



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the First Quarter Ended June 30, 2005

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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.

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	For the first quarter ended		For the first quarter ended			For the year ended	
	June 30	Proportion	June 30	Proportion	Growth	March 31	Proportion
	2004	(%)	2005	(%)	(%)	2005	(%)
Net Sales	147,253	100.0%	214,179	100.0%	45.4%	813,538	100.0%
<u>Cost of Sales</u>	81,017	55.0%	144,709	67.6%		516,468	63.5%
Gross Profit	66,236	45.0%	69,470	32.4%	4.9%	297,070	36.5%
<u>S.G.A. Expenses</u>	59,950	40.7%	65,580	30.6%		273,917	33.7%
Operating Income	6,286	4.3%	3,890	1.8%	-38.1%	23,153	2.8%
Other Income	1,319		1,766			7,692	
<u>Other Expenses</u>	5,692		4,098			20,641	
Extraordinary Item	-141		1,522			-4,397	
Income Before Provision for Income Tax:	1,772	1.2%	3,080	1.4%	73.8%	5,807	0.7%
<u>Provision for Income Taxes</u>	745		3,396			17,801	
<u>Minority Interests</u>	-31		-719			-167	
Net Income	1,058	0.7%	403	0.2%	-61.9%	-11,827	-1.5%

(Note)

Above consolidated statements of income are based on Japanese GAAP. Therefore, this information has some differences as to description from financial statements in annual report based on U.S. GAAP.

SALES BY BUSINESS SEGMENT

(Millions of Yen)

		For the first quarter ended		For the first quarter ended		For the year ended	
		June 30	Proportion	June 30	Proportion	Growth	March 31
		2004	(%)	2005	(%)	(%)	2005
						Proportion	
						(%)	
Imaging	Domestic	7,840		6,049			28,788
	Overseas	<u>61,558</u>		<u>48,785</u>			<u>248,897</u>
	Total	69,398	47.1%	54,834	25.6%	-21.0%	277,685
							34.1%
Medical	Domestic	11,743		10,620			62,462
	Overseas	<u>37,128</u>		<u>39,374</u>			<u>168,063</u>
	Total	48,871	33.2%	49,994	23.3%	2.3%	230,525
							28.3%
Life Science	Domestic	5,478		5,586			28,545
	Overseas	<u>15,787</u>		<u>17,991</u>			<u>72,770</u>
	Total	21,265	14.4%	23,577	11.0%	10.9%	101,315
							12.5%
Information and Communication	Domestic	—		49,467			112,738
	Overseas	—		<u>24,116</u>			<u>50,510</u>
	Total	—	—	73,583	34.4%	—	163,248
							20.1%
Others	Domestic	2,309		7,260			18,151
	Overseas	<u>5,410</u>		<u>4,931</u>			<u>22,614</u>
	Total	7,719	5.3%	12,191	5.7%	57.9%	40,765
							5.0%
Total	Domestic	27,370		78,982			250,684
	Overseas	<u>119,883</u>		<u>135,197</u>			<u>562,854</u>
	Total	147,253	100.0%	214,179	100.0%	45.4%	813,538
							100.0%

(Note)

- (1) We created "Information and Communication" as a new business segment due to the consolidation of ITX Corporation on September 2004.
- (2) Under new business structure effective on April 1, 2005, Industrial Systems Business was removed, and its product categories were integrated into other business segments :Industrial Microscopeschanged category from "Industrial" to "Life Science" based on a similarity of technical characteristics of the products. Industrial Endoscopes and Information Periphera(Printers and Bar code data processing equipment) changed category from "Industrial" to "Others."
- (3) Each segment by new business structure contains following products.

Imaging Systems Business	Film cameras, Digital cameras, Voice Recorders, Magneto-optical disk drives
Medical Systems Business	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, Ultrasound endoscopes
Life Science Business	Diagnostic systems, Biological microscopes, Industrial microscopes, Analytical services of genomic information
Information and Communication Business	Mobile terminals, Mobile solutions, Mobile content services, Network infrastructure systems, System development, Semiconductor devices, Electric equipment
Others	Industrial endoscopes, Printers, Bar code data processing equipment, Measuring equipment, Software development, etc.
- (4) In order to keep consistencies in figures, segmental information of June 30, 2004 and March 31, 2005 are classified by new business structure.

Consolidated Balance Sheets

(Millions of Yen)

	Jun- 30 2005	Jun- 30 2005
	Previous BS	Restated BS
Current Assets	408,853	406,112
Cash and time deposits	72,495	72,495
Notes and accounts receivable	138,041	138,041
Marketable securities	36,207	36,207
Inventories	105,310	105,310
Deferred income taxes	17,161	17,161
Other current assets	42,528	39,787
Allowance for doubtful accounts	-2,889	-2,889
Fixed Assets	434,362	434,362
Tangible Fixed Assets	121,809	121,809
Buildings and structures	45,315	45,315
Machinery and equipment	19,078	19,078
Tools, dies, furniture and fixtures	35,852	35,852
Land	17,231	17,231
Construction in progress	4,333	4,333
Intangible Fixed Assets	80,320	80,320
Consolidated adjustment accounts	58,454	58,454
Others	21,866	21,866
Investments and Other Assets	232,233	232,233
Investment securities	180,787	180,787
Deferred income taxes	10,396	10,396
Others	43,985	43,985
Allowance for doubtful accounts	-2,935	-2,935
Total Assets	843,215	840,474
	Jun- 30	Jun- 30
	2005	2005
	Previous BS	Restated BS
Current Liabilities	391,590	391,590
Notes and accounts payable	88,441	88,441
Short-term borrowings	183,742	183,742
Current maturities of bonds	15,000	15,000
Accrued expenses	49,178	49,178
Income taxes payable	3,486	3,486
Warranty reserve	3,788	3,788
Allowance for business restructuring	2,400	2,400
Other current liabilities	45,555	45,555
Long-term Liabilities	199,423	198,601
Long-term bonds, less current maturities	65,450	65,450
Long-term borrowings, less current matu	116,705	116,705
Severance and retirement allowance	9,451	9,451
Other non-current liabilities	7,817	6,995
Minority interests	12,606	12,606
Shareholders' Equity	239,596	237,677
Common stock	40,833	40,833
Capital Surplus	65,550	65,550
Retained earnings	131,916	129,977
Net unrealized holding gains on securities	6,365	6,365
Foreign currency translation adjustments	-3,416	-3,396
Treasury stock, at cost	-1,652	-1,652
Liabilities and Shareholder's Equity	843,215	840,474

The corrected parts are indicated with bold font.

(Note)

Above consolidated balance sheets are based on Japanese GAAP. Therefore, this information has some differences as to description from financial statements in annual report based on U.S. GAAP.

Forecast for the Fiscal Year Ending March 31, 2006

There are no revision to the forecast for the fiscal year ending March 31, 2006 announced on May 9, 2005

	(Millions of Yen)
Net Sales	1,070,000
Operating Income	50,000
Income Before Provision for Income Taxes	46,000
Net Income	23,000