



Olympus Corporation and Consolidated Subsidiaries

INTERIM FINANCIAL RESULTS For the Half Year Ended September 30, 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 Half Year Ended:

	30-Sep		30-Sep		
	2003(Results)	(%) / Net Sales	2004(Results)	(%) / Net Sales	Growth(%)
Net Sales	299,664		308,723		3.0%
<u>Cost of Sales</u>	152,311	50.8%	166,332	53.9%	
Gross Profit	147,353	49.2%	142,391	46.1%	-3.4%
<u>S.G.A. Expenses</u>	113,879	38.0%	124,107	40.2%	
Operating Income	33,474	11.2%	18,284	5.9%	-45.4%
Other Income	2,870		3,406		
<u>Other Expenses</u>	10,275		10,258		
Extraordinary Item	-621		-190		
Income Before Taxes	25,448	8.5%	11,242	3.6%	-55.8%
<u>Provision for Taxes</u>	10,095		4,528		
Minority Interests	134		-6		
Net Income	15,487	5.2%	6,708	2.2%	-56.7%

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	118.05	109.86
Yen / Euro	133.46	133.32

Favorable/Unfavorable Impact on Net Sales

U.S.Dollar	-4,136	-6,773
Euro	10,636	-103
<u>Others</u>	438	-786
Total	6,938	-7,662

R & D Expenditures	19,113	6.4%	21,121	6.8%	10.5%
Capital Investments	18,784		18,305		-2.6%
Depreciation	11,077		14,477		30.7%

Income Statement

(Millions of Yen)

For the Half Year Ended:	31-Mar		31-Mar			Without ITX*		
	2004(Results)	(%) / Net Sales	2005(Forecast)	(%) / Net Sales	Growth(%)	31-Mar	(%) / Net Sales	Growth(%)
	2004(Results)		2005(Forecast)			2005(Forecast)		
Net Sales	633,622		840,000		32.6%	678,400		7.1%
<u>Cost of Sales</u>	335,053	52.9%	523,500	62.3%		384,100	56.6%	
Gross Profit	298,569	47.1%	316,500	37.7%	6.0%	294,300	43.4%	-1.4%
<u>S.G.A. Expenses</u>	235,572	37.2%	282,000	33.6%		264,300	39.0%	
Operating Income	62,997	9.9%	34,500	4.1%	-45.2%	30,000	4.4%	-52.4%
Other Income	6,691		7,000			7,000		
<u>Other Expenses</u>	13,859		18,500			17,200		
Extraordinary Item	4,232		-190			—		
Income Before Taxes	60,061	9.5%	22,810	2.7%	-62.0%	19,800	2.9%	-67.0%
<u>Provision for Taxes</u>	26,637		8,310			6,500		
Minority Interests	140		-1,000			-1,400		
Net Income	33,564	5.3%	13,500	1.6%	-59.8%	11,900	1.8%	-64.5%

* Profit and loss statement without consolidating ITX Corporation

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	113.07	107.50
Yen / Euro	132.61	134.00

Favorable/Unfavorable Impact on Net Sales

U.S.Dollar	-16,034	-10,700
Euro	15,915	2,500
<u>Others</u>	-847	100
Total	-966	-8,100

R & D Expenditures	38,671	6.1%	44,000	5.2%	13.8%
Capital Investments	41,917		45,000		7.4%
Depreciation	24,249		26,000		7.2%

Sales by Product

(Millions of Yen)

		30-Sep	Composition	30-Sep	Composition	Growth	31-Mar	Composition	Growth
		2003(Results)	Ratio (%)	2004(Results)	Ratio (%)	(%)	2005(Forecast)	Ratio (%)	(%)
Cameras	Domestic	1,162		462		-60.2%	700		-64.1%
	Overseas	15,199		9,004		-40.8%	15,300		-43.7%
	Total	16,361	5.4%	9,466	3.1%	-42.1%	16,000	1.9%	-45.0%
Voice Recorders	Domestic	1,088		794		-27.0%	2,000		5.5%
	Overseas	5,779		5,435		-6.0%	11,500		0.4%
	Total	6,867	2.3%	6,229	2.0%	-9.3%	13,500	1.6%	1.1%
Digital Cameras	Domestic	23,582		13,299		-43.6%	36,300		-17.4%
	Overseas	91,054		109,212		19.9%	241,700		14.9%
	Total	114,636	38.3%	122,511	39.7%	6.9%	278,000	33.1%	9.3%
Imaging / Total	Domestic	25,832		14,555		-43.7%	39,000		-18.4%
	Overseas	112,032		123,651		10.4%	268,500		7.9%
	Total	137,864	46.0%	138,206	44.8%	0.2%	307,500	36.6%	3.6%
Endoscopes	Domestic	20,833		19,938		-4.3%	43,500		1.3%
	Overseas	49,896		49,383		-1.0%	105,500		6.6%
	Total	70,729	23.6%	69,321	22.4%	-2.0%	149,000	17.8%	5.0%
MIP	Domestic	9,548		9,775		2.4%	23,000		12.8%
	Overseas	25,652		27,858		8.6%	63,000		15.4%
	Total	35,200	11.7%	37,633	12.2%	6.9%	86,000	10.2%	14.7%
Medical / Total	Domestic	30,381		29,713		-2.2%	66,500		5.0%
	Overseas	75,548		77,241		2.2%	168,500		9.7%
	Total	105,929	35.3%	106,954	34.6%	1.0%	235,000	28.0%	8.3%
Bioscience (Microscopes)	Domestic	5,301		5,176		-2.4%	13,100		10.9%
	Overseas	10,883		12,457		14.5%	26,500		17.7%
	Total	16,184	5.4%	17,633	5.7%	9.0%	39,600	4.7%	15.4%
Diagnostic Systems (Blood Analyzers)	Domestic	3,204		3,788		18.2%	7,600		-1.2%
	Overseas	13,909		16,065		15.5%	34,800		17.1%
	Total	17,113	5.7%	19,853	6.4%	16.0%	42,400	5.1%	13.3%
Life Science / Total	Domestic	8,505		8,964		5.4%	20,700		6.1%
	Overseas	24,792		28,522		15.0%	61,300		17.4%
	Total	33,297	11.1%	37,486	12.1%	12.6%	82,000	9.8%	14.3%
Microscopes (Industrial)	Domestic	3,601		4,456		23.7%	9,000		-1.4%
	Overseas	4,054		5,828		43.8%	13,700		63.6%
	Total	7,655	2.6%	10,284	3.3%	34.3%	22,700	2.7%	29.7%
Endoscopes (Industrial)	Domestic	692		682		-1.4%	1,700		16.5%
	Overseas	3,892		4,055		4.2%	8,900		13.7%
	Total	4,584	1.5%	4,737	1.5%	3.3%	10,600	1.3%	14.1%
Information Peripheral	Domestic	1,914		2,110		10.2%	5,700		63.5%
	Overseas	5,574		6,268		12.5%	11,000		-10.3%
	Total	7,488	2.5%	8,378	2.8%	11.9%	16,700	2.0%	6.0%
Industrial / Total	Domestic	6,207		7,248		16.8%	16,400		16.5%
	Overseas	13,520		16,151		19.5%	33,600		18.0%
	Total	19,727	6.6%	23,399	7.6%	18.6%	50,000	6.0%	17.5%
Information & Communication (1)	Domestic	—		—		—	155,000		—
	Overseas	—		—		—	—		—
	Total	—	—	—	—	—	155,000	18.5%	—
Others - Olympus	Domestic	2,667		2,678		0.4%	3,900		-30.8%
	Overseas	180		—		—	—		—
	Total	2,847	1.0%	2,678	0.9%	-5.9%	3,900	0.4%	-31.5%
Others - ITX (2)	Domestic	—		—		—	6,300		—
	Overseas	—		—		—	300		—
	Total	—	—	—	—	—	6,600	0.7%	—
Others Total	Domestic	2,667		2,678		0.4%	10,200		6.1%
	Overseas	180		—		—	300		17.4%
	Total	2,847	1.0%	2,678	0.9%	-5.9%	10,500	1.1%	14.3%
Total	Domestic	73,592		63,158		-14.2%	307,800		104.7%
	Overseas	226,072		245,565		8.6%	532,200		10.1%
	Total	299,664	100.0%	308,723	100.0%	3.0%	840,000	100.0%	32.6%

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

Following is the financial results and forecast of ITX Corporation included in the consolidated financial statements of Olympus Corporation.

(Millions of Yen)

		30-Sep	Composition	30-Sep	Composition	Growth	31-Mar	Composition	Growth
		2003(Results)	Ratio (%)	2004(Results)	Ratio (%)	(%)	2005(Forecast)	Ratio (%)	(%)
ITX Corporation (1) + (2)	Domestic	—		—		—	161,300		—
	Overseas	—		—		—	300		—
	Total	—	—	—	—	—	161,600	19.2%	—

Sales and Operating Income by Business Segment

(Millions of Yen)

		30-Sep		30-Sep		31-Mar			
		2003(Results) (%) / Net Sales		2004(Results) (%) / Net Sales		Growth	2004(Forecast) (%) / Net Sales		Growth
Imaging	Net Sales	137,877		138,233		356	307,500		10,770
	Operating Expenses	125,489		141,141		15,652	325,500		43,928
	Operating Income (%)	12,388	9.0%	-2,908	-2.1%	-15,296	-18,000	-5.9%	-33,158
Medical	Net Sales	105,935		106,959		1,024	235,000		18,084
	Operating Expenses	75,936		77,336		1,400	171,500		17,800
	Operating Income (%)	29,999	28.3%	29,623	27.7%	-376	63,500	27.0%	284
Life Science	Net Sales	33,311		37,487		4,176	82,000		10,261
	Operating Expenses	32,319		36,156		3,837	77,500		9,584
	Operating Income (%)	992	3.0%	1,331	3.6%	339	4,500	5.5%	677
Industrial	Net Sales	19,736		23,410		3,674	50,000		7,454
	Operating Expenses	22,254		23,031		777	50,000		4,630
	Operating Income (%)	-2,518	-12.8%	379	1.6%	2,897	—	—	2,824
Information & Communication	Net Sales	—		—		—	155,000		—
	Operating Expenses	—		—		—	149,900		—
	Operating Income (%)	—	—	—	—	—	5,100	3.3%	—
Others	Net Sales	2,848		2,679		-169	10,500		-692
	Operating Expenses	3,133		3,062		-71	12,600		280
	Operating Income (%)	-285	-10.0%	-383	-14.3%	-98	-2,100	-20.0%	-972
Elimination	Net Sales	-43		-45		-2	—		—
	Operating Expenses	7,059		9,713		2,654	18,500		3,152
Unallocation	Operating Income (%)	-7,102		-9,758		-2,656	-18,500		-3,152
Consolidated Total	Net Sales	299,664		308,723		9,059	840,000		206,378
	Operating Expenses	266,190		290,439		24,249	805,500		234,874
	Operating Income (%)	33,474	11.2%	18,284	5.9%	-15,190	34,500	4.1%	-28,497

Following is the financial results and forecast of ITX Corporation included in the consolidated financial statements of Olympus Corporation.

(Millions of Yen)

		30-Sep		30-Sep		31-Mar			
		2003(Results) (%) / Net Sales		2004(Results) (%) / Net Sales		Growth	2004(Forecast) (%) / Net Sales		Growth
ITX Corporation	Net Sales	—		—		—	161,600		161,600
	Operating Expenses	—		—		—	157,100		157,100
	Operating Income (%)	—	—	—	—	—	4,500	2.8%	4,500

Sales by Region

(Millions of Yen)

		30-Sep 2003(Results)	Composition Ratio (%)	30-Sep 2004(Results)	Composition Ratio (%)	Growth (%)
Imaging	Japan	25,832	18.7%	14,555	10.5%	-43.7%
	N. America	36,995	26.8%	32,477	23.5%	-12.2%
	Europe	49,284	35.8%	57,883	41.9%	17.4%
	Asia	23,674	17.2%	30,225	21.9%	27.7%
	Others	2,079	1.5%	3,066	2.2%	47.5%
	Total	137,864		138,206		0.2%
Medical	Japan	30,381	28.7%	29,713	27.8%	-2.2%
	N. America	37,299	35.2%	35,454	33.1%	-4.9%
	Europe	31,038	29.3%	32,270	30.2%	4.0%
	Asia	4,971	4.7%	6,209	5.8%	24.9%
	Others	2,240	2.1%	3,308	3.1%	47.7%
	Total	105,929		106,954		1.0%
Life Science	Japan	8,505	25.6%	8,964	23.9%	5.4%
	N. America	9,448	28.4%	10,506	28.0%	11.2%
	Europe	11,487	34.5%	13,456	35.9%	17.1%
	Asia	3,369	10.1%	3,915	10.5%	16.2%
	Others	488	1.5%	645	1.7%	32.2%
	Total	33,297		37,486		12.6%
Industrial	Japan	6,207	31.5%	7,248	31.0%	16.8%
	N. America	6,382	32.4%	8,278	35.4%	29.7%
	Europe	3,566	18.1%	3,408	14.5%	-4.4%
	Asia	3,128	15.9%	3,990	17.1%	27.6%
	Others	444	2.3%	475	2.0%	7.0%
	Total	19,727		23,399		18.6%
Others	Japan	2,667	93.7%	2,678	100.0%	0.4%
	N. America	—	—	—	—	—
	Europe	—	—	—	—	—
	Asia	180	6.3%	—	—	—
	Others	—	—	—	—	—
	Total	2,847		2,678		-5.9%
Total	Japan	73,592	24.6%	63,158	20.5%	-14.2%
	N. America	90,124	30.1%	86,715	28.1%	-3.8%
	Europe	95,375	31.8%	107,017	34.6%	12.2%
	Asia	35,322	11.8%	44,339	14.4%	25.5%
	Others	5,251	1.7%	7,494	2.4%	42.7%
	Total	299,664		308,723		3.0%

Sales by Product (Local Currency)

		(Thousands of US\$, EURO)		
		30-Sep	30-Sep	Growth
		2003(Results)	2004(Results)	(%)
Cameras	US\$	34,433	24,049	-30.2%
	EURO	55,634	30,034	-46.0%
Voice Recorders	US\$	25,355	26,877	6.0%
	EURO	13,796	14,490	5.0%
Digital Cameras	US\$	264,992	269,912	1.9%
	EURO	299,743	389,589	30.0%
Imaging / Total	US\$	324,780	320,838	-1.2%
	EURO	369,173	434,113	17.6%
Endoscopes	US\$	219,236	222,929	1.7%
	EURO	113,119	112,241	-0.8%
MIP	US\$	90,000	101,407	12.7%
	EURO	63,459	77,639	22.3%
Medical / Total	US\$	309,236	324,336	4.9%
	EURO	176,578	189,880	7.5%
Bioscience (Microscopes)	US\$	35,112	40,115	14.2%
	EURO	26,337	32,429	23.1%
Diagnostic Systems (Blood Analyzers)	US\$	44,665	53,827	20.5%
	EURO	57,543	67,294	16.9%
Life Science / Total	US\$	79,777	93,942	17.8%
	EURO	83,880	99,723	18.9%
Microscopes(Industrial)	US\$	1,311	6,575	401.5%
	EURO	8,196	8,579	4.7%
Endoscopes(Industrial)	US\$	11,695	13,542	15.8%
	EURO	5,045	4,595	-8.9%
Others	US\$	3,018	—	—
	EURO	—	—	—
Industrial / Total	US\$	16,024	20,117	25.5%
	EURO	13,241	13,174	-0.5%
Total	US\$	729,817	759,233	4.0%
	EURO	642,872	736,890	14.6%

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