



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the half year ended September 30, 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 half year ended		For the half year ended			For the fiscal year ending		
	September 30	Proportion	September 30	Proportion	Growth	March 31	Proportion	Growth
	2006(Results)	(%)	2007(Results)	(%)	(%)	2008(Forecast)	(%)	(%)
Net Sales	484,681		550,366		13.6%	1,163,000		9.5%
<u>Cost of Sales</u>	279,714	57.7%	299,040	54.3%		637,000	54.8%	
Gross Profit	204,967	42.3%	251,326	45.7%	22.6%	526,000	45.2%	16.8%
<u>S.G.A. Expenses</u>	162,834	33.6%	191,103	34.8%		401,000	34.5%	
Operating Income	42,133	8.7%	60,223	10.9%	42.9%	125,000	10.7%	26.6%
Other Income	2,911		4,402			7,000		
<u>Other Expenses</u>	13,510		14,527			32,000		
Extraordinary Item	-1,834		2,323			2,000		
Income Before Provision for Income Taxes	29,700	6.1%	52,421	9.5%	76.5%	102,000	8.8%	38.6%
<u>Provision for Income Taxes</u>	11,764		20,588			41,700		
<u>Minority Interests</u>	-858		-55			300		
Net Income	18,794	3.9%	31,888	5.8%	69.7%	60,000	5.2%	25.5%

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	115.38		119.33			117.00		
Yen / Euro	145.97		162.30			161.00		
Favorable/Unfavorable Impact on Net Sales								
U.S.Dollar	5,831		4,216			-500		
Euro	7,768		12,930			18,100		
Others	3,704		6,272			6,300		
Total	17,303		23,418			23,900		
R & D Expenditures	25,506	5.3%	29,433	5.3%	15.4%	60,000	5.2%	8.0%
Capital Investments	24,239		23,769		-1.9%	47,000		5.2%
Depreciation	14,507		17,334		19.5%	35,000		15.1%

(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)

		September 30	Composition	September 30	Composition	Growth	March 31	Composition	Growth
		2006(Results)	Ratio (%)	2007(Results)	Ratio (%)	(%)	2008(Forecast)	Ratio (%)	(%)
Digital Cameras	Domestic	13,043		17,480		34.0%	35,800		36.8%
	Overseas	107,918		132,183		22.5%	285,400		17.4%
	Total	120,961	25.0%	149,663	27.2%	23.7%	321,200	27.6%	19.3%
Others (1)	Domestic	1,493		2,096		40.4%	3,900		16.9%
	Overseas	9,657		11,381		17.9%	22,900		5.4%
	Total	11,150	2.3%	13,477	2.4%	20.9%	26,800	2.3%	6.9%
Imaging / Total	Domestic	14,536		19,576		34.7%	39,700		34.6%
	Overseas	117,575		143,564		22.1%	308,300		16.4%
	Total	132,111	27.3%	163,140	29.6%	23.5%	348,000	29.9%	18.2%
Endoscopes	Domestic	23,118		24,054		4.0%	49,500		6.3%
	Overseas	74,752		89,292		19.5%	184,700		10.4%
	Total	97,870	20.2%	113,346	20.6%	15.8%	234,200	20.1%	9.5%
MIP (2)	Domestic	12,289		13,013		5.9%	26,600		7.7%
	Overseas	32,032		41,839		30.6%	91,200		24.6%
	Total	44,321	9.1%	54,852	10.0%	23.8%	117,800	10.1%	20.3%
Medical / Total	Domestic	35,407		37,067		4.7%	76,100		6.8%
	Overseas	106,784		131,131		22.8%	275,900		14.7%
	Total	142,191	29.3%	168,198	30.6%	18.3%	352,000	30.3%	12.9%
MIS (3) (Microscopes)	Domestic	11,407		12,054		5.7%	22,600		-1.5%
	Overseas	22,308		25,908		16.1%	54,600		7.1%
	Total	33,715	7.0%	37,962	6.9%	12.6%	77,200	6.6%	4.4%
Diagnostic Systems (Blood Analyzers)	Domestic	3,639		3,363		-7.6%	6,900		-3.4%
	Overseas	20,353		21,503		5.7%	45,900		7.7%
	Total	23,992	4.9%	24,866	4.5%	3.6%	52,800	4.6%	6.1%
Life Science / Total	Domestic	15,046		15,417		2.5%	29,500		-2.0%
	Overseas	42,661		47,411		11.1%	100,500		7.4%
	Total	57,707	11.9%	62,828	11.4%	8.9%	130,000	11.2%	5.1%
Information & Communication	Domestic	115,442		118,324		2.5%	248,600		-1.2%
	Overseas	7,455		6,525		-12.5%	14,400		-11.0%
	Total	122,897	25.4%	124,849	22.7%	1.6%	263,000	22.6%	-1.8%
Others	Domestic	15,347		15,842		3.2%	36,700		13.4%
	Overseas	14,428		15,509		7.5%	33,300		4.0%
	Total	29,775	6.1%	31,351	5.7%	5.3%	70,000	6.0%	8.7%
Total	Domestic	195,778		206,226		5.3%	430,600		3.8%
	Overseas	288,903		344,140		19.1%	732,400		13.2%
	Total	484,681	100.0%	550,366	100.0%	13.6%	1,163,000	100.0%	9.5%

(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)

the first half year

	Imaging	Medical	Life Science	Information and Communication	Others	Elimination · Unallocation	Total
From Apr. 1,2006 to Sep. 30,2006							
Net Sales	132,111	142,191	57,707	122,897	29,775	-	484,681
Operating Income (%)	14,478 11.0%	39,066 27.5%	3,384 5.9%	-319 -0.3%	-478 -1.6%	-13,998	42,133 8.7%
From Apr. 1,2007 to Sep. 30,2007							
Net Sales	163,140	168,198	62,828	124,849	31,351	-	550,366
Operating Income (%)	21,560 13.2%	49,523 29.4%	2,829 4.5%	600 0.5%	782 2.5%	-15,071	60,223 10.9%
Growth							
Net Sales	23.5%	18.3%	8.9%	1.6%	5.3%	—	13.6%
Operating Income	48.9%	26.8%	-16.4%	—	—	—	42.9%

the second half year

	Imaging	Medical	Life Science	Information and Communication	Others	Elimination · Unallocation	Total
From Oct. 1,2006 to Mar. 31,2007							
Net Sales	162,192	169,518	65,999	144,794	34,602	-	577,105
Operating Income (%)	12,730 7.8%	48,787 28.8%	4,695 7.1%	3,035 2.1%	1,350 3.9%	-14,001	56,596 9.8%
From Oct. 1,2007 to Mar. 31,2008 (Forecast)							
Net Sales	184,860	183,802	67,172	138,151	38,649	-	612,634
Operating Income (%)	18,440 10.0%	57,977 31.5%	3,171 4.7%	400 0.3%	718 1.9%	-15,929	64,777 10.6%
Growth							
Net Sales	14.0%	8.4%	1.8%	-4.6%	11.7%	—	6.2%
Operating Income	44.9%	18.8%	-32.5%	-86.8%	-46.8%	—	14.5%

For the fiscal year

	Imaging	Medical	Life Science	Information and Communication	Others	Elimination · Unallocation	Total
From Apr. 1,2006 to Mar. 31,2007							
Net Sales	294,303	311,709	123,706	267,691	64,377	-	1,061,786
Operating Income (%)	27,208 9.2%	87,853 28.2%	8,079 6.5%	2,716 1.0%	872 1.4%	-27,999	98,729 9.3%
From Apr. 1,2007 to Mar. 31,2008 (Forecast)							
Net Sales	348,000	352,000	130,000	263,000	70,000	-	1,163,000
Operating Income (%)	40,000 11.5%	107,500 30.5%	6,000 4.6%	1,000 0.4%	1,500 2.1%	-31,000	125,000 10.7%
Growth							
Net Sales	18.2%	12.9%	5.1%	-1.8%	8.7%	—	9.5%
Operating Income	47.0%	22.4%	-25.7%	-63.2%	72.0%	—	26.6%

(Note)

* Each segment contains following products.

Imaging Systems Business

Digital cameras, Film cameras, Voice Recorders

Medical Systems Business

Medical endoscopes, Surgical endoscopes, Endo-therapy products, Ultrasound endoscopes

Life Science Business

Biological microscopes, Industrial microscopes, Diagnostic systems,

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)

		September 30	Composition	September 30	Composition	Growth
		2006(Results)	Ratio (%)	2007(Results)	Ratio (%)	(%)
Imaging	Japan	14,536	11.0%	19,576	12.0%	34.7%
	N. America	29,137	22.1%	35,706	21.9%	22.5%
	Europe	57,173	43.3%	62,972	38.6%	10.1%
	Asia	26,773	20.3%	39,728	24.4%	48.4%
	Others	4,492	3.3%	5,158	3.1%	14.8%
	Total		132,111		163,140	
Medical	Japan	35,407	24.9%	37,067	22.0%	4.7%
	N. America	50,441	35.5%	58,158	34.6%	15.3%
	Europe	41,984	29.5%	52,604	31.3%	25.3%
	Asia	10,514	7.4%	16,082	9.6%	53.0%
	Others	3,845	2.7%	4,287	2.5%	11.5%
	Total		142,191		168,198	
Life Science	Japan	15,046	26.1%	15,417	24.5%	2.5%
	N. America	14,317	24.8%	15,783	25.1%	10.2%
	Europe	17,305	30.0%	20,405	32.5%	17.9%
	Asia	8,969	15.5%	9,532	15.2%	6.3%
	Others	2,070	3.6%	1,691	2.7%	-18.3%
	Total		57,707		62,828	
Information & Communication	Japan	115,442	93.9%	118,324	94.7%	2.5%
	N. America	2,296	1.9%	1,566	1.3%	-31.8%
	Europe	2,798	2.3%	2,623	2.1%	-6.3%
	Asia	2,361	1.9%	2,336	1.9%	-1.1%
	Others	—	—	—	—	—
	Total		122,897		124,849	
Others	Japan	15,347	51.5%	15,842	50.5%	3.2%
	N. America	8,079	27.1%	7,377	23.5%	-8.7%
	Europe	3,842	12.9%	4,950	15.8%	28.8%
	Asia	1,933	6.5%	2,485	7.9%	28.6%
	Others	574	2.0%	697	2.3%	21.4%
	Total		29,775		31,351	
Total	Japan	195,778	40.4%	206,226	37.5%	5.3%
	N. America	104,270	21.5%	118,590	21.5%	13.7%
	Europe	123,102	25.4%	143,554	26.1%	16.6%
	Asia	50,550	10.4%	70,163	12.7%	38.8%
	Others	10,981	2.3%	11,833	2.2%	7.8%
	Total		484,681		550,366	

Consolidated Balance Sheets

(Millions of Yen)

	September 30 2006(Results)	September 30 2007(Results)	March 31 2007(Results)	Variance
Current Assets	473,816	578,333	572,838	5,495
Cash and time deposits	160,545	179,589	216,586	-36,997
Notes and accounts receivable	165,192	189,866	192,855	-2,989
Marketable securities	10	28,301	8,347	19,954
Inventories	93,130	104,678	89,847	14,831
Deferred income taxes	26,433	34,161	32,319	1,842
Other current assets	31,658	45,116	36,265	8,851
Allowance for doubtful accounts	-3,152	-3,378	-3,381	3
Fixed Assets	508,902	532,502	518,962	13,540
Tangible Fixed Assets	134,927	145,722	140,089	5,633
Buildings and structures	58,693	64,036	63,300	736
Machinery and equipment	18,754	17,837	18,526	-689
Tools, dies, furniture and fixtures	37,101	40,496	38,421	2,075
Land	18,003	22,120	18,736	3,384
Construction in progress	2,376	1,233	1,106	127
Intangible Fixed Assets	104,636	100,203	100,351	-148
Goodwill	82,915	80,373	78,718	1,655
Others	21,721	19,830	21,633	-1,803
Investments and Other Assets	269,339	286,577	278,522	8,055
Investment securities	209,682	214,364	216,636	-2,272
Deferred income taxes	9,497	10,255	9,606	649
Others	50,607	62,492	52,763	9,729
Allowance for doubtful accounts	-447	-534	-483	-51
Total Assets	982,718	1,110,835	1,091,800	19,035

(Millions of Yen)

	September 30 2006(Results)	September 30 2007(Results)	March 31 2007(Results)	Variance
Current Liabilities	358,986	435,144	410,116	25,028
Notes and accounts payable	79,312	90,997	100,252	-9,255
Short-term borrowings	142,236	151,102	148,517	2,585
Current maturities of bonds	10,072	30,076	94	29,982
Accrued expenses	66,476	77,796	77,526	270
Income taxes payable	11,661	13,407	16,631	-3,224
Warranty reserve	5,601	8,914	8,758	156
Other current liabilities	43,628	62,852	58,338	4,514
Long-term Liabilities	306,343	303,218	336,813	-33,595
Long-term bonds, less current maturities	105,416	110,458	140,480	-30,022
Long-term borrowings, less current maturities	180,415	166,720	173,123	-6,403
Severance and retirement allowance	9,102	9,946	9,612	334
Other non-current liabilities	11,410	16,094	13,598	2,496
Net Assets	317,389	372,473	344,871	27,602
Owners' Equity	287,948	335,413	310,239	25,174
Common stock	48,332	48,332	48,332	—
Capital surplus	73,049	73,049	73,049	—
Retained earnings	168,599	216,522	191,122	25,400
Treasury stock, at cost	-2,032	-2,490	-2,264	-226
Valuation and Translation Adjustments	19,763	24,290	23,971	319
Net unrealized holding gains on securities	15,159	14,582	16,078	-1,496
Deferred losses on hedges	-377	-486	-184	-302
Foreign currency translation adjustments	4,981	10,194	8,077	2,117
Minority Interests	9,678	12,770	10,661	2,109
Liabilities and Net Assets	982,718	1,110,835	1,091,800	19,035

(Note)

1. 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.