



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the fiscal year ended Mar - 31, 2006

Table of Contents

Consolidated Statements of Income	1
Sales by Product	2
Sales by Product (Forecast)	3
Sales and Operating Income by Business Segment	4
Sales by Region	5
Consolidated Balance Sheets	6

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 fiscal year ended		For the fiscal year ended		For the fiscal year ended			
	Mar - 31	Proportion	Mar - 31	Proportion	Growth	Mar - 31	Proportion	Growth
	2005(Results)	(%)	2006(Results)	(%)	(%)	2007(Forecast)	(%)	(%)
Net Sales	813,538	100.0%	978,127	100.0%	20.2%	1,035,000	100.0%	5.8%
<u>Cost of Sales</u>	516,468	63.5%	619,898	63.4%		624,700	60.4%	
Gross Profit	297,070	36.5%	358,229	36.6%	20.6%	410,300	39.6%	14.5%
<u>S.G.A. Expenses</u>	273,917	33.7%	295,706	30.2%		337,300	32.6%	
Operating Income	23,153	2.8%	62,523	6.4%	170.0%	73,000	7.1%	16.8%
Other Income	7,692		6,451			6,000		
<u>Other Expenses</u>	20,641		27,768			22,000		
Extraordinary Item	-4,397		1,981			-1,300		
Income Before Provision for Income Taxes	5,807	0.7%	43,187	4.4%	643.7%	55,700	5.4%	29.0%
<u>Provision for Income Taxes</u>	17,801		14,832			24,000		
<u>Minority Interests</u>	-167		-209			700		
Net Income	-11,827	-1.5%	28,564	2.9%	—	31,000	3.0%	8.5%

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	107.55	113.31	110.00
Yen / Euro	135.19	137.86	135.00

Favorable/Unfavorable Impact on Net Sales

U.S.Dollar	-10,305	10,674	-6,800
Euro	3,974	4,002	-4,500
Others	352	5,428	-600
Total	-5,979	20,104	-11,900

R & D Expenditures	47,720	5.9%	45,935	4.7%	-3.7%	52,000	5.0%	13.2%
Capital Investments	46,127		44,444		-3.6%	48,000		8.0%
Depreciation	29,758		27,022		-9.2%	30,000		11.0%

(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 Product

(Millions of Yen)

		Mar - 31	Composition	Mar - 31	Composition	Growth
		2005(Results)	Ratio (%)	2006(Results)	Ratio (%)	(%)
Cameras (1)	Domestic	2,322		2,638		13.6%
	Overseas	<u>26,335</u>		<u>23,019</u>		-12.6%
	Total	28,657	3.5%	25,657	2.6%	-10.5%
Digital Cameras	Domestic	26,466		23,082		-12.8%
	Overseas	<u>222,562</u>		<u>205,802</u>		-7.5%
	Total	249,028	30.6%	228,884	23.4%	-8.1%
Imaging / Total	Domestic	28,788		25,720		-10.7%
	Overseas	<u>248,897</u>		<u>228,821</u>		-8.1%
	Total	277,685	34.1%	254,541	26.0%	-8.3%
Endoscopes	Domestic	40,575		45,805		12.9%
	Overseas	<u>107,071</u>		<u>129,228</u>		20.7%
	Total	147,646	18.1%	175,033	9.3%	18.5%
MIP (2)	Domestic	21,887		23,691		8.2%
	Overseas	<u>60,992</u>		<u>67,593</u>		10.8%
	Total	82,879	10.2%	91,284	17.9%	10.1%
Medical / Total	Domestic	62,462		69,496		11.3%
	Overseas	<u>168,063</u>		<u>196,821</u>		17.1%
	Total	230,525	28.3%	266,317	27.2%	15.5%
Bioscience (Microscopes)	Domestic	11,413		12,125		6.2%
	Overseas	<u>26,174</u>		<u>30,794</u>		17.7%
	Total	37,587	4.6%	42,919	4.4%	14.2%
Diagnostic Systems (Blood Analyzers)	Domestic	7,702		7,537		-2.1%
	Overseas	<u>33,864</u>		<u>37,656</u>		11.2%
	Total	41,566	5.1%	45,193	4.6%	8.7%
Industrial Microscopes (3)	Domestic	9,430		8,271		-12.3%
	Overseas	<u>12,732</u>		<u>11,532</u>		-9.4%
	Total	22,162	2.7%	19,803	2.0%	-10.6%
Life Science / Total	Domestic	28,545		27,933		-2.1%
	Overseas	<u>72,770</u>		<u>79,982</u>		9.9%
	Total	101,315	12.4%	107,915	11.0%	6.5%
Information & Communication	Domestic	112,738		221,005		96.0%
	Overseas	<u>50,510</u>		<u>63,903</u>		26.5%
	Total	163,248	20.1%	284,908	29.1%	74.5%
Others (4)	Domestic	18,151		32,792		80.7%
	Overseas	<u>22,614</u>		<u>31,654</u>		40.0%
	Total	40,765	5.1%	64,446	6.7%	58.1%
Total	Domestic	250,684		376,946		50.4%
	Overseas	<u>562,854</u>		<u>601,181</u>		6.8%
	Total	813,538	100.0%	978,127	100.0%	20.2%

(Note)

(2) MIP (Minimally Invasive Products) : Surgical endoscopes, Endo-therapy devices

Changes in Segment effective on April 1, 2005

(1) Voice Recorders are included in Cameras.

(3) Industrial Microscopes change category from Industrial to Life Science.

(4) Industrial Endoscopes and Information Peripheral change category from Industrial to Others.

See more explanations of new structure of business segment in P.4.

Sales by Product (Forecast)

(Millions of Yen)

		Mar - 31	Composition	Mar - 31	Composition	Growth
		2006(Results)	Ratio (%)	2007(Forecast)	Ratio (%)	(%)
Digital Cameras	Domestic	23,082		31,700		37.3%
	<u>Overseas</u>	<u>205,802</u>		<u>215,800</u>		4.9%
	Total	228,884	23.4%	247,500	23.9%	8.1%
Others (1)	Domestic	2,638		2,300		-12.8%
	<u>Overseas</u>	<u>23,019</u>		<u>18,200</u>		-20.9%
	Total	25,657	2.6%	20,500	2.1%	-20.1%
Imaging / Total	Domestic	25,720		34,000		32.2%
	<u>Overseas</u>	<u>228,821</u>		<u>234,000</u>		2.3%
	Total	254,541	26.0%	268,000	26.0%	5.3%
Endoscopes	Domestic	45,805		49,000		7.0%
	<u>Overseas</u>	<u>129,228</u>		<u>145,000</u>		12.2%
	Total	175,033	9.3%	194,000	18.7%	10.8%
MIP (2)	Domestic	23,691		25,500		7.6%
	<u>Overseas</u>	<u>67,593</u>		<u>70,500</u>		4.3%
	Total	91,284	17.9%	96,000	9.3%	5.2%
Medical / Total	Domestic	69,496		74,500		7.2%
	<u>Overseas</u>	<u>196,821</u>		<u>215,500</u>		9.5%
	Total	266,317	27.2%	290,000	28.0%	8.9%
Micro Imaging Systems (3) (Microscopes)	Domestic			23,700		16.2%
	<u>Overseas</u>			<u>46,200</u>		9.2%
	Total			69,900	6.8%	11.4%
Bioscience (3) (Microscopes)	Domestic	12,125	} 4.4%			
	<u>Overseas</u>	<u>30,794</u>				
	Total	42,919				
Diagnostic Systems (Blood Analyzers)	Domestic	7,537	} 4.6%	7,800		3.5%
	<u>Overseas</u>	<u>37,656</u>		<u>42,300</u>		12.3%
	Total	45,193		50,100	4.8%	10.9%
Industrial Microscopes (3)	Domestic	8,271	} 2.0%			
	<u>Overseas</u>	<u>11,532</u>				
	Total	19,803				
Life Science / Total	Domestic	27,933		31,500		12.8%
	<u>Overseas</u>	<u>79,982</u>		<u>88,500</u>		10.6%
	Total	107,915	11.0%	120,000	11.6%	11.2%
Information & Communication	Domestic	221,005		268,200		21.4%
	<u>Overseas</u>	<u>63,903</u>		<u>13,800</u>		-78.4%
	Total	284,908	29.1%	282,000	27.2%	-1.0%
Others (4)	Domestic	32,792		46,300		41.2%
	<u>Overseas</u>	<u>31,654</u>		<u>28,700</u>		-9.3%
	Total	64,446	6.7%	75,000	7.2%	16.4%
Total	Domestic	376,946		454,500		20.6%
	<u>Overseas</u>	<u>601,181</u>		<u>580,500</u>		-3.4%
	Total	978,127	100.0%	1,035,000	100.0%	5.8%

(Note)

(1) Others in Imaging category change from cameras.

(2) MIP (Minimally Invasive Products) : Surgical endoscopes, Endo-therapy devices

(3) MIS (Micro Imaging Systems) : Microscopes, Industrial Microscopes

Sales and Operating Income by Business Segment

(Millions of Yen)

		For the fiscal year ended		For the fiscal year ended		For the year ended			
		Mar - 31	to Net Sales	Mar - 31	to Net Sales	Growth	Mar - 31	to Net Sales	Growth
		2005(Results)	(%)	2006(Results)	(%)	(%)	2007(Forecast)	(%)	(%)
Imaging	Net Sales	277,712		254,756			268,000		
	<u>Operating Expenses</u>	<u>301,587</u>		<u>249,964</u>			<u>258,000</u>		
	Operating Income (%)	-23,875	-8.6%	4,792		1.9%	10,000		3.7% 108.7%
Medical	Net Sales	230,530		266,331			290,000		
	<u>Operating Expenses</u>	<u>165,224</u>		<u>189,689</u>			<u>209,000</u>		
	Operating Income (%)	65,306	28.3%	76,642		28.8%	81,000		27.9% 5.7%
Life Science	Net Sales	101,327		107,920			120,000		
	<u>Operating Expenses</u>	<u>94,623</u>		<u>100,361</u>			<u>111,000</u>		
	Operating Income (%)	6,704	6.6%	7,559		7.0%	9,000		12.8% 7.5% 19.1%
Information and Communication	Net Sales	163,248		284,908			282,000		
	<u>Operating Expenses</u>	<u>164,285</u>		<u>287,549</u>			<u>280,500</u>		
	Operating Income (%)	-1,037	—	-2,641		-0.9%	1,500		0.5% —
Others	Net Sales	40,766		65,007			75,000		
	<u>Operating Expenses</u>	<u>42,600</u>		<u>63,564</u>			<u>72,500</u>		
	Operating Income (%)	-1,834	-4.5%	1,443		2.2%	2,500		3.3% 73.3%
Elimination Unallocation	Net Sales	-45		-795			—		
	<u>Operating Expenses</u>	<u>22,066</u>		<u>24,477</u>			<u>31,000</u>		
	Operating Income (%)	-22,111	—	-25,272		—	-31,000		— —
Total	Net Sales	813,538		978,127			1,035,000		
	<u>Operating Expenses</u>	<u>790,385</u>		<u>915,604</u>			<u>962,000</u>		
	Operating Income (%)	23,153	2.8%	62,523		6.4%	73,000		170.0% 7.1% 16.8%

(Note)

(1) 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" based on a similarity of technical characteristics of the products. Industrial Endoscopes and Information Peripheral (Printers and Bar code data processing equipment) changed category from "Industrial" to "Others."

(2) Each segment by new business structure contains following products.

Imaging Systems Business	Digital cameras, Film 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, Non-destructive testing (NDT) equipment, Software development, etc.

(3) In order to keep consistencies in figures, segmental information is classified by latest business structure.

Sales by Region

(Millions of Yen)

		Mar - 31	Composition	Mar - 31	Composition	Growth
		2005(Results)	Ratio (%)	2006(Results)	Ratio (%)	(%)
Imaging	Japan	28,788	10.3%	25,720	10.1%	-10.7%
	N. America	69,349	25.0%	68,771	27.0%	-0.8%
	Europe	117,381	42.3%	104,682	41.1%	-10.8%
	Asia	55,223	19.9%	45,877	18.0%	-16.9%
	Others	6,944	2.5%	9,491	3.8%	36.7%
	Total	<u>277,685</u>		<u>254,541</u>		-8.3%
Medical	Japan	62,462	27.1%	69,496	26.0%	11.3%
	N. America	74,391	32.3%	86,955	32.7%	16.9%
	Europe	72,376	31.4%	79,609	29.9%	10.0%
	Asia	14,638	6.3%	21,803	8.2%	48.9%
	Others	6,658	2.9%	8,454	3.2%	27.0%
	Total	<u>230,525</u>		<u>266,317</u>		15.5%
Life Science	Japan	28,545	28.2%	27,933	26.0%	-2.1%
	N. America	22,819	22.5%	25,299	23.4%	10.9%
	Europe	32,056	31.6%	34,753	32.2%	8.4%
	Asia	16,294	16.1%	17,615	16.3%	8.1%
	Others	1,601	1.6%	2,315	2.1%	44.6%
	Total	<u>101,315</u>		<u>107,915</u>		6.5%
Information & Communication	Japan	112,738	69.1%	221,005	77.6%	96.0%
	N. America	20,250	12.4%	22,954	8.1%	13.4%
	Europe	15,731	9.6%	21,288	7.5%	35.3%
	Asia	6,077	3.7%	8,260	2.9%	35.9%
	Others	8,452	5.2%	11,401	3.9%	34.9%
	Total	<u>163,248</u>		<u>284,908</u>		74.5%
Others	Japan	18,151	44.5%	32,792	50.9%	80.7%
	N. America	14,665	36.0%	20,304	31.5%	38.5%
	Europe	5,719	14.0%	7,525	11.7%	31.6%
	Asia	1,585	3.9%	2,526	3.9%	59.4%
	Others	645	1.6%	1,299	2.0%	101.4%
	Total	<u>40,765</u>		<u>64,446</u>		58.1%
Total	Japan	250,684	30.8%	376,946	38.5%	50.4%
	N. America	201,474	24.8%	224,283	22.9%	11.3%
	Europe	243,263	29.9%	247,857	25.3%	1.9%
	Asia	93,817	11.5%	96,081	9.8%	2.4%
	Others	24,300	3.0%	32,960	3.5%	35.6%
	Total	<u>813,538</u>		<u>978,127</u>		20.2%

See explanations of new structure of business segment in P.4.

Consolidated Balance Sheets

	Mar - 31 2005(Results)	Mar - 31 2006(Results)	Variance
Current Assets	434,839	489,525	54,686
Cash and time deposits	120,416	165,720	45,304
Notes and accounts receivable	151,947	167,411	15,464
Marketable securities	1,210	1,210	—
Inventories	102,790	93,198	-9,592
Deferred income taxes	17,200	25,196	7,996
Other current assets	43,973	40,142	-3,831
Allowance for doubtful accounts	-2,697	-3,352	-655
Fixed Assets	423,244	486,607	63,363
Tangible Fixed Assets	120,053	130,810	10,757
Buildings and structures	45,866	48,244	2,378
Machinery and equipment	19,057	18,995	-62
Tools, dies, furniture and fixtures	35,582	34,221	-1,361
Land	17,279	17,953	674
Construction in progress	2,269	11,397	9,128
Intangible Fixed Assets	72,818	102,666	29,848
Consolidated adjustment accounts	57,737	79,625	21,888
Others	15,081	23,041	7,960
Investments and Other Assets	230,373	253,131	22,758
Investment securities	177,696	208,459	30,763
Deferred income taxes	9,839	9,324	-515
Others	45,826	35,978	-9,848
Allowance for doubtful accounts	-2,988	-630	2,358
Total Assets	858,083	976,132	118,049

	Mar - 31 2005(Results)	Mar - 31 2006(Results)	Variance
Current Liabilities	387,221	394,755	7,534
Notes and accounts payable	95,403	85,741	-9,662
Short-term borrowings	175,199	161,188	-14,011
Current maturities of bonds	—	25,072	25,072
Accrued expenses	53,725	60,088	6,363
Income taxes payable	9,511	15,045	5,534
Warranty reserve	3,613	5,064	1,451
Other current liabilities	49,770	42,557	-7,213
Long-term Liabilities	216,738	281,064	64,326
Long-term bonds, less current maturities	80,300	95,452	15,152
Long-term borrowings, less current maturities	116,889	164,381	47,492
Severance and retirement allowance	9,891	9,307	-584
Other non-current liabilities	9,658	11,924	2,266
Minority interests	13,287	9,657	-3,630
Shareholders' Equity	240,837	290,656	49,819
Common stock	40,833	48,332	7,499
Capital surplus	65,550	73,049	7,499
Retained earnings	133,523	153,864	20,341
Net unrealized holding gains on securities	6,201	16,422	10,221
Foreign currency translation adjustments	-3,618	873	4,491
Treasury stock, at cost	-1,652	-1,884	-232
Liabilities and Shareholder's Equity	858,083	976,132	118,049

(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.

Accumulated depreciation of tangible fixed assets is as follows :

Mar.31.2005 : ¥183,082 millions Mar.31.2006 : ¥192,854 millions