



# Olympus Corporation

and

## Consolidated Subsidiaries

### FINANCIAL RESULTS

For the Year Ended March 31, 2004

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#### **Cautionary Statements with respect to Forward-Looking Statements**

This report contains forward-looking statements that reflect management's current views, plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Olympus's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

# Income Statement

(Millions of Yen)

For the Year Ended:	March 31 (Results)		March 31 (Results)			March 31 (Forecast)		
	<b>2003</b>	(%)/Net Sales	<b>2004</b>	(%)/Net Sales	Growth(%)	<b>2005</b>	(%)/Net Sales	Growth(%)
Net Sales	<b>564,343</b>		<b>633,622</b>		12.3%	<b>730,000</b>		15.2%
<u>Cost of Sales</u>	<b>293,532</b>	52.0%	<b>335,053</b>	52.9%		<b>395,700</b>	54.2%	
Gross Profit	<b>270,811</b>	48.0%	<b>298,569</b>	47.1%	10.2%	<b>334,300</b>	45.8%	12.0%
<u>S.G.A. Expenses</u>	<b>208,465</b>	37.0%	<b>235,572</b>	37.2%		<b>270,300</b>	37.0%	
Operating Income	<b>62,346</b>	11.0%	<b>62,997</b>	9.9%	1.0%	<b>64,000</b>	8.8%	1.6%
Other Income	<b>4,413</b>		<b>6,691</b>			<b>7,000</b>		
Other Expenses	<b>14,343</b>		<b>13,859</b>			<b>15,000</b>		
<u>Extraordinary Item</u>	<b>-9,302</b>		<b>4,232</b>			<b>-</b>		
Income Before Taxes	<b>43,114</b>	7.6%	<b>60,061</b>	9.5%	39.3%	<b>56,000</b>	7.7%	-6.8%
<u>Provision for Taxes</u>	<b>18,766</b>		<b>26,497</b>			<b>23,500</b>		
Net Income	<b>24,348</b>	4.3%	<b>33,564</b>	5.3%	37.9%	<b>32,500</b>	4.5%	-3.2%

## Average Exchange Rate for Sales

Yen / U.S.Dollar	<b>121.95</b>	<b>113.07</b>	<b>105.00</b>
Yen / Euro	<b>121.04</b>	<b>132.61</b>	<b>130.00</b>

## Favorable/Unfavorable Impact on Sales

U.S.Dollar	<b>-5,303</b>	<b>-16,034</b>	<b>-16,000</b>
Euro	<b>12,158</b>	<b>15,915</b>	<b>-4,400</b>
<u>Others</u>	<b>1,442</b>	<b>-847</b>	<b>-2,600</b>
Total	<b>8,297</b>	<b>-966</b>	<b>-23,000</b>

R & D Expenditures	<b>34,735</b>	6.2%	<b>38,671</b>	6.1%	11.3%	<b>44,000</b>	6.0%	13.8%
Capital Investments	<b>34,619</b>		<b>41,917</b>		21.1%	<b>44,000</b>		5.0%
Depreciation	<b>16,858</b>		<b>24,249</b>		43.8%	<b>27,000</b>		11.3%

# Sales by Product

(Millions of Yen)

For the Year Ended:		March 31		March 31		Growth		March 31		Growth	
		2003(Results)		2004(Results)		(% )		2005(Forecast)		(% )	
	Cameras	Domestic	4,879	1,948	-60.1%	700	-64.1%				
		Overseas	49,083	27,166	-44.7%	15,300	-43.7%				
		Total	53,962	29,114	-46.0%	16,000	-45.0%				
	Voice Recorders	Domestic	1,519	1,895	24.8%	2,000	5.5%				
		Overseas	10,089	11,458	13.6%	11,500	0.4%				
		Total	11,608	13,353	15.0%	13,500	1.1%				
(*1)	Digital Cameras	Domestic	35,056	41,056	17.1%	59,300	34.9%				
		Overseas	139,787	210,288	50.4%	281,200	33.7%				
		Total	174,843	251,344	43.8%	340,500	33.9%				
	Digital Storage	Domestic	4,231	2,895	-31.6%						
		Overseas	170	24	-85.9%						
		Total	4,401	2,919	-33.7%						
<b>Imaging / Total</b>	Domestic	45,685	47,794	4.6%	62,000	29.7%					
	Overseas	199,129	248,936	25.0%	308,000	23.7%					
	Total	244,814	296,730	21.2%	370,000	24.7%					
	Endoscopes	Domestic	36,265	40,753	12.4%						
		Overseas	93,742	93,276	-0.5%						
		Total	130,007	134,029	3.1%						
	MIP	Domestic	21,835	22,572	3.4%						
		Overseas	49,670	60,314	21.4%						
		Total	71,505	82,886	15.9%						
(*2)	Endoscopes (New Segment Basis)	Domestic	38,519	42,941	11.5%	44,500	3.6%				
		Overseas	98,417	98,997	0.6%	101,500	2.5%				
		Total	136,936	141,938	3.7%	146,000	2.9%				
	MIP (New Segment Basis)	Domestic	19,581	20,384	4.1%	22,500	10.4%				
		Overseas	44,995	54,593	21.3%	61,500	12.7%				
		Total	64,576	74,977	16.1%	84,000	12.0%				
<b>Medical / Total</b>	Domestic	58,100	63,325	9.0%	67,000	5.8%					
	Overseas	143,412	153,590	7.1%	163,000	6.1%					
	Total	201,512	216,915	7.6%	230,000	6.0%					
	Bioscience (Microscopes)	Domestic	11,747	11,812	0.6%	13,500	14.3%				
		Overseas	21,404	22,518	5.2%	26,000	15.5%				
		Total	33,151	34,330	3.6%	39,500	15.1%				
	Diagnostic Systems (Blood Analyzers)	Domestic	7,314	7,690	5.1%	7,700	0.1%				
		Overseas	26,477	29,719	12.2%	32,800	10.4%				
		Total	33,791	37,409	10.7%	40,500	8.3%				
<b>Life Science / Total</b>	Domestic	19,061	19,502	2.3%	21,200	8.7%					
	Overseas	47,881	52,237	9.1%	58,800	12.6%					
	Total	66,942	71,739	7.2%	80,000	11.5%					
	Microscopes(Industrial)	Domestic	7,464	9,130	22.3%	9,500	4.1%				
		Overseas	9,499	8,375	-11.8%	11,000	31.3%				
		Total	16,963	17,505	3.2%	20,500	17.1%				
	Endoscopes(Industrial)	Domestic	1,370	1,460	6.6%	2,000	37.0%				
		Overseas	7,875	7,828	-0.6%	8,500	8.6%				
		Total	9,245	9,288	0.5%	10,500	13.0%				
	Printers	Domestic	971	1,958	101.6%						
		Overseas	3,851	2,064	-46.4%						
		Total	4,822	4,022	-16.6%						
	Bar-Code Scanners	Domestic	460	384	-16.5%						
		Overseas	11,043	10,079	-8.7%						
		Total	11,503	10,463	-9.0%						
(*3)	Others	Domestic	1,403	1,145	-18.4%	5,000	43.4%				
		Overseas	527	123	-76.7%	9,000	-26.6%				
		Total	1,930	1,268	-34.3%	14,000	-11.1%				
<b>Industrial / Total</b>	Domestic	11,668	14,077	20.6%	16,500	17.2%					
	Overseas	32,795	28,469	-13.2%	28,500	0.1%					
	Total	44,463	42,546	-4.3%	45,000	5.8%					
<b>Others</b>	Domestic	6,507	5,636	-13.4%	5,000	-11.3%					
	Overseas	105	56	-46.7%	-	-100.0%					
	Total	6,612	5,692	-13.9%	5,000	-12.2%					
<b>Total</b>	Domestic	141,021	150,334	6.6%	171,700	14.2%					
	Overseas	423,322	483,288	14.2%	558,300	15.5%					
	Total	564,343	633,622	12.3%	730,000	15.2%					

<Changes in Product Segment from the Year Ending March 31, 2005>

(\*1) Digital Storage : transferred to Digital Cameras

(\*2) Ultrasonic Endoscopes : transferred to Endoscopes from MIP

(\*3) Printers and Bar-Code Scanners : transferred to Others

MIP: Endoscopes (Surgical), Endo-Therapy Accessories, Bronchoscopes

## Sales and Operating Income by Segment

(Millions of Yen)

For the Year Ended:		March 31 2003(Results)	March 31 2004(Results)	Variance	March 31 2005(Forecast)	Variance
<b>Imaging</b>	Net Sales	244,877	296,762	51,885	370,000	73,238
	<u>Operating Expenses</u>	<u>226,675</u>	<u>281,604</u>	54,929	<u>352,000</u>	70,396
	Operating Income (%)	18,202 7.4%	15,158 5.1%	-3,044	18,000 4.9%	2,842
<b>Medical</b>	Net Sales	201,525	216,928	15,403	230,000	13,072
	<u>Operating Expenses</u>	<u>146,900</u>	<u>153,712</u>	6,812	<u>166,500</u>	12,788
	Operating Income (%)	54,625 27.1%	63,216 29.1%	8,591	63,500 27.6%	284
<b>Life Science</b>	Net Sales	66,944	71,755	4,811	80,000	8,245
	<u>Operating Expenses</u>	<u>63,651</u>	<u>67,932</u>	4,281	<u>76,000</u>	8,068
	Operating Income (%)	3,293 4.9%	3,823 5.3%	530	4,000 5.0%	177
<b>Industrial</b>	Net Sales	44,508	42,593	-1,915	45,000	2,407
	<u>Operating Expenses</u>	<u>45,402</u>	<u>45,417</u>	15	<u>46,500</u>	1,083
	Operating Income (%)	-894 -2.0%	-2,824 -6.6%	-1,930	-1,500 -3.3%	1,324
<b>Others</b>	Net Sales	6,613	5,693	-920	5,000	-693
	<u>Operating Expenses</u>	<u>9,282</u>	<u>6,721</u>	-2,561	<u>7,000</u>	279
	Operating Income (%)	-2,669 -40.4%	-1,028 -18.1%	1,641	-2,000 -40.0%	-972
<b>Elimination</b>	Net Sales	-124	-109	15	-	109
<b>Unallocation</b>	<u>Operating Expenses</u>	<u>10,087</u>	<u>15,239</u>	5,152	<u>18,000</u>	2,761
	Operating Income (%)	-10,211	-15,348	-5,137	-18,000	-2,652
<b>Consolidated Total</b>	Net Sales	564,343	633,622	69,279	730,000	96,378
	<u>Operating Expenses</u>	<u>501,997</u>	<u>570,625</u>	68,628	<u>666,000</u>	95,375
	Operating Income (%)	62,346 11.0%	62,997 9.9%	651	64,000 8.8%	1,003

## Sales by Region

(Millions of Yen)

For the Year Ended:		March 31 2003(Results)		March 31 2004(Results)		Growth (%)
<b>Imaging</b>	Japan	45,685	18.7%	47,794	16.1%	4.6%
	N. America	84,605	34.6%	85,260	28.7%	0.8%
	Europe	74,294	30.3%	106,597	35.9%	43.5%
	Asia	37,626	15.4%	51,741	17.4%	37.5%
	<u>Others</u>	2,604	1.0%	5,338	1.7%	105.0%
	<b>Total</b>	<b>244,814</b>		<b>296,730</b>		<b>21.2%</b>
<b>Medical</b>	Japan	58,100	28.8%	63,325	29.2%	9.0%
	N. America	75,136	37.3%	74,478	34.3%	-0.9%
	Europe	57,048	28.3%	62,312	28.7%	9.2%
	Asia	7,612	3.8%	11,702	5.4%	53.7%
	<u>Others</u>	3,614	1.8%	5,098	2.4%	41.1%
	<b>Total</b>	<b>201,510</b>		<b>216,915</b>		<b>7.6%</b>
<b>Life Science</b>	Japan	19,061	28.5%	19,502	27.2%	2.3%
	N. America	19,378	28.9%	19,726	27.5%	1.8%
	Europe	20,301	30.3%	24,137	33.6%	18.9%
	Asia	7,028	10.5%	7,294	10.2%	3.8%
	<u>Others</u>	1,176	1.8%	1,080	1.5%	-8.2%
	<b>Total</b>	<b>66,944</b>		<b>71,739</b>		<b>7.2%</b>
<b>Industrial</b>	Japan	11,668	26.2%	14,077	33.1%	20.6%
	N. America	18,472	41.5%	14,256	33.5%	-22.8%
	Europe	6,944	15.6%	7,459	17.5%	7.4%
	Asia	6,575	14.8%	5,857	13.8%	-10.9%
	<u>Others</u>	804	1.9%	897	2.1%	11.6%
	<b>Total</b>	<b>44,463</b>		<b>42,546</b>		<b>-4.3%</b>
<b>Others</b>	Japan	6,507	98.4%	5,636	99.0%	-13.4%
	N. America	-	0.0%	-	0.0%	-
	Europe	-	0.0%	54	1.0%	-
	Asia	105	1.6%	2	0.0%	-98.1%
	<u>Others</u>	-	0.0%	-	0.0%	-
	<b>Total</b>	<b>6,612</b>		<b>5,692</b>		<b>-13.9%</b>
<b>Total</b>	Japan	141,021	25.0%	150,334	23.7%	6.6%
	N. America	197,591	35.0%	193,720	30.6%	-2.0%
	Europe	158,587	28.1%	200,559	31.7%	26.5%
	Asia	58,946	10.4%	76,596	12.0%	29.9%
	<u>Others</u>	8,198	1.5%	12,413	2.0%	51.4%
	<b>Total</b>	<b>564,343</b>		<b>633,622</b>		<b>12.3%</b>

## Sales by Product (Local Currency)

(Thousands of US\$, EURO)

For the Year Ended:		March 31 2003(Results)	March 31 2004(Results)	Growth (%)
Cameras	US\$	124,562	70,955	-43.0%
	EURO	166,406	92,087	-44.7%
Digital Cameras	US\$	539,930	666,755	23.5%
	EURO	416,293	680,894	63.6%
Voice Recorders	US\$	39,158	51,741	32.1%
	EURO	30,768	30,658	-0.4%
Digital Storage	US\$	1,201	-	-%
	EURO	46	-	-%
<b>Imaging / Total</b>	US\$	704,851	789,451	12.0%
	EURO	613,513	803,639	31.0%
Endoscopes	US\$	430,314	428,424	-0.4%
	EURO	212,941	208,241	-2.2%
MIP	US\$	176,461	218,212	23.7%
	EURO	132,816	152,111	14.5%
<b>Medical / Total</b>	US\$	606,775	646,636	6.6%
	EURO	345,757	360,352	4.2%
Microscopes(Research)	US\$	60,132	69,850	16.2%
	EURO	59,761	59,587	-0.3%
Blood Analyzers	US\$	95,002	104,289	9.8%
	EURO	105,959	120,581	13.8%
<b>Life Science / Total</b>	US\$	155,134	174,139	12.3%
	EURO	165,720	180,168	8.7%
Microscopes(Industrial)	US\$	14,105	4,042	-71.3%
	EURO	22,104	18,657	-15.6%
Endoscopes(Industrial)	US\$	30,923	24,669	-20.2%
	EURO	10,626	10,122	-4.7%
Others	US\$	10,977	5,625	-48.8%
	EURO	3,190	413	-87.1%
<b>Industrial / Total</b>	US\$	56,005	34,336	-38.7%
	EURO	35,920	29,192	-18.7%
<b>Total</b>	US\$	1,522,765	1,644,562	8.0%
	EURO	1,160,910	1,373,351	18.3%

\* Sales of the affiliated companies in the U.S.A. and Europe