

1.

DIGITAL CAMERA

μ 770SW

A slim, compact digital camera featuring shock resistance, underwater picture-taking ability in water up to 10 meters deep, and a dustproof design



2.

DIGITAL CAMERA

μ 780

A slim, compact digital camera featuring 5X optical zoom and CCD-shift image stabilization functions



3.

DIGITAL CAMERA

E-410

The smallest, slimmest and lightest interchangeable-lens-type digital SLR camera in the world (as of March 5, 2007, based upon Olympus survey of interchangeable-lens-type digital SLR cameras)



4.

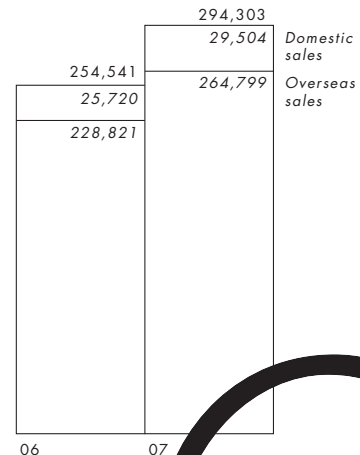
IC RECORDER

Voice-Trek V-61

IC recorder with 2GB of memory, connects directly to personal computers



Imaging Systems Business Sales
(Millions of yen)



i m a g e

Imaging Systems Business

> The Imaging Systems Business is centered on digital cameras, optical components, voice recorders and film cameras.

In fiscal 2007, ended March 31, 2007, sales in this business increased 15.6% year on year to ¥294,303 million (US\$2,453 million) and operating income jumped nearly 5.7 times to ¥27,208 million (US\$227 million). This is partially owing to the effects of structural reforms undertaken in the Imaging Systems Business since November 2005 that have contributed to more stable profitability. In addition to our Platform Reform for greater efficiency on both the product and operational fronts, the speedy implementation of digital camera inventory reduction and other sweeping measures supported a substantial improvement in the operating income ratio of the Imaging Systems Business.

Digital Cameras

> Sales of digital cameras rose 17.6% year on year to ¥269,236 million (US\$2,244 million). Demand for digital cameras continued to expand, and new compact Olympus models equipped with multiple features were well received in the marketplace. Stronger sales of optical components, especially lens barrel units, also contributed to significant revenue growth in the digital cameras business. New compact digital cameras that sold well in both Japan and overseas markets included the μ [mju:]*-*SW (Stylus-SW in the Americas) series, with improved "all-weather" design for enhanced "waterproof," "shockproof" and "dustproof" features, as well as FE series models, which make picture-taking easy even for beginners. Olympus also launched sales of new digital SLR models in Europe.

Results in the digital cameras business, notably the increased sales, maintenance of sales prices through greater product strength and enhanced efficiency owing to inventory reductions, contributed to the growth in overall earnings in the Imaging Systems Business.

Voice Recorders and Film Cameras

> Sales of voice recorders and film cameras declined 2.3% year on year to ¥25,067 million (US\$209 million). New Voice-Trek V series digital voice recorders sold well in Japan. Overseas, the switch to digital recorder models in Europe spurred strong sales, led by recorders in the VN series. However, overall sales of voice recorders and film cameras edged down because of shrinking demand for film cameras.

Outlook for Fiscal 2008

> Having reaped the benefits of structural reforms undertaken during fiscal 2007, Olympus will work to further entrench the effects of reforms and strengthen competitiveness. Olympus will pointedly allocate management resources to establish a solid market position in digital SLR cameras, enhance efficiency in its compact camera business to assure stable profitability and endeavor to expand profitability in lens barrel units and other optical components. Based upon these initiatives, Olympus expects the release of new products to lead to increased sales in the fiscal year ending March 31, 2008. Profits, however, are expected to decline temporarily owing mainly to initiatives to strengthen R&D and sales promotions in the digital SLR camera business, as Olympus has identified fiscal 2008 as an important year in this business. By focusing management resources, Olympus will shore up its structure to consistently deliver profits. In the Imaging Systems Business, Olympus is forecasting net sales of ¥330 billion and operating income of ¥25 billion for the fiscal year ending March 31, 2008.

ging systems

1.

ENDOSCOPE
SYSTEM

EVIS LUCERA SPECTRUM

In addition to normal light observation with high-resolution imaging, the EVIS LUCERA SPECTRUM is equipped with Narrow Band Imaging (NBI), Auto Fluorescence Imaging (AFI) and Infra Red Imaging (IRI), three imaging functions using specific light spectra. Capillaries on the mucosal surface and intricate patterns on mucous membranes can be more clearly observed by using NBI.



3.

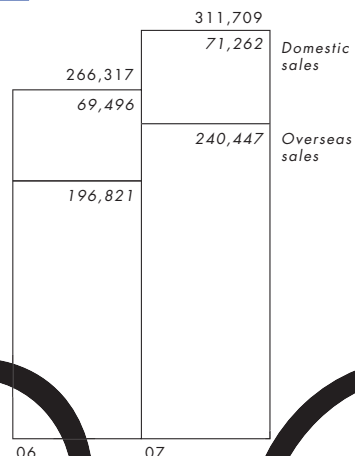
NEW DISPOSABLE
ELECTROSURGICAL KNIFE

KD-611L

An endotherapy product used for Endoscopic Submucosal Dissection (ESD*).

*An endoscopic procedure for dissection or exfoliation of the tissue in the submucosa for treatment of lesions.

Medical
Systems
Business
Sales
(Millions of yen)



2.

VIDEOSCOPE

GIF-XP260N

This high-resolution, slim four-angle upper gastrointestinal videoscope features a distal end of just 5.0 millimeters, enabling insertion through either the nasal tract or the mouth.



4.



SYMBOL OF THE BRAVE
CIRCLE CAMPAIGN FOR
THE ERADICATION OF
COLORECTAL CANCER

BRAVE CIRCLE

The symbol embodies the message of "finding the courage to face your own health conditions and extend the 'brave circle' to as many people as possible in order to eradicate colorectal cancer."

med

Medical Systems Business

> Core products in the Medical Systems Business include gastrointestinal endoscopes, surgical endoscopes, endotherapy products and endoscopic ultrasound systems.

Sales in the Medical Systems Business in fiscal 2007 amounted to ¥311,709 million (US\$2,598 million), an increase of 17.0% compared to the previous fiscal year. Operating income climbed 14.6% year on year to ¥87,853 million (US\$732 million) owing primarily to stronger sales of gastrointestinal endoscopes.

Aiming to contribute to next-generation healthcare, Olympus has developed endoscope systems equipped with technology enabling observation using specific light spectra, which is used to aid the early detection and treatment of minute lesions. Olympus first launched sales of such systems in 2006. This new technology has been well received in the market, and Olympus will focus management resources on developing the systems as new core products for further growth.

Gastrointestinal Endoscopes

> Sales of gastrointestinal endoscopes surged 22.2% year on year to ¥213,825 million (US\$1,782 million). Sales of the EVIS LUCERA SPECTRUM new-generation videoscope system contributed substantially to increased domestic sales of gastrointestinal endoscopes. The system helps medical practitioners to more clearly observe characteristic changes in lesions—capillary vessels in the mucosal surface, a slight thickening of the mucosa, and veins deep in the mucosa—through three imaging functions using specific light spectra. Sales were driven by highly rated slim upper gastrointestinal videoscopes, which can be inserted either through the nasal tract or the mouth for reduced patient discomfort. In North America and Europe, Olympus recorded strong sales of EVIS EXERA II high-resolution HDTV videoscope systems featuring imaging using specific light spectra. This led to a significant overall increase in sales of endoscopes overseas.

Olympus also launched the “BRAVE CIRCLE” campaign to eradicate colorectal cancer, encouraging people to

undergo colorectal cancer screenings and aiming to raise awareness about early detection. Through these initiatives, Olympus strengthened its social contribution activities.

Minimally Invasive Products

> Sales of minimally invasive products increased 7.2% year on year to ¥97,884 million (US\$816 million). The steady sales increase was attributable to strong sales of new disposable electrosurgical knife in Japan, as well as to a reinforced sales structure. Overseas sales increased year on year owing to robust sales of new high-resolution HDTV videoscopes for the abdominal and chest cavities, as well as an increase in the number of pancreaticobiliary duct endotherapy products. Leveraging its optical and image processing technologies, Olympus launched sales of color measurement equipment to dental clinics and dental implant factories from November 2006. Entry into the market for dental-related products was one example of Olympus’ bold initiatives to expand new businesses.

Outlook for Fiscal 2008

> Olympus is constructing a solid business structure able to adapt rapidly to changes in the business environment and steadily expand profits. In addition to maximizing the strengths of its gastrointestinal endoscopes and generating further growth of surgical and endotherapy products, Olympus will bolster its lineup of products featuring imaging functions using specific light spectra. Expecting strong sales of new products, Olympus is forecasting increases in sales and profits in the Medical Systems Business in the fiscal year ending March 31, 2008. Olympus will continue to reinforce its high-value-added hospital management solutions business and its maintenance services, with the goal of raising the overall strength of the Medical Systems Business. Olympus is forecasting sales of ¥335.0 billion and operating income of ¥100.0 billion in fiscal 2008.

ical systems

1.

CONFOCAL LASER SCANNING
MICROSCOPE

LEXT OLS3100

Enables rapid, 3D
observation and
measurement of the shape
of semiconductors and
other minute surfaces.



3.

LUMINESCENCE
IMAGING SYSTEM

LUMINO VIEW 200

Equipped with a range
of optimal functions from
luminescent viewing of
cells, tissues and embryos
to observation of genes.



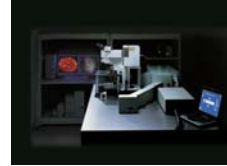
Life
Science
Business
Sales
(Millions of
yen)

2.

MULTIPHOTON LASER SCANNING
MICROSCOPE

FLUOVIEW 1000-MPE

Ideal for observation of
deep portions of living or
thickly sliced specimens.

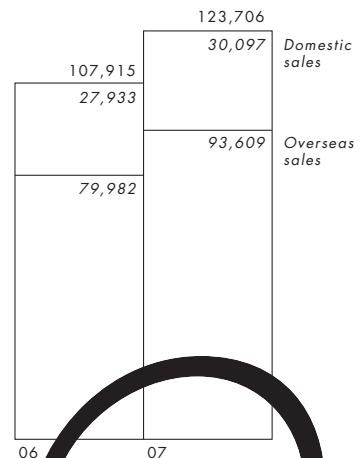


4.

IMMUNOASSAY SYSTEM

AU3000i

Olympus' first immunoassay
system was developed by
leveraging automation
technologies and know-how
acquired through experience
with chemistry analyzers.



Life Science Business

> The main products of the Life Science Business are biological microscopes, industrial microscopes and clinical hemanalysis systems.

Sales in the Life Science Business amounted to ¥123,706 million (US\$1,031 million), up 14.6% from the previous fiscal year, and operating income was ¥8,079 million (US\$67 million), an increase of 6.9%. Sales in Europe and North America contributed to overall results and the increase in operating income.

Micro-Imaging Business

> Sales in the micro-imaging (microscopes) business totaled ¥73,938 million (US\$616 million), an increase of 17.9% compared to the previous fiscal year.

In biological microscopes, Olympus recorded vigorous sales of FLUOVIEW confocal laser scanning microscopes, a strategic series of microscopes targeting the research market, in Europe and the United States. Sales of biological microscopes were also boosted by stronger demand in Asian and Latin American research markets.

In industrial microscopes, expansion of the home appliance market in Japan spurred robust sales of flat panel display inspection equipment, and sales to manufacturers of semiconductors and electronic components also rose, mainly in Asia, which led to a revenue increase.

Diagnostic Systems

> Sales of diagnostic systems climbed 10.1% year on year to ¥49,768 million (US\$415 million).

Sales in the installed-base business combining installation of clinical chemistry analyzers with continued provision of reagents were strong in the United States. Sales of automated chemistry analyzers rose substantially in Asia, contributing to an overall stronger performance in the diagnostic systems business. Olympus also entered the global market for immunoassay analyzers with the July 2006 release of the AU3000i Immunoassay System and specialized reagents in Europe.

Outlook for Fiscal 2008

> In fiscal 2008, Olympus expects growth in overseas markets to generate increases in sales and profits in the Life Science Business. In biological microscopes, Olympus will continue to focus on sales of high-value-added products such as the FLUOVIEW. Olympus will complement its micro-imaging business centered on microscopes with clinical analyzers and further growth of the bioscience business in order to expand the scope of its activities as a total system supplier. Olympus is forecasting sales of ¥130.0 billion and operating income of ¥8.5 billion in the Life Science Business.

science

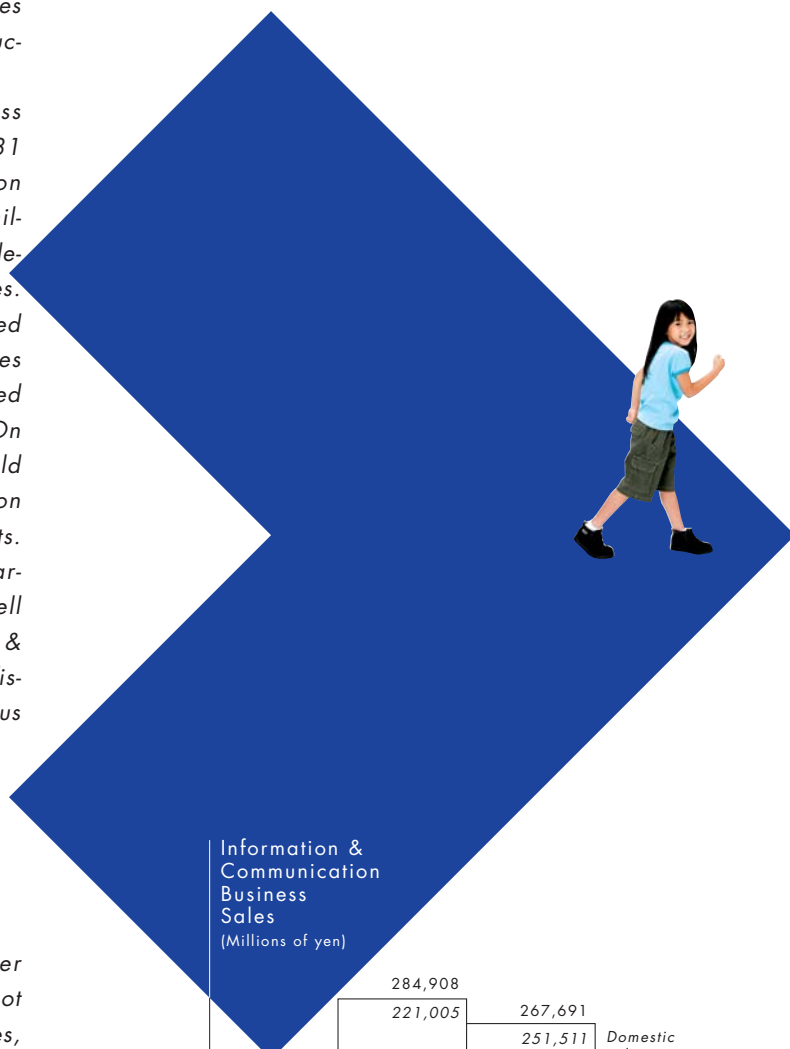
Information & Communication Business

> The Information & Communication Business is managed by consolidated subsidiary ITX Corporation, which engages in investment and cultivation of new businesses. ITX Corporation invests in diverse businesses including mobile handset sales, mobile solutions, mobile content services, development and sales of business package software, sales of network infrastructure systems, and sale of semiconductor-related devices and electronics devices.

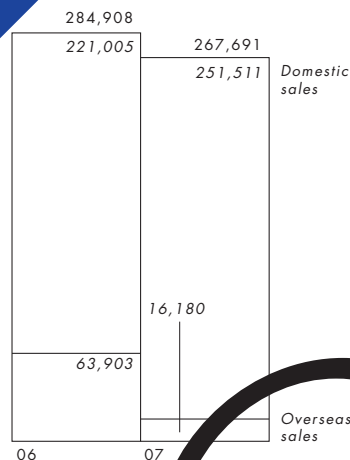
Sales in the Information & Communication Business declined 6.0% year on year to ¥267,691 million (US\$2,231 million), and operating income totaled ¥2,716 million (US\$23 million) following an operating loss of ¥2,641 million in the previous fiscal year. Sales increased in mobile-related business as a result of strong mobile handset sales. Overall sales in the network & technology field declined year on year owing to the discontinuation of OEM sales of computer peripherals, which offset sales growth spurred by the launch of our automotive aftermarket business. On the earnings front, operations in the mobile-related field returned to the black after consolidation and elimination of unprofitable shops engaged in sales of mobile handsets. In addition, contributions from the automotive aftermarket business in the network & technology field, as well as sale of investment securities, helped the Information & Communication Business to record operating income for fiscal 2007, in contrast with the operating loss in the previous fiscal year.

Outlook for Fiscal 2008

> Olympus expects a sales increase owing to stronger demand for mobile handsets. However, Olympus does not anticipate proceeds from the sale of investment securities, and therefore is predicting a decline in operating income. Forecasts are for sales of ¥283.0 billion and operating income of ¥1.0 billion.



Information & Communication Business Sales (Millions of yen)



and

m o

Others

> In the Others business, Olympus mainly engages in the manufacture and sale of industrial endoscopes, non-destructive testing devices, printers and bar code scanners, as well as system development.

Sales in the Others business edged down 0.1% to ¥64,377 million (US\$536 million) and operating income fell 39.6% to ¥872 million (US\$7 million).

Olympus recorded a significant sales increase in industrial videoscopes as well as ultrasonic/eddy current flaw detectors for checking and assessment of structural objects. Olympus' compact, lightweight ultrasonic/eddy current flaw detectors were very well accepted in the market, drawing increased demand for visual testing applications, an area that especially requires system mobility. Sales of phased array instruments also rose sharply, meeting needs for more accurate and speedy inspections. These factors underpinned significant overall year-on-year sales growth in the non-destructive testing devices field.

> In the information equipment field, Olympus recorded an increase in shipments of printers being manufactured in collaboration with Riso Kagaku Corporation. Sales in the biomedical materials field increased, supported by favorable sales of both newly launched and existing bone replacement materials. Overall sales in the Others business were flat as a result of protracted sales of investment securities

for business incubation by ITX Corporation. Operating income also declined owing to a drop in proceeds on sales of investment securities.

Outlook for Fiscal 2008

> Olympus is forecasting increased sales and profits in the Others business in expectation of stronger sales of non-destructive testing devices. In April 2007, Olympus opened a new chapter in its biomedical materials: the operations of Olympus Biomaterial Corporation, a consolidated subsidiary engaged in the biomedical materials and regenerative medicine businesses, were merged with the collagen business of Terumo Corporation. Accordingly, Olympus and Terumo Corporation formed the joint venture company Olympus Terumo Biomaterials Corp. This new joint venture company will integrate the technologies of the two companies. Looking forward, Olympus plans to expand its biomedical materials business across a range of areas, including orthopedic surgery, dental and oral surgery, cosmetic surgery, and dermatology, with a goal of reaching ¥5.0 billion in sales three years from now. In the Others business, fiscal 2008 forecasts are for sales of ¥72.0 billion and operating income of ¥1.5 billion.

1.

PHASED ARRAY
INSTRUMENT

OmniScan MX PA

A high-speed data collection rate and powerful software features realize efficient manual and automated inspections.



Others Business Sales

(Millions of yen)

	06	07
Domestic sales	64,446 32,792	64,377 32,372
Overseas sales	31,654	32,005

2.

BONE REPLACEMENT
MATERIAL (GRANULE-TYPE
WITH 60% POROSITY)

OSferion 60

This artificial bone replacement material contains β -tricalcium phosphate for enhanced mechanical strength.

