



# Olympus Corporation and Consolidated Subsidiaries

## FINANCIAL RESULTS For the fiscal year ended March 31, 2007

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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 fiscal year ended		For the fiscal year ended					
	<b>March 31</b>	Proportion	<b>March 31</b>	Proportion	Growth	<b>March 31</b>	Proportion	Growth
	<b>2006(Results)</b>	(%)	<b>2007(Results)</b>	(%)	(%)	<b>2008(Forecast)</b>	(%)	(%)
Net Sales	<b>978,127</b>		<b>1,061,786</b>		8.6%	<b>1,150,000</b>		8.3%
<u>Cost of Sales</u>	<b>619,898</b>	63.4%	<b>611,503</b>	57.6%		<b>660,000</b>	57.4%	
Gross Profit	<b>358,229</b>	36.6%	<b>450,283</b>	42.4%	25.7%	<b>490,000</b>	42.6%	8.8%
<u>S.G.A. Expenses</u>	<b>295,706</b>	30.2%	<b>351,554</b>	33.1%		<b>383,000</b>	33.3%	
Operating Income	<b>62,523</b>	6.4%	<b>98,729</b>	9.3%	57.9%	<b>107,000</b>	9.3%	8.4%
Other Income	<b>6,451</b>		<b>6,330</b>			<b>7,000</b>		
<u>Other Expenses</u>	<b>27,768</b>		<b>28,833</b>			<b>29,000</b>		
Extraordinary Item	<b>1,981</b>		<b>-2,646</b>			<b>-700</b>		
Income Before Provision for Income Taxes	<b>43,187</b>	4.4%	<b>73,580</b>	6.9%	70.4%	<b>84,300</b>	7.3%	14.6%
<u>Provision for Income Taxes</u>	<b>14,832</b>		<b>26,081</b>			<b>33,800</b>		
<u>Minority Interests</u>	<b>-209</b>		<b>-300</b>			<b>500</b>		
Net Income	<b>28,564</b>	2.9%	<b>47,799</b>	4.5%	67.3%	<b>50,000</b>	4.3%	4.6%

### Average Exchange Rate for Net Sales

Yen / U.S.Dollar	<b>113.31</b>		<b>117.02</b>			<b>115.00</b>		
Yen / Euro	<b>137.86</b>		<b>150.09</b>			<b>150.00</b>		
Favorable/Unfavorable Impact on Net Sales								
U.S.Dollar	<b>10,674</b>		<b>8,028</b>			<b>-4,200</b>		
Euro	<b>4,002</b>		<b>19,833</b>			<b>-200</b>		
Others	<b>5,428</b>		<b>8,866</b>			<b>1,600</b>		
Total	<b>20,104</b>		<b>36,727</b>			<b>-2,800</b>		
R & D Expenditures	<b>45,935</b>	4.7%	<b>55,531</b>	5.2%	20.9%	<b>60,000</b>	5.2%	8.0%
Capital Investments	<b>44,444</b>		<b>44,696</b>		0.6%	<b>45,000</b>		0.7%
Depreciation	<b>27,022</b>		<b>30,404</b>		12.5%	<b>31,000</b>		2.0%

(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)

		March 31	Composition	March 31	Composition	Growth	March 31	Composition	Growth
		2006(Results)	Ratio (%)	2007(Results)	Ratio (%)	(%)	2008(Forecast)	Ratio (%)	(%)
Digital Cameras	Domestic	23,082		26,169		13.4%	33,700		28.8%
	Overseas	205,802		243,067		18.1%	273,300		12.4%
	Total	228,884	23.4%	269,236	25.3%	17.6%	307,000	26.7%	14.0%
Others (1)	Domestic	2,638		3,335		26.4%	3,300		-1.0%
	Overseas	23,019		21,732		-5.6%	19,700		-9.4%
	Total	25,657	2.6%	25,067	2.4%	-2.3%	23,000	2.0%	-8.2%
<b>Imaging / Total</b>	Domestic	25,720		29,504		14.7%	37,000		25.4%
	Overseas	228,821		264,799		15.7%	293,000		10.6%
	Total	254,541	26.0%	294,303	27.7%	15.6%	330,000	28.7%	12.1%
Endoscopes	Domestic	45,805		46,556		1.6%	51,000		9.5%
	Overseas	129,228		167,269		29.4%	173,000		3.4%
	Total	175,033	17.9%	213,825	20.2%	22.2%	224,000	19.5%	4.8%
MIP (2)	Domestic	23,691		24,706		4.3%	26,000		5.2%
	Overseas	67,593		73,178		8.3%	85,000		16.2%
	Total	91,284	9.3%	97,884	9.2%	7.2%	111,000	9.6%	13.4%
<b>Medical / Total</b>	Domestic	69,496		71,262		2.5%	77,000		8.1%
	Overseas	196,821		240,447		22.2%	258,000		7.3%
	Total	266,317	27.2%	311,709	29.4%	17.0%	335,000	29.1%	7.5%
MIS (3) (Microscopes)	Domestic	20,396		22,953		12.5%	24,500		6.7%
	Overseas	42,326		50,985		20.5%	53,500		4.9%
	Total	62,722	6.4%	73,938	7.0%	17.9%	78,000	6.8%	5.5%
Diagnostic Systems (Blood Analyzers)	Domestic	7,537		7,144		-5.2%	7,300		2.2%
	Overseas	37,656		42,624		13.2%	44,700		4.9%
	Total	45,193	4.6%	49,768	4.7%	10.1%	52,000	4.5%	4.5%
<b>Life Science / Total</b>	Domestic	27,933		30,097		7.7%	31,800		5.7%
	Overseas	79,982		93,609		17.0%	98,200		4.9%
	Total	107,915	11.0%	123,706	11.7%	14.6%	130,000	11.3%	5.1%
<b>Information &amp; Communication</b>	Domestic	221,005		251,511		13.8%	268,200		6.6%
	Overseas	63,903		16,180		-74.7%	14,800		-8.5%
	Total	284,908	29.1%	267,691	25.2%	-6.0%	283,000	24.6%	5.7%
Others	Domestic	32,792		32,372		-1.3%	40,000		23.6%
	Overseas	31,654		32,005		1.1%	32,000		-0.0%
	Total	64,446	6.7%	64,377	6.0%	-0.1%	72,000	6.3%	11.8%
<b>Total</b>	Domestic	376,946		414,746		10.0%	454,000		9.5%
	Overseas	601,181		647,040		7.6%	696,000		7.6%
	Total	978,127	100.0%	1,061,786	100.0%	8.6%	1,150,000	100.0%	8.3%

(Note)

(1) Others in Imaging category : Film cameras, Voice Recorders

(2) MIP (Minimally Invasive Products) : Surgical endoscopes, EndoTherapy products

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

See more explanations of business segment in P.3.

## Sales and Operating Income by Business Segment

(Millions of Yen)

		For the fiscal year ended		For the fiscal year ended			For the fiscal year ended		
		March 31	to Net Sales	March 31	to Net Sales	Growth	March 31	to Net Sales	Growth
		2006(Results)	(%)	2007(Results)	(%)	(%)	2008(Forecast)	(%)	(%)
<b>Imaging</b>	Net Sales	<b>254,541</b>		<b>294,303</b>			<b>330,000</b>		
	<u>Operating Expenses</u>	<b>249,749</b>		<b>267,095</b>			<b>305,000</b>		
	Operating Income (%)	<b>4,792</b>	1.9%	<b>27,208</b>	9.2%	467.8%	<b>25,000</b>	7.6%	-8.1%
<b>Medical</b>	Net Sales	<b>266,317</b>		<b>311,709</b>			<b>335,000</b>		
	<u>Operating Expenses</u>	<b>189,675</b>		<b>223,856</b>			<b>235,000</b>		
	Operating Income (%)	<b>76,642</b>	28.8%	<b>87,853</b>	28.2%	14.6%	<b>100,000</b>	29.9%	13.8%
<b>Life Science</b>	Net Sales	<b>107,915</b>		<b>123,706</b>			<b>130,000</b>		
	<u>Operating Expenses</u>	<b>100,356</b>		<b>115,627</b>			<b>121,500</b>		
	Operating Income (%)	<b>7,559</b>	7.0%	<b>8,079</b>	6.5%	6.9%	<b>8,500</b>	6.5%	5.2%
<b>Information and Communication</b>	Net Sales	<b>284,908</b>		<b>267,691</b>			<b>283,000</b>		
	<u>Operating Expenses</u>	<b>287,549</b>		<b>264,975</b>			<b>282,000</b>		
	Operating Income (%)	<b>-2,641</b>	-0.9%	<b>2,716</b>	1.0%	-202.8%	<b>1,000</b>	0.4%	-63.2%
<b>Others</b>	Net Sales	<b>64,446</b>		<b>64,377</b>			<b>72,000</b>		
	<u>Operating Expenses</u>	<b>63,003</b>		<b>63,505</b>			<b>70,500</b>		
	Operating Income (%)	<b>1,443</b>	2.2%	<b>872</b>	1.4%	-39.6%	<b>1,500</b>	2.1%	72.0%
<b>Elimination Unallocation</b>	Net Sales	—		—			—		
	<u>Operating Expenses</u>	<b>25,272</b>		<b>27,999</b>			<b>29,000</b>		
	Operating Income (%)	<b>-25,272</b>		<b>-27,999</b>		10.8%	<b>-29,000</b>		3.6%
<b>Total</b>	Net Sales	<b>978,127</b>		<b>1,061,786</b>			<b>1,150,000</b>		
	<u>Operating Expenses</u>	<b>915,604</b>		<b>963,057</b>			<b>1,043,000</b>		
	Operating Income (%)	<b>62,523</b>	6.4%	<b>98,729</b>	9.3%	57.9%	<b>107,000</b>	9.3%	8.4%

(Note)

\* Each segment contains following products.

Imaging Systems Business	Digital cameras, Film cameras, Voice Recorders
Medical Systems Business	Medical endoscopes, Surgical endoscopes, EndoTherapy products, Ultrasound endoscopes
Life Science Business	Blood analyzer, 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, Non-destructive testing (NDT) equipment, Printers, Bar code data processing equipment, Software development, etc.

## Sales by Region

(Millions of Yen)

		March 31	Composition	March 31	Composition	Growth
		2006(Results)	Ratio (%)	2007(Results)	Ratio (%)	(%)
<b>Imaging</b>	Japan	25,720	10.1%	29,504	10.0%	14.7%
	N. America	68,771	27.0%	69,873	23.7%	1.6%
	Europe	104,682	41.1%	123,099	41.8%	17.6%
	Asia	45,877	18.0%	59,989	20.4%	30.8%
	Others	9,491	3.8%	11,838	4.1%	24.7%
	Total		254,541		294,303	
<b>Medical</b>	Japan	69,496	26.1%	71,262	22.9%	2.5%
	N. America	86,955	32.7%	105,935	34.0%	21.8%
	Europe	79,609	29.9%	99,526	31.9%	25.0%
	Asia	21,803	8.2%	26,648	8.5%	22.2%
	Others	8,454	3.1%	8,338	2.7%	-1.4%
	Total		266,317		311,709	
<b>Life Science</b>	Japan	27,933	25.9%	30,097	24.3%	7.7%
	N. America	25,299	23.4%	31,234	25.2%	23.5%
	Europe	34,753	32.2%	40,094	32.4%	15.4%
	Asia	17,615	16.3%	18,763	15.2%	6.5%
	Others	2,315	2.2%	3,518	2.9%	52.0%
	Total		107,915		123,706	
<b>Information &amp; Communication</b>	Japan	221,005	77.6%	251,511	93.9%	13.8%
	N. America	22,954	8.1%	4,786	1.8%	-79.1%
	Europe	21,288	7.5%	6,366	2.4%	-70.1%
	Asia	8,260	2.9%	5,028	1.9%	-39.1%
	Others	11,401	3.9%	—	—	—
	Total		284,908		267,691	
<b>Others</b>	Japan	32,792	50.9%	32,372	50.3%	-1.3%
	N. America	20,304	31.5%	17,407	27.0%	-14.3%
	Europe	7,525	11.7%	9,429	14.6%	25.3%
	Asia	2,526	3.9%	3,976	6.2%	57.4%
	Others	1,299	2.0%	1,193	1.9%	-8.2%
	Total		64,446		64,377	
<b>Total</b>	Japan	376,946	38.5%	414,746	39.1%	10.0%
	N. America	224,283	22.9%	229,235	21.6%	2.2%
	Europe	247,857	25.3%	278,514	26.2%	12.4%
	Asia	96,081	9.8%	114,404	10.8%	19.1%
	Others	32,960	3.5%	24,887	2.3%	-24.5%
	Total		978,127		1,061,786	

## Consolidated Balance Sheets

	(Millions of Yen)		
	March 31	March 31	Variance
	2006(Results)	2007(Results)	
<b>Current Assets</b>	489,525	572,838	83,313
Cash and time deposits	165,720	216,586	50,866
Notes and accounts receivable	167,411	192,855	25,444
Marketable securities	1,210	8,347	7,137
Inventories	93,198	89,847	-3,351
Deferred income taxes	25,196	32,319	7,123
Other current assets	40,142	36,265	-3,877
Allowance for doubtful accounts	-3,352	-3,381	-29
<b>Fixed Assets</b>	486,607	518,962	32,355
<b>Tangible Fixed Assets</b>	130,810	140,089	9,279
Buildings and structures	48,244	63,300	15,056
Machinery and equipment	18,995	18,526	-469
Tools, dies, furniture and fixtures	34,221	38,421	4,200
Land	17,953	18,736	783
Construction in progress	11,397	1,106	-10,291
<b>Intangible Fixed Assets</b>	102,666	100,351	-2,315
Consolidated adjustment accounts	79,625	—	-79,625
Goodwill	—	78,718	78,718
Others	23,041	21,633	-1,408
<b>Investments and Other Assets</b>	253,131	278,522	25,391
Investment securities	208,459	216,636	8,177
Deferred income taxes	9,324	9,606	282
Others	35,978	52,763	16,785
Allowance for doubtful accounts	-630	-483	147
<b>Total Assets</b>	976,132	1,091,800	115,668

	(Millions of Yen)		
	March 31	March 31	Variance
	2006(Results)	2007(Results)	
<b>Current Liabilities</b>	394,755	410,116	15,361
Notes and accounts payable	85,741	100,252	14,511
Short-term borrowings	161,188	148,517	-12,671
Current maturities of bonds	25,072	94	-24,978
Accrued expenses	60,088	77,526	17,438
Income taxes payable	15,045	16,631	1,586
Warranty reserve	5,064	8,758	3,694
Other current liabilities	42,557	58,338	15,781
<b>Long-term Liabilities</b>	281,064	336,813	55,749
Long-term bonds, less current maturities	95,452	140,480	45,028
Long-term borrowings, less current maturities	164,381	173,123	8,742
Severance and retirement allowance	8,527	9,529	1,002
Other non-current liabilities	12,704	13,681	977
<b>Minority interests</b>	9,657	—	—
<b>Shareholders' Equity</b>	290,656	—	—
Common stock	48,332	—	—
Capital surplus	73,049	—	—
Retained earnings	153,864	—	—
Net unrealized holding gains on securities	16,422	—	—
Foreign currency translation adjustments	873	—	—
Treasury stock, at cost	-1,884	—	—
<b>Liabilities and Shareholder's Equity</b>	976,132	—	—
<b>Net Assets</b>	—	344,871	—
<b>Owners' Equity</b>	—	310,239	—
Common stock	—	48,332	—
Capital surplus	—	73,049	—
Retained earnings	—	191,122	—
Treasury stock, at cost	—	-2,264	—
<b>Valuation and Translation Adjustments</b>	—	23,971	—
Net unrealized holding gains on securities	—	16,078	—
Deferred losses on hedges	—	-184	—
Foreign currency translation adjustments	—	8,077	—
<b>Minority Interests</b>	—	10,661	—
<b>Liabilities and Net Assets</b>	—	1,091,800	—

(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.