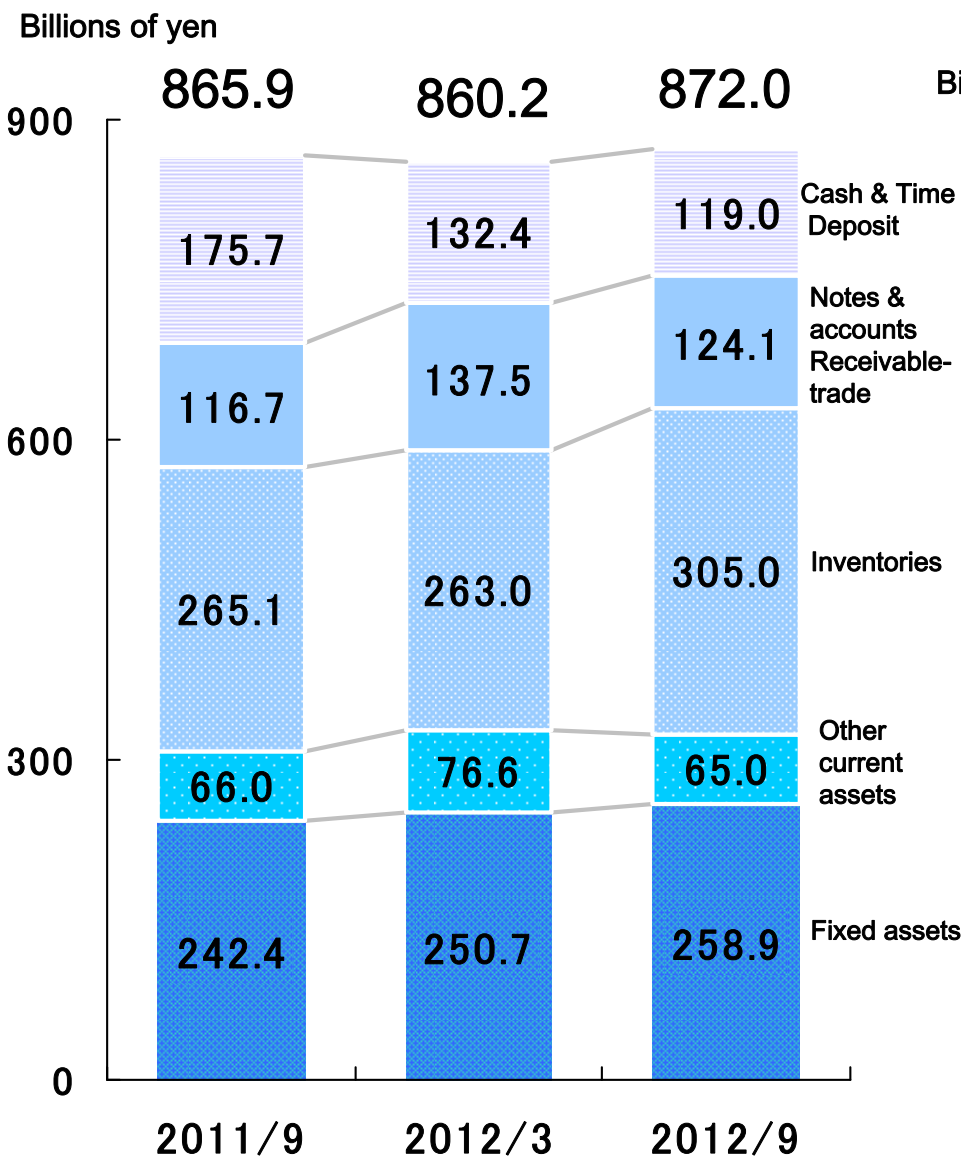
Net sales slightly decreased on previous 1st half because restrained investment for semiconductor equipment affected the industrial instruments performance and yen remained strong.



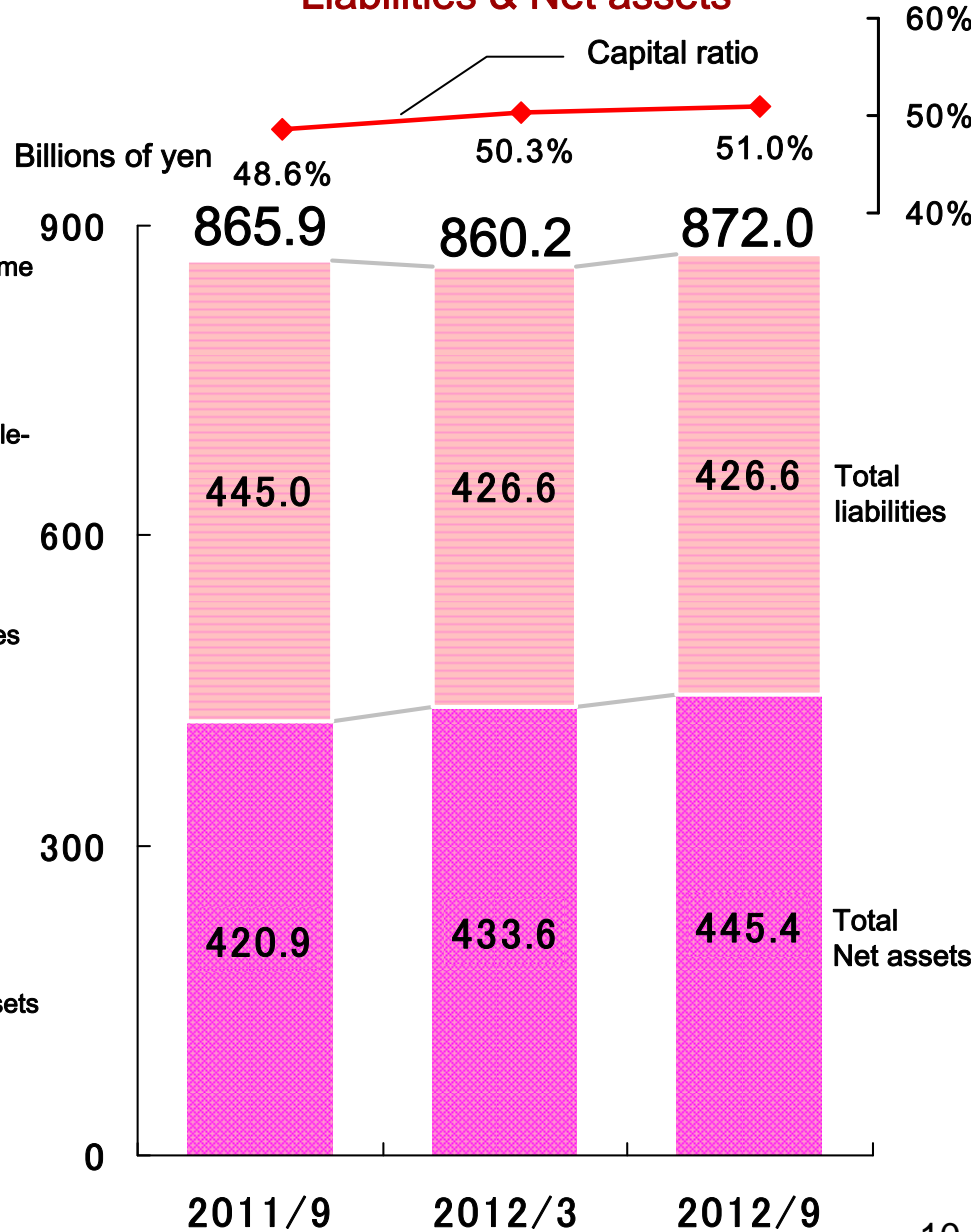
Balance Sheet : 1st Half



Assets



Liabilities & Net assets

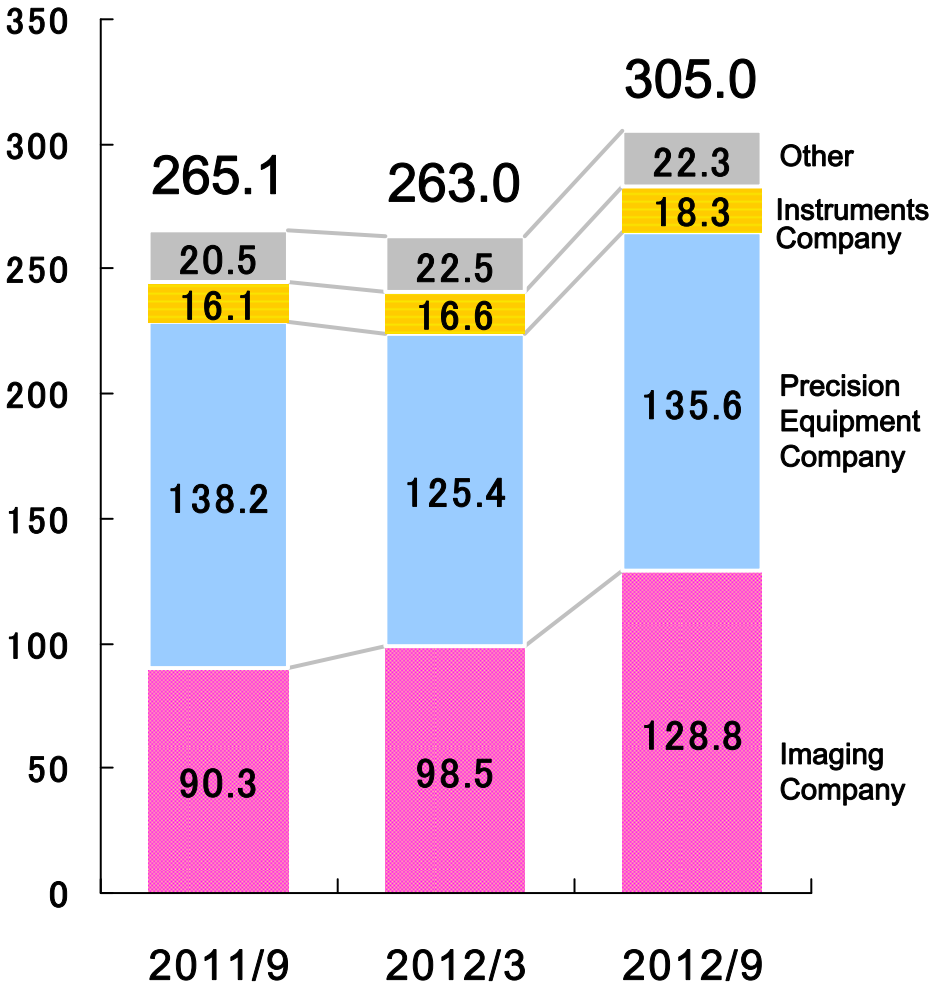


Balance Sheet : 1st Half



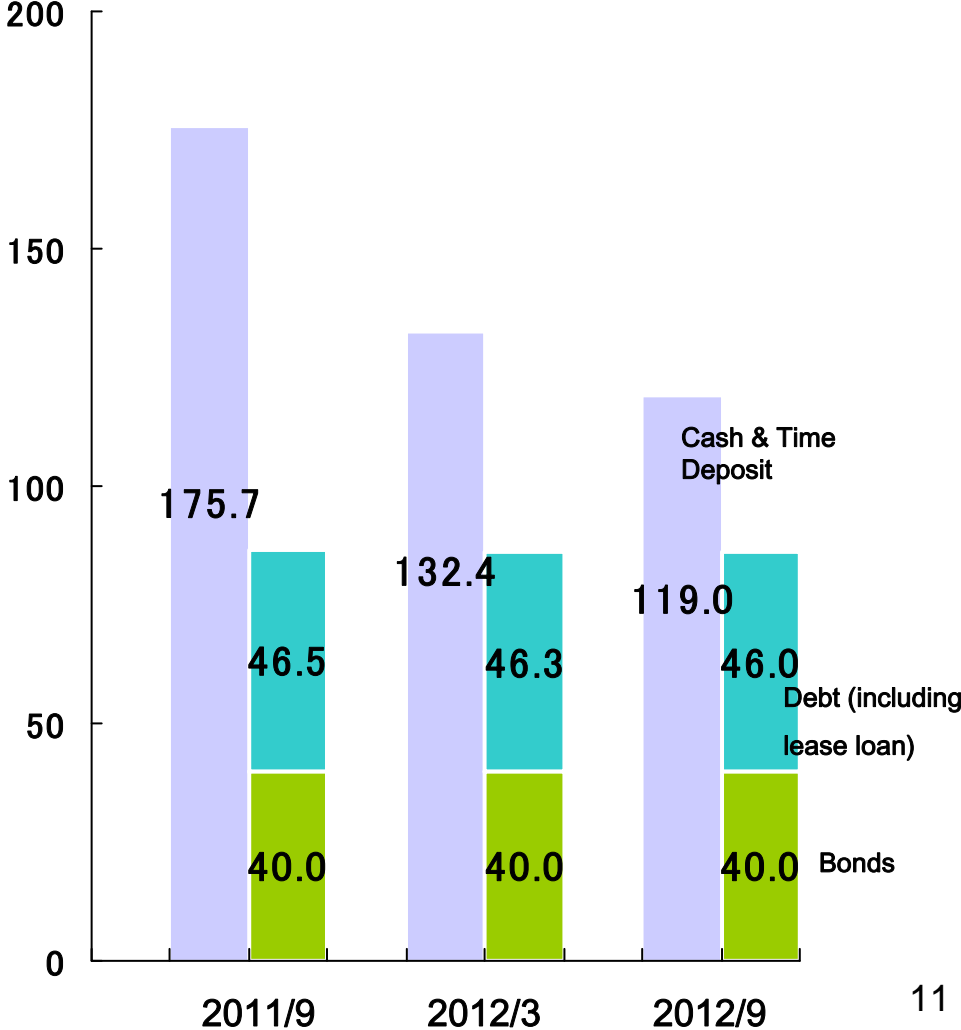
Inventories

Billions of yen



Cash & Time Deposit and Interest-bearing Debt

Billions of yen



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Summary of Estimation for the Year Ending March 31, 2013



◆ Sudden deceleration of semiconductor equipment investment forces to downgrade the forecasts of sales, operating income, and ordinary income of the overall company.

Precision Equipment Company

The number of IC steppers/scanners sold is expected to largely decrease. But, the profitability will be secured by expense reduction measures and profit structure improvement including leadtime reduction.

Imaging Company

The 2nd half forecast is unchanged: however, the better-than-expected performance in the 1st year upgrades the yearly forecast.

Instruments Company

Bioscience field is affected by the contraction/postponement of government spending in Japan and other countries and the industrial instruments field is also impacted by restrained equipment investment. The forecast for the fiscal year is downgraded.

◆ Estimated annual dividend per share: 41 yen (unchanged)

Performance Estimation for the Year Ending March 31, 2013



Billions of yen	12/3 Actual (A)	1H 2H	Previous est. (B) (Aug. 8)	1H 2H	New est. (C)	1H 2H	Change (C)-(A)	Change (C)-(B)	1H 2H
Net Sales	918.6	<u>486.3</u> 432.3	1020.0	<u>485.0</u> 535.0	1010.0	<u>497.2</u> 512.8	+91.4	-10.0	<u>+12.2</u> -22.2
Operating Income	80.0	<u>61.1</u> 18.9	85.0	<u>34.0</u> 51.0	72.0	<u>37.1</u> 34.9	-8.0	-13.0	<u>+3.1</u> -16.1
% vs Net Sales	8.7%		8.3%		7.1%				
Ordinary Income	89.3	<u>65.1</u> 24.2	90.0	<u>37.0</u> 53.0	75.0	<u>39.5</u> 35.5	-14.3	-15.0	<u>+2.5</u> -17.5
% vs Net Sales	9.7%		8.8%		7.4%				
Net Income	59.3	<u>50.4</u> 8.9	60.0	<u>27.0</u> 33.0	60.0	<u>32.0</u> 28.0	+0.7	±0	<u>+5.0</u> -5.0
% vs Net Sales	6.5%		5.9%		5.9%				
FCF	-34.0		30.0		20.0		+54.0	-10.0	-
Exchange Rate	79yen	<u>80yen</u> 78yen	80yen		80yen	<u>79yen</u> 80yen			
US\$									
EURO	109yen	<u>114yen</u> 104yen	101yen		100yen	<u>101yen</u> 100yen			

Imaging Company forecast is upgraded. But, Precision Equipment Company downgrades its forecast due to expected reduction of IC steppers/scanners sold. For overall company forecasts, net sales, operating income, and ordinary income are all lowered.

Estimation for Precision Equipment Company



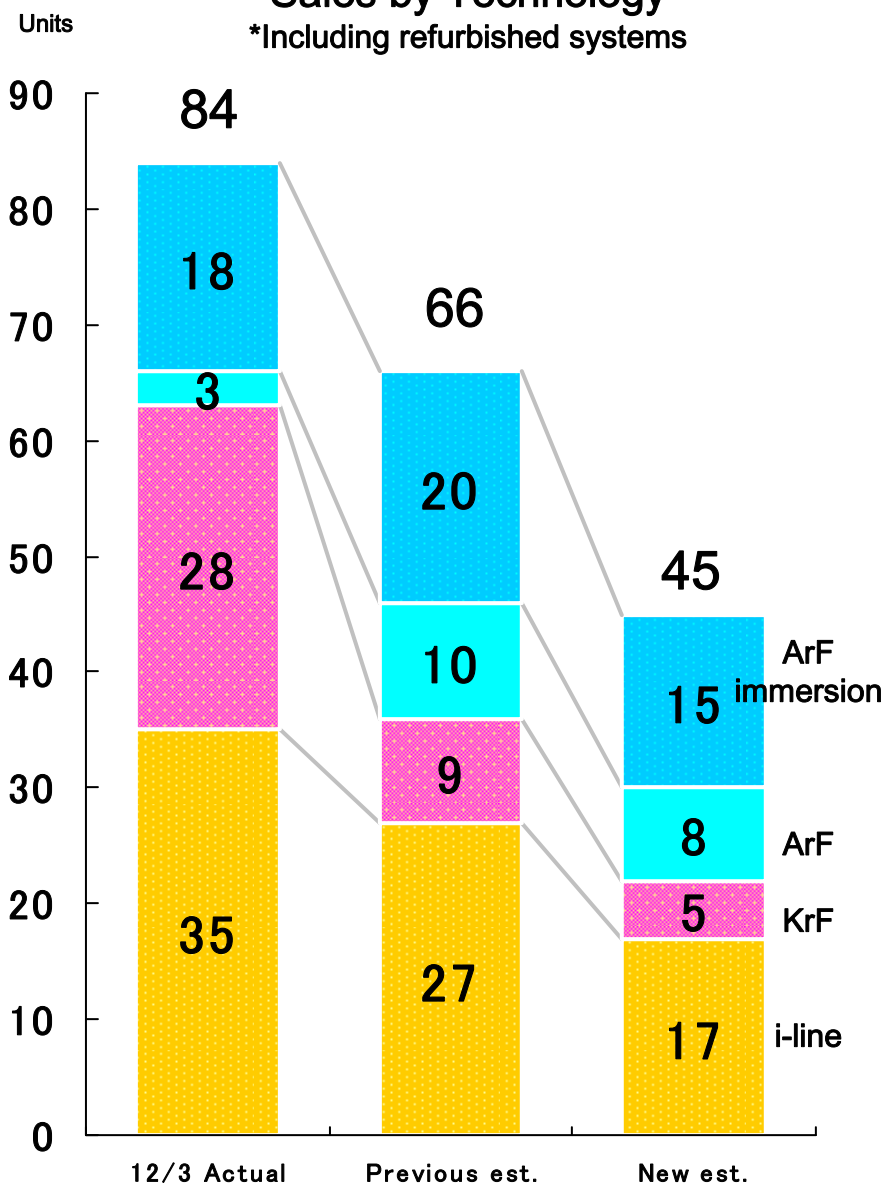
Billions of yen	12/3 Actual	1H 2H	Previous est. (Aug. 8)	1H 2H	New est.	1H 2H
Net Sales	248.1	$\frac{124.8}{123.3}$	210.0	$\frac{85.0}{125.0}$	185.0	$\frac{80.4}{104.6}$
Operating Income	42.7	$\frac{23.2}{19.5}$	25.0	$\frac{6.0}{19.0}$	11.0	$\frac{7.2}{3.8}$
% vs Net Sales	17.2%		11.9%		5.9%	
IC Steppers & Scanners New / Refurbished	55/29 units	$\frac{26/16}{29/13}$	46/20 units	$\frac{12/9}{34/11}$	28/17 units	$\frac{9/5}{19/12}$
LCD Steppers & Scanners	86 units	$\frac{48}{38}$	42 units	$\frac{28}{14}$	42 units	$\frac{25}{17}$
IC Steppers & Scanners Market Scale CY11/12	311 units		Approx. 240 units		Approx. 230 units	
LCD Steppers & Scanners Market Scale CY11/12	109 units		Approx. 60 units		Approx. 60 units	

The forecasted number of IC steppers/scanners sold is forced to lower substantially by sudden deceleration of equipment investment. However, profit will be maintained through improvement of profit structure and expense reduction measures.

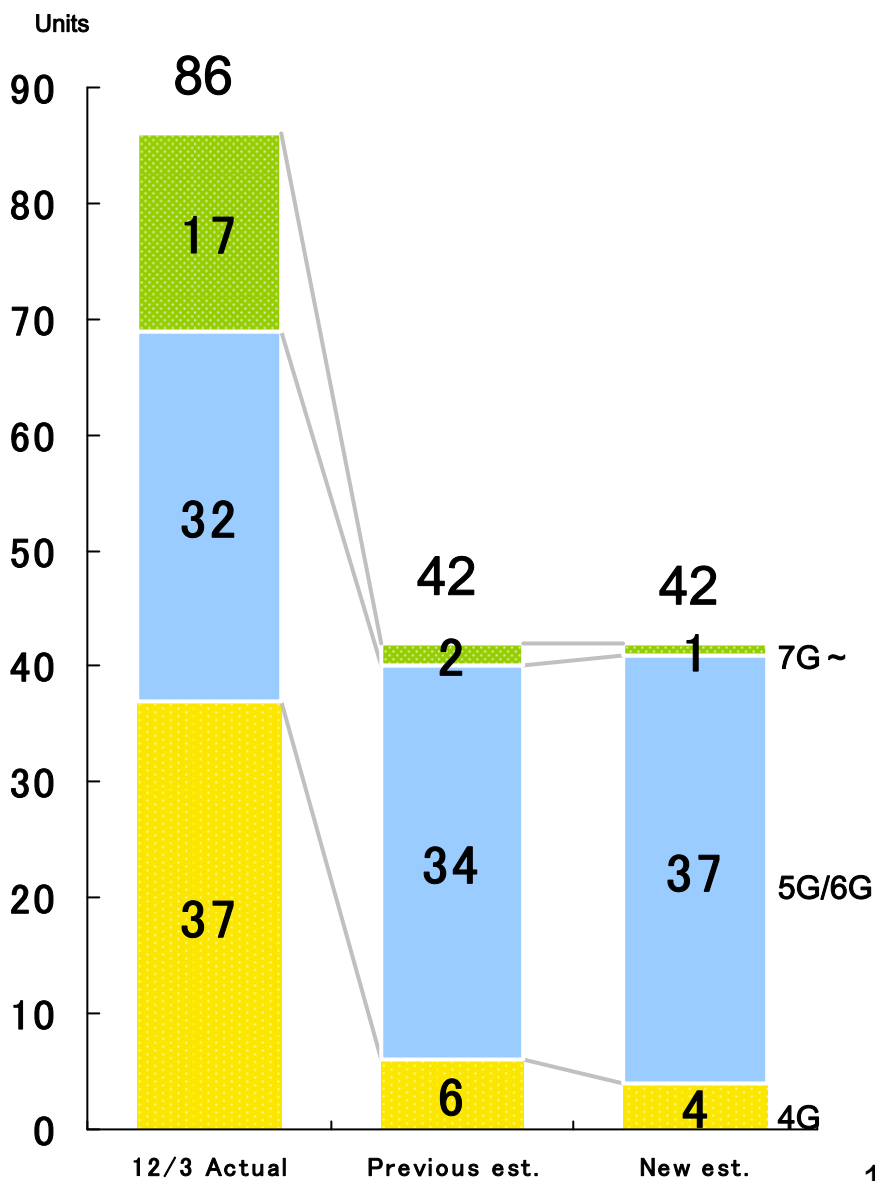
Estimation for Precision Equipment Company



IC Steppers & Scanners
Sales by Technology
*Including refurbished systems



LCD Steppers & Scanners
Sales by Generation



Estimation for Imaging Company



Billions of yen Cameras & Lenses (1,000 of units sold)	12/3 Actual	1H 2H	Previous est. (Aug. 8)	1H 2H	New est.	1H 2H
Net Sales	587.1	<u>324.5</u> 262.6	720.0	<u>360.0</u> 360.0	740.0	<u>381.0</u> 359.0
Operating Income % vs Net Sales	53.9 9.2%	<u>47.4</u> 6.5	75.0 10.4%	<u>37.0</u> 38.0	80.0 10.8%	<u>41.8</u> 38.2
Digital camera – Interchangeable Lens Type	4,740	<u>2,730</u> 2,010	7,000	<u>3,400</u> 3,600	7,100	<u>3,450</u> 3,650
Interchangeable Lens	7,130	<u>3,930</u> 3,200	10,000	<u>4,900</u> 5,100	10,000	<u>4,770</u> 5,230
Compact DSC	17,370	<u>7,860</u> 9,510	18,000	<u>8,400</u> 9,600	17,000	<u>8,260</u> 8,740
D-CIL Market Scale	16,330		19,000		19,000	
IL Market Scale	26,410		31,000		31,000	
C-DSC Market Scale	99,330		95,000		80,000	

Although the camera market in the 2nd half is unpredictable as the economy is slowing down worldwide including emerging nations, our products' strong marketability helps upgrading the sales forecast of digital camera–interchangeable lens type by 100,000 units.

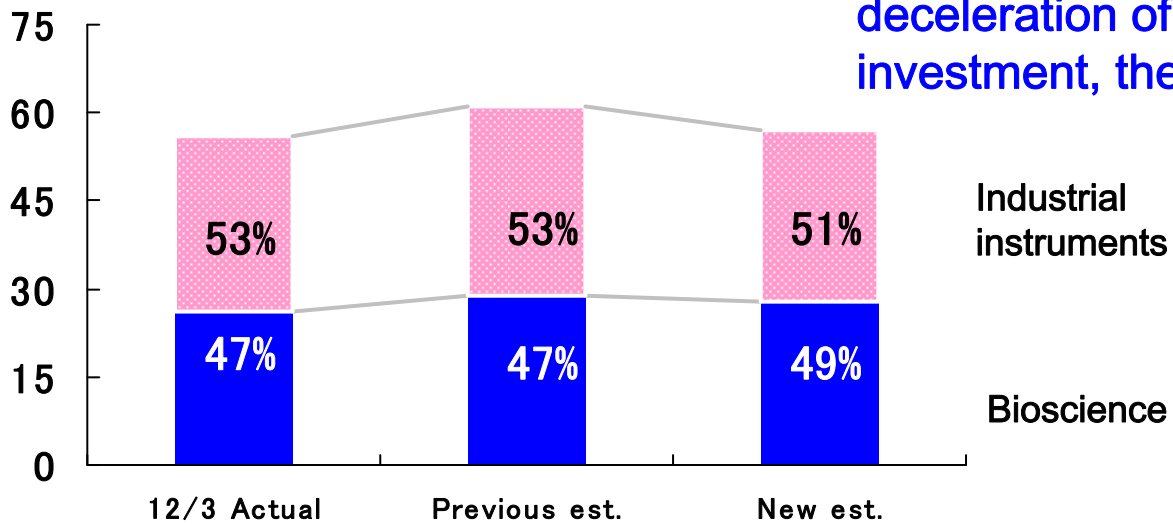
Estimation for Instruments Company



Billions of yen	12/3 Actual	1H 2H	Previous est. (Aug. 8)	1H 2H	New est.	1H 2H
Net Sales	56.0	$\frac{24.6}{31.4}$	61.0	$\frac{24.0}{37.0}$	57.0	$\frac{23.7}{33.3}$
Operating Income % vs Net Sales	- 3.1 -	$\frac{-2.3}{-0.8}$ %	-1.0 -	$\frac{-2.5}{1.5}$ %	- 3.0 -	$\frac{-2.9}{-0.1}$ %

As the business environment changes in the 2nd half, such as delayed execution of Japanese government spending and sudden deceleration of semiconductor equipment investment, the yearly forecast is downgraded.

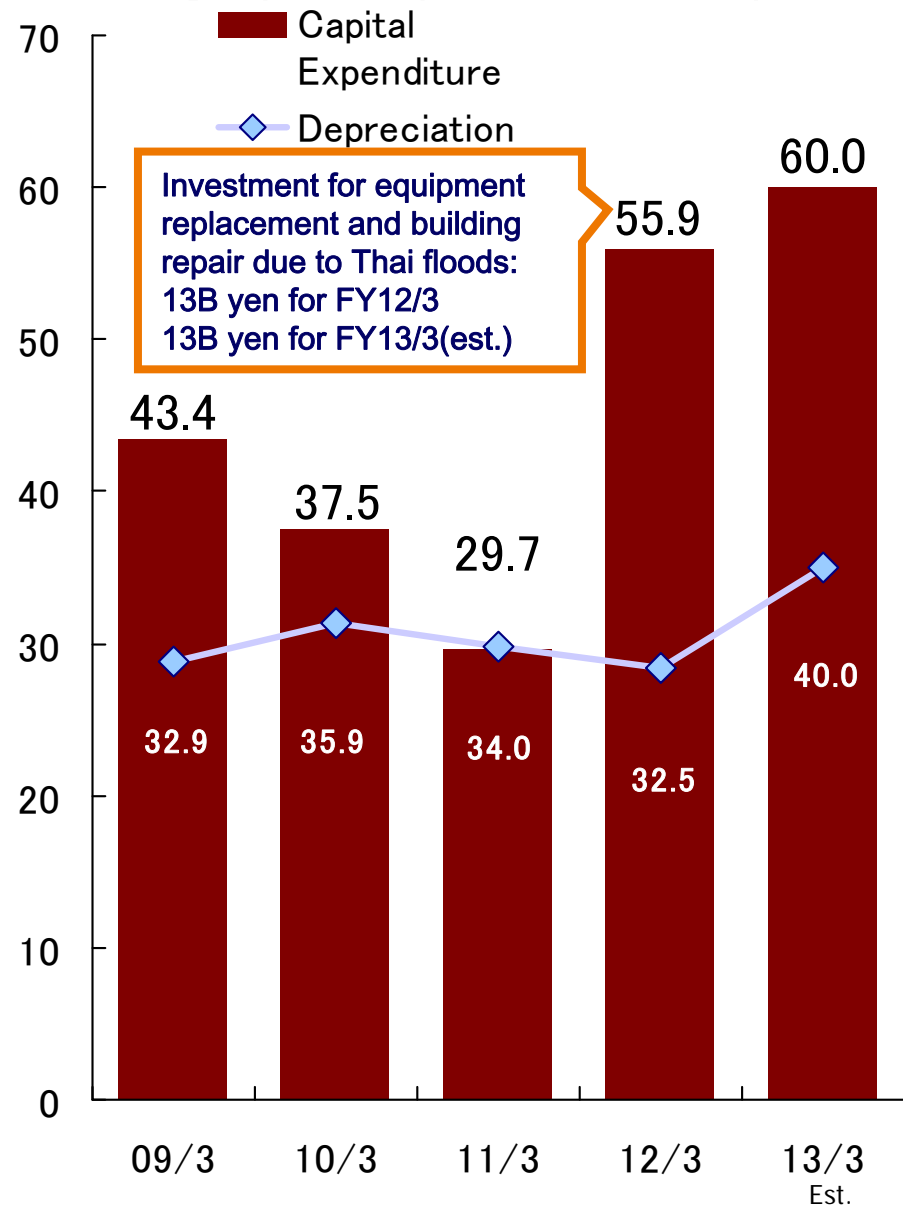
Billions of yen



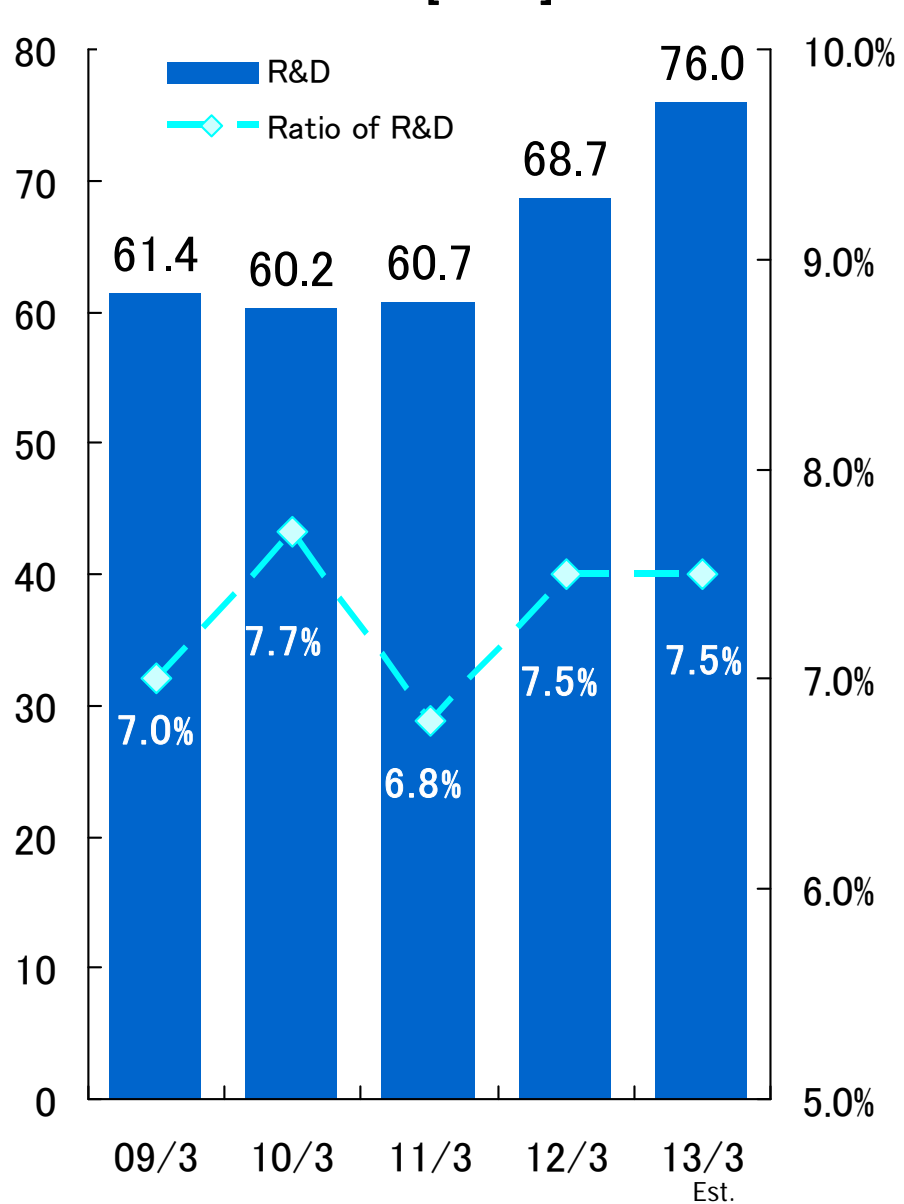
Estimation for Capital Expenditure, Depreciation and R&D



Billions of yen [Capital Expenditure & Depreciation]



Billions of yen [R&D]



Agenda

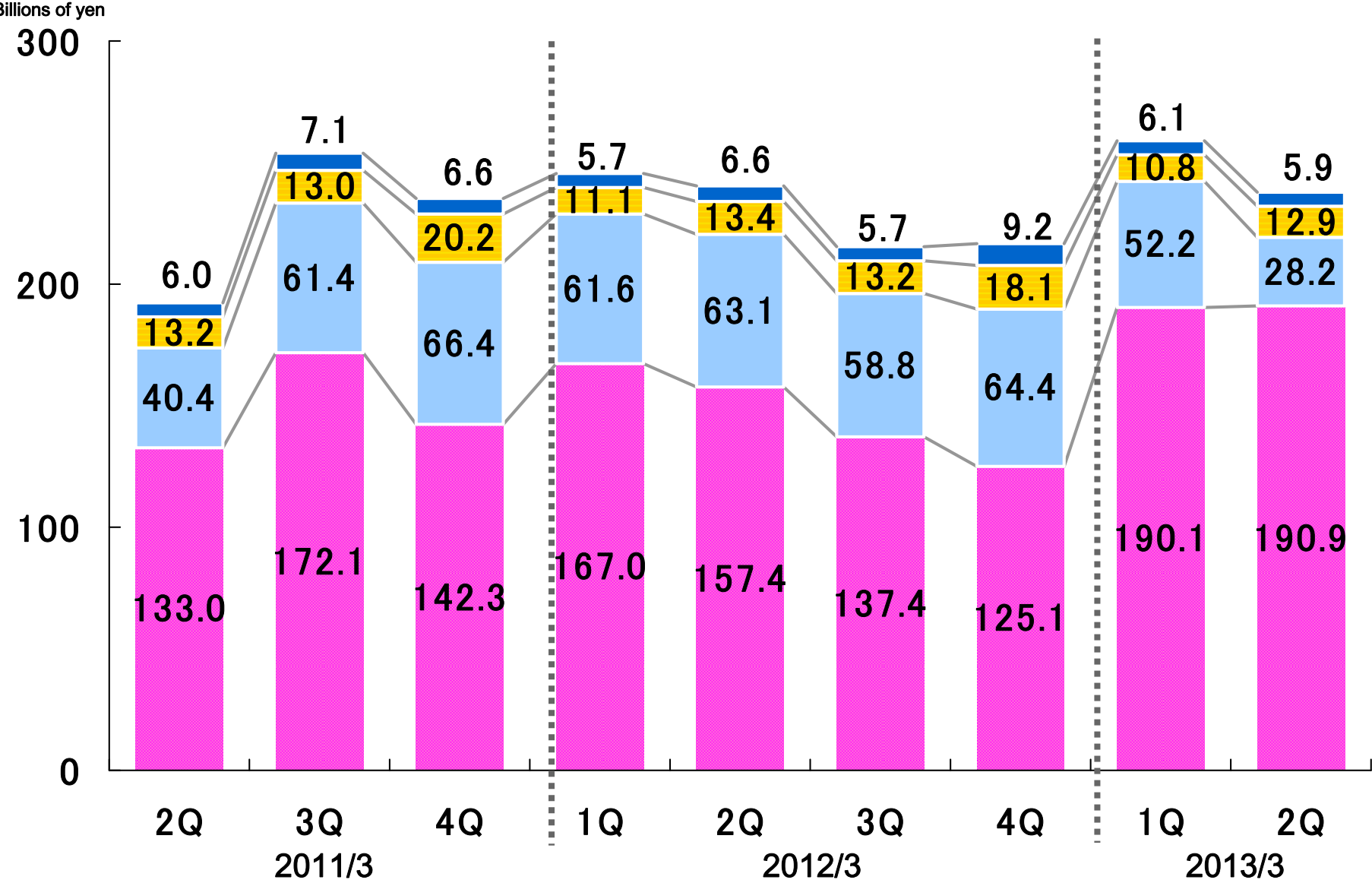
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Exchange Rate

13/3 Estimation

	Exchange Rate	Financial Impact from Fluctuation by 1 yen	
	13/3 Forecast for 2H	Net Sales 2H	Operating Income 2H
US \$	80 yen	Approx. 3.4 billion yen	Approx. 0.2 billion yen
EURO	100 yen	Approx. 1.2 billion yen	Approx. 0.7 billion yen

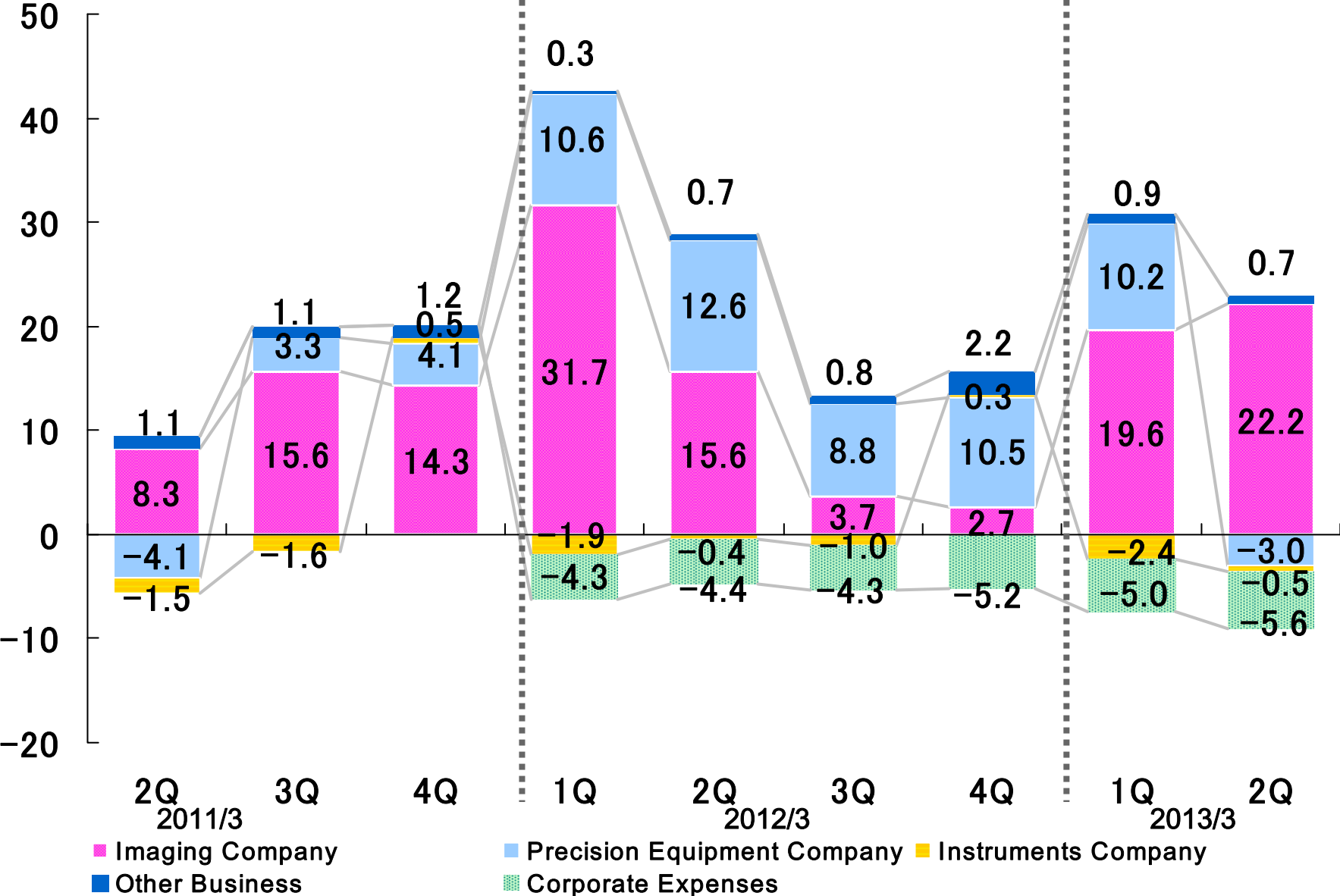
Quarterly Net Sales by Segment



■ Imaging Company ■ Precision Equipment Company ■ Instruments Company ■ Other Business

* Amounts in this statement are rounded down to the hundred million: the sum of breakdown values may not match the total.

Quarterly Operating Income by Segment



* Amounts in this statement are rounded down to the hundred million: the sum of breakdown values may not match the total.



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