



August 10th, 2011

Consolidated Financial Results of the First Quarter ended June 30, 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 First Quarter ended June 30, 2011 (From April 1, 2011 to June 30, 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	%
Three months ended June 30, 2011	245,567	19.7	36,920	226.4	37,753	196.3	30,682	276.3
Three months ended June 30, 2010	205,211	17.2	11,312	-	12,740	-	8,154	-

(Note) Comprehensive Income: First Quarter ended, June 30, 2011: 28,596 million yen (- %)

First Quarter ended, June 30, 2010: 49 million yen (- %)

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Three months ended June 30, 2011	77.39	77.31
Three months ended June 30, 2010	20.57	19.76

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
First Quarter ended June 30, 2011	845,638	412,999	48.8
Year ended March 31, 2011	829,909	389,220	46.8

(Reference) Equity: First Quarter ended June 30, 2011: 412,546 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	-				
Year ending March 31, 2012 (Planned)		17.00	-	17.00	34.00

(Note) Revision of cash dividend forecast for this period: Yes

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
First Half ending September 30, 2011	475,000	19.3	46,000	203.2	48,000	169.4	36,000	238.4	90.80
Full year	990,000	11.5	86,000	59.1	89,000	59.5	60,000	119.7	151.33

(Note) Revision of forecast for this period: Yes

4. Others

(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) Application of special accounting treatment in preparing the quarterly consolidated financial statements: 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):

First Quarter ended June 30,2011 400,878,921 shares

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

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

First Quarter ended June 30, 2011 4,389,931 shares

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

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

First Quarter ended June 30,2011 396,482,664 shares

First Quarter ended June 30,2010 396,419,597 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. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative information regarding the consolidated operating results

During the three months ended June 30, 2011, both markets of the Precision Equipment Business, the semiconductor-related and liquid crystal panel-related, continued to see strong capital investments from manufacturers.

In the Imaging Products Business, the compact digital camera market registered year-on-year losses in all regions, principally affected by the effects of supply shortages in the wake of the earthquake, however, with the exception of Japan, the digital SLR (single-lens reflex) camera market continued to show a steady expansion in every region.

In the Instruments Business, although the bioscience-related market suffered delays in the execution of research and development budgets in some regions, the industrial instruments-related markets enjoyed solid growth in the semiconductor and electronics components markets.

Amid this tough situation, the Group made every possible effort to expand sales, while trying to maintain minimum impact of the earthquake disaster on its business. Consequently, all the businesses of the Group showed strong performances, contributing to the solid results for the three months ended June 30, 2011. During the period, net sales increased by 40,355 million yen (19.7%) year-on-year to 245,567 million yen, operating income soared by 25,608 million yen (226.4%) year-on-year to 36,920 million yen, ordinary income was 37,753 million yen, up 25,012 million yen (196.3%) year-on-year and net income came in at 30,682 million yen, which was a 22,528 million yen (276.3%) increase year-on-year.

Performance by business segment is as follows.

In the Precision Equipment Business, the Group, in conjunction with the solid capital investments by the manufacturers, focused on expanding sales of state-of-the-art immersion scanners in the area of IC steppers and scanners, while steadily increasing sales of devices for mid-sized and smaller panels suitable for smart-phone/tablet terminals in the area of LCD steppers and scanners. As a result, earnings improved dramatically from the same period of the previous year.

In the Imaging Products Business, thanks to the earlier-than-expected recovery of the parts and materials supply chain and the Group's focus on stable product supply, record first quarter sales volume was recorded for digital SLR cameras, interchangeable camera lenses and compact digital cameras; and despite the effects of the drastically appreciating yen against the U.S. dollar, the Imaging Products Business marked record first quarter highs in net sales and operating income.

In the Instruments Business, although the bioscience business suffered delays in the execution of research and development budgets in some regions, the industrial instruments business posted higher equipment sales than the same period of the previous year on the back of strong domestic and Asian markets, improving the business's overall earnings.

(2) Qualitative information on Consolidated Financial Position

During the first quarter ended June 30, 2011, total assets increased by 15,728 million yen from the end of the previous fiscal year to 845,638 million yen. This is due mainly to the increase in notes and accounts receivable-trade and inventories.

Total liabilities decreased by 8,050 million yen from the end of the previous fiscal year to 432,638 million yen due mainly to the decrease in short-term loans payable.

Total net assets increased by 23,779 million yen from the end of the previous fiscal year to 412,999 million yen. This is attributed to increase in retained earnings by posting of net income.

During the three months ended June 30, 2011, cash flows from operating activities amounted to an inflow of 9,708 million yen (compared with an inflow of 26,724 million yen in the same period of the previous year). This is due mainly to posting of income before income taxes by 37,650 million yen, in spite of increase in inventories by 12,595 million yen, decrease in accrued expenses by 9,287 million yen, and decrease in advances received by 7,890 million yen.

Cash flows from investing activities amounted to an outflow of 8,351 million yen (compared with an inflow of 840 million yen in the same period of the previous year), due mainly to expenditure in the amount of 6,486 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities amounted to an outflow of 5,847 million yen (compared with an outflow of 3,010 million yen in the same period of the previous year) mainly because of 5,047 million yen in cash dividends paid.

(3) Qualitative information regarding the consolidated financial forecasts

The Precision Equipment and Instruments Businesses are expected to continue to show strong performances, despite a change in part of their related markets towards the second half of the fiscal year.

In the Imaging Products Business, both revenue and profit are expected to grow, due to an increase in sales volume, which should offset the negative effects of tougher competition and a higher yen.

The consolidated financial and dividend forecasts for the first half ending September 30, 2011 and the year ending March 31, 2012 are as stated in the “Announcement on Financial Forecast and Dividend Forecast Revision For the Year ending March 31, 2012” announced on August 10, 2011.

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 June 30, 2011
Assets		
Current assets		
Cash and deposits	181,077	176,167
Notes and accounts receivable-trade	123,077	126,977
Inventories	236,407	248,612
Other	57,758	64,702
Allowance for doubtful accounts	(7,365)	(7,144)
Total current assets	590,954	609,316
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,362	42,406
Machinery, equipment and vehicles, net	34,003	34,327
Land	14,777	14,518
Construction in progress	7,566	8,640
Other, net	19,306	18,449
Total property, plant and equipment	119,016	118,342
Intangible assets	39,473	38,926
Investments and other assets		
Investment securities	56,303	55,684
Other	24,422	23,614
Allowance for doubtful accounts	(260)	(246)
Total investments and other assets	80,465	79,052
Total noncurrent assets	238,954	236,321
Total assets	829,909	845,638

	As of March 31, 2011	As of June 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	171,735	174,023
Short-term loans payable	16,732	13,650
Income taxes payable	2,520	8,849
Provision for product warranties	7,296	7,801
Other	144,009	128,219
Total current liabilities	342,295	332,544
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	24,700	27,600
Provision for retirement benefits	14,951	14,189
Asset retirement obligations	2,324	2,332
Other	16,417	15,972
Total noncurrent liabilities	98,393	100,094
Total liabilities	440,689	432,638
Net assets		
Shareholders' equity		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	272,227	298,031
Treasury stock	(13,173)	(13,138)
Total shareholders' equity	405,241	431,080
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,450	3,674
Deferred gains or losses on hedges	(696)	337
Foreign currency translation adjustments	(20,201)	(22,545)
Total accumulated other comprehensive income	(16,448)	(18,534)
Subscription rights to shares	427	452
Total net assets	389,220	412,999
Total liabilities and net assets	829,909	845,638

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

① Consolidated Statements of Income

Three months ended June 30, 2011

(Million of yen)

	Three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)
Net sales	205,211	245,567
Cost of sales	131,150	144,687
Gross profit	74,060	100,880
Selling, general and administrative expenses	62,748	63,959
Operating income	11,312	36,920
Non-operating income		
Interest income	96	188
Dividends income	577	641
Dividends income of life insurance	465	470
Foreign exchange gains	822	-
Equity in earnings of affiliates	334	255
Other	523	515
Total non-operating income	2,820	2,071
Non-operating expenses		
Interest expenses	231	260
Foreign exchange losses	-	693
Other	1,160	284
Total non-operating expenses	1,392	1,239
Ordinary income	12,740	37,753
Extraordinary income		
Gain on sales of noncurrent assets	22	9
Total extraordinary income	22	9
Extraordinary loss		
Loss on retirement of noncurrent assets	238	37
Loss on sales of noncurrent assets	8	0
Loss on sales of investment securities	-	0
Loss on valuation of investment securities	2,686	75
Effect of application in accounting standard for asset retirement obligations	1,073	-
Total extraordinary loss	4,006	112
Income before income taxes	8,756	37,650
Income taxes	602	6,968
Income before minority interests	8,154	30,682
Net income	8,154	30,682

② Consolidated Statements of Comprehensive Income

Three months ended June 30, 2011

	Three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)
Income before minority interests	8,154	30,682
Other comprehensive income		
Unrealized gains or losses on available-for-sale securities	(3,508)	(775)
Deferred hedging gains or losses	1,437	1,034
Foreign currency translation adjustments	(5,928)	(2,481)
Equivalent share of gains or losses to equity method affiliates	(105)	137
Total other comprehensive income	(8,104)	(2,085)
Comprehensive income	49	28,596
(Breakdown)		
Comprehensive income attributable to parent shareholder	49	28,596

(3) Consolidated Statement of Cash Flows

(Million of yen)

	Three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)
Cash flows from operating activities		
Income before income taxes	8,756	37,650
Depreciation and amortization	7,925	7,587
Increase (decrease) in allowance for doubtful accounts	(15)	(77)
Increase (decrease) in provision for product warranties	(216)	551
Increase (decrease) in provision for retirement benefits	(648)	(751)
Increase (decrease) in provision for directors' retirement benefits	(7)	(606)
Interest and dividends income	(673)	(829)
Equity in earnings of affiliates	(334)	(255)
Interest expenses	231	260
Loss (gain) on sales of noncurrent assets	(13)	(9)
Loss on retirement of noncurrent assets	238	37
Loss (gain) on sales of investment securities	-	0
Loss (gain) on revaluation of investment securities	2,686	75
Decrease (increase) in notes and accounts receivable-trade	(7,172)	(6,797)
Decrease (increase) in inventories	(10,838)	(12,595)
Increase (decrease) in notes and accounts payable-trade	12,979	3,216
Increase (decrease) in advances received	7,665	(7,890)
Increase (decrease) in accrued expenses	484	(9,287)
Other, net	7,835	3,633
Subtotal	28,881	13,911
Interest and dividends income received	607	708
Interest expenses paid	(372)	(260)
Income taxes paid	(2,391)	(4,650)
Net cash provided by operating activities	26,724	9,708
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,504)	(6,486)
Proceeds from sales of property, plant and equipment	165	395
Purchase of investment securities	(0)	(576)
Proceeds from sales of investment securities	-	0
Net decrease (increase) in loans receivable	153	57
Compensation income for expropriation	2,317	-
Other, net	1,709	(1,741)
Net cash provided by (used in) investing activities	840	(8,351)
Cash flows from financing activities		
Net Increase(decrease) in short-term loans payable	(424)	(1,301)
Proceeds from long-term loans payable	-	2,900
Repayments of long-term loans payable	(300)	(1,760)
Cash dividends paid	(1,445)	(5,047)
Other, net	(839)	(638)
Net cash provided by (used in) financial activities	(3,010)	(5,847)
Effect of exchange rate change on cash and cash equivalents	(5,795)	(955)
Net Increase (decrease) in cash and cash equivalents	18,759	(5,446)
Cash and cash equivalents at beginning of period	104,669	181,061
Increase in cash and cash equivalents from newly consolidated subsidiaries	231	536
Cash and cash equivalents at end of period	123,660	176,151

(4) Notes regarding Going Concern Assumption
Not applicable

(5) Segment Information

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

Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

(Million of yen)

	Business segments reported				Other ¹	Total	Adjustment ²	Consolidated Statement of Income ³
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	40,272	148,939	10,920	200,132	5,079	205,211	-	205,211
Intersegment sales or transfer	168	152	305	627	3,519	4,146	(4,146)	-
Total	40,441	149,091	11,226	200,759	8,598	209,357	(4,146)	205,211
Operating income (loss)	(629)	14,291	(2,589)	11,071	256	11,328	(15)	11,312

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.

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 three months ended June 30, 2010 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 159 million yen, 3 million yen, and 339 million yen, respectively.

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

(Million of yen)

	Business segments reported				Other ¹	Total	Adjustment ²	Consolidated Statement of Income ³
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	61,686	167,047	11,110	239,844	5,722	245,567	-	245,567
Intersegment sales or transfer	271	382	572	1,226	5,443	6,669	(6,669)	-
Total	61,957	167,430	11,682	241,070	11,166	252,237	(6,669)	245,567
Operating income (loss)	10,624	31,796	(1,957)	40,464	370	40,834	(3,913)	36,920

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 464 million yen and corporate expenses of minus 4,378 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 1,506 million yen in the Precision Equipment Business, 2,444 million yen in the Imaging Products Business, 328 million yen in the Instruments Business, and 100 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