



# Olympus Corporation and Consolidated Subsidiaries

## FINANCIAL RESULTS

For the third quarter ended Dec - 31, 2005(Results)

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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 third quarter ended		For the third quarter ended		
	<b>Dec - 31</b>	Proportion	<b>Dec - 31</b>	Proportion	Growth
	<b>2004(Results)</b>	(%)	<b>2005(Results)</b>	(%)	(%)
Net Sales	<b>565,172</b>	100.0%	<b>727,467</b>	100.0%	28.7%
<u>Cost of Sales</u>	<b>341,326</b>	60.4%	<b>476,551</b>	65.5%	
Gross Profit	<b>223,846</b>	39.6%	<b>250,916</b>	34.5%	12.1%
<u>S.G.A. Expenses</u>	<b>197,761</b>	35.0%	<b>212,732</b>	29.3%	
Operating Income	<b>26,085</b>	4.6%	<b>38,184</b>	5.2%	46.4%
Other Income	<b>4,868</b>		<b>4,252</b>		
<u>Other Expenses</u>	<b>14,457</b>		<b>18,038</b>		
Extraordinary Item	<b>-155</b>		<b>2,730</b>		
Income Before Provision for Income Taxes	<b>16,341</b>	2.9%	<b>27,128</b>	3.7%	66.0%
<u>Provision for Income Taxes</u>	<b>6,078</b>		<b>13,249</b>		
<u>Minority Interests</u>	<b>-227</b>		<b>-336</b>		
Net Income	<b>10,490</b>	1.9%	<b>14,215</b>	2.0%	35.5%

(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 third quarter ended		For the third quarter ended		
		Dec - 31	Composition	Dec - 31	Composition	Growth
		2004(Results)	Ratio (%)	2005(Results)	Ratio (%)	(%)
<b>Imaging</b>	Domestic	<b>23,044</b>		<b>19,091</b>		-17.2%
	Overseas	<b>198,585</b>		<b>174,134</b>		-12.3%
	Total	<b>221,629</b>	39.2%	<b>193,225</b>	26.6%	-12.8%
<b>Medical</b>	Domestic	<b>43,370</b>		<b>51,562</b>		18.9%
	Overseas	<b>120,416</b>		<b>136,237</b>		13.1%
	Total	<b>163,786</b>	29.0%	<b>187,799</b>	25.8%	14.7%
<b>Life Science</b>	Domestic	<b>18,752</b>		<b>18,269</b>		-2.6%
	Overseas	<b>53,774</b>		<b>57,449</b>		6.8%
	Total	<b>72,526</b>	12.8%	<b>75,718</b>	10.4%	4.4%
<b>Information and Communication</b>	Domestic	<b>50,878</b>		<b>162,534</b>		—
	Overseas	<b>27,521</b>		<b>60,570</b>		—
	Total	<b>78,399</b>	13.9%	<b>223,104</b>	30.7%	—
<b>Others</b>	Domestic	<b>11,699</b>		<b>23,491</b>		100.8%
	Overseas	<b>17,133</b>		<b>24,130</b>		40.8%
	Total	<b>28,832</b>	5.1%	<b>47,621</b>	6.5%	65.2%
<b>Total</b>	Domestic	<b>147,743</b>		<b>274,947</b>		86.1%
	Overseas	<b>417,429</b>		<b>452,520</b>		8.4%
	Total	<b>565,172</b>	100.0%	<b>727,467</b>	100.0%	28.7%

(Note)

- (1) We created "Information and Communication" as a new business segment due to 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 Microscopes changed category from "Industrial" to "Life Science"
  - Industrial Endoscopes and Information Peripheral 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
Medical Systems Business	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, Ultrasound endoscopes
Life Science Business	Diagnostic systems, Biological microscopes, Industrial microscopes,
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 Dec. 31, 2004 are classified by new business structure.

## Consolidated Balance Sheets

	(Millions of Yen)	
	Dec - 31 2005	Dec - 31 2005
	Previous BS	Restated BS
Current Assets	504,253	<b>501,459</b>
Cash and time deposits	146,403	146,403
Notes and accounts receivable	162,843	162,843
Marketable securities	36,207	36,207
Inventories	99,075	99,075
Deferred income taxes	17,999	17,999
Other current assets	45,010	<b>42,216</b>
Allowance for doubtful accounts	-3,284	-3,284
Fixed Assets	462,891	462,891
Tangible Fixed Assets	127,140	127,140
Buildings and structures	47,884	47,884
Machinery and equipment	19,066	19,066
Tools, dies, furniture and fixtures	33,722	33,722
Land	17,403	17,403
Construction in progress	9,065	9,065
Intangible Fixed Assets	85,185	85,185
Consolidated adjustment accounts	63,529	63,529
Others	21,656	21,656
Investments and Other Assets	250,566	250,566
Investment securities	212,012	212,012
Deferred income taxes	8,907	8,907
Others	30,303	30,303
Allowance for doubtful accounts	-656	-656
Total Assets	967,144	<b>964,350</b>

	Dec - 31 2005	Dec - 31 2005
	Previous BS	Restated BS
Current Liabilities	413,852	413,852
Notes and accounts payable	94,736	94,736
Short-term borrowings	183,759	183,759
Current maturities of bonds	25,072	25,072
Accrued expenses	53,492	53,492
Income taxes payable	8,240	8,240
Warranty reserve	4,390	4,390
Other current liabilities	44,163	44,163
Long-term Liabilities	262,581	<b>261,743</b>
Long-term bonds, less current maturities	95,462	95,462
Long-term borrowings, less current maturities	148,061	148,061
Severance and retirement allowance	8,957	8,957
Other non-current liabilities	10,101	<b>9,263</b>
Minority interests	12,597	12,597
Shareholders' Equity	278,114	276,158
Common stock	48,332	48,332
Capital surplus	73,049	73,049
Retained earnings	143,697	<b>141,758</b>
Net unrealized holding gains on securities	14,161	14,161
Foreign currency translation adjustments	608	<b>591</b>
Treasury stock, at cost	-1,733	-1,733
Liabilities and Shareholder's Equity	967,144	<b>964,350</b>

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**

We have revised our forecast as stated below:

	(Millions of Yen)	
	Previous Forecast	Current Forecast
	as of Nov.8, 2005	as of Feb.10, 2006
Net Sales	970,000	→ 970,000
Operating Income	56,000	→ 58,000
Net Income	27,000	→ 27000