



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the fiscal year ended March 31, 2008

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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					
	March 31	Proportion	March 31	Proportion	Growth	March 31	Proportion	Growth
	2007(Results)	(%)	2008(Results)	(%)	(%)	2009(Forecast)	(%)	(%)
Net Sales	1,061,786		1,128,875		6.3%	1,150,000		1.9%
<u>Cost of Sales</u>	611,503	57.6%	619,396	54.9%		640,000	55.7%	
Gross Profit	450,283	42.4%	509,479	45.1%	13.1%	510,000	44.3%	0.1%
<u>S.G.A. Expenses</u>	351,554	33.1%	396,856	35.1%		415,000	36.0%	
Operating Income	98,729	9.3%	112,623	10.0%	14.1%	95,000	8.3%	-15.6%
Other Income	6,330		8,983			6,000		
<u>Other Expenses</u>	28,833		28,521			26,000		
Extraordinary Item	-2,646		1,527			—		
Income Before Provision for Income Taxes	73,580	6.9%	94,612	8.4%	28.6%	75,000	6.5%	-20.7%
<u>Provision for Income Taxes</u>	26,081		36,760			31,600		
<u>Minority Interests</u>	-300		-117			400		
Net Income	47,799	4.5%	57,969	5.1%	21.3%	43,000	3.7%	-25.8%

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	117.02		114.28			100.00		
Yen / Euro	150.09		161.53			155.00		
Favorable/Unfavorable Impact on Net Sales								
U.S.Dollar	8,028		-6,183			-41,449		
Euro	19,833		18,832			-11,554		
Others	8,866		5,172			-9,323		
Total	36,727		17,821			-62,326		
R & D Expenditures	55,531	5.2%	65,928	5.8%	18.7%	68,000	5.9%	3.1%
Capital Investments	44,696		50,070		12.0%	62,000		23.8%
Depreciation	30,404		37,522		23.4%	48,000		27.9%

(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
		2007(Results)	Ratio (%)	2008(Results)	Ratio (%)	(%)	2009(Forecast)	Ratio (%)	(%)
Digital Cameras	Domestic	26,169		33,843		29.3%	36,700		8.4%
	Overseas	243,067		259,723		6.9%	258,000		-0.7%
	Total	269,236	25.3%	293,566	26.0%	9.0%	294,700	25.6%	0.4%
Others (1)	Domestic	3,335		4,567		36.9%	4,900		7.3%
	Overseas	21,732		22,456		3.3%	20,400		-9.2%
	Total	25,067	2.4%	27,023	2.4%	7.8%	25,300	2.2%	-6.4%
Imaging / Total	Domestic	29,504		38,410		30.2%	41,600		8.3%
	Overseas	264,799		282,179		6.6%	278,400		-1.3%
	Total	294,303	27.7%	320,589	28.4%	8.9%	320,000	27.8%	-0.2%
Endoscopes	Domestic	46,556		47,209		1.4%	49,600		5.1%
	Overseas	167,269		190,157		13.7%	182,500		-4.0%
	Total	213,825	20.2%	237,366	21.0%	11.0%	232,100	20.2%	-2.2%
Surgical endoscopes & Endo Therapy products	Domestic	24,706		28,048		13.5%	32,000		14.1%
	Overseas	73,178		87,855		20.1%	135,900		54.7%
	Total	97,884	9.2%	115,903	10.3%	18.4%	167,900	14.6%	44.9%
Medical / Total	Domestic	71,262		75,257		5.6%	81,600		8.4%
	Overseas	240,447		278,012		15.6%	318,400		14.5%
	Total	311,709	29.4%	353,269	31.3%	13.3%	400,000	34.8%	13.2%
MIS (2) (Microscopes)	Domestic	22,953		22,814		-0.6%	22,900		0.4%
	Overseas	50,985		55,910		9.7%	52,200		-6.6%
	Total	73,938	7.0%	78,724	7.0%	6.5%	75,100	6.5%	-4.6%
Diagnostic Systems (Blood Analyzers)	Domestic	7,144		6,776		-5.2%	7,800		15.1%
	Overseas	42,624		45,946		7.8%	42,100		-8.4%
	Total	49,768	4.7%	52,722	4.6%	5.9%	49,900	4.4%	-5.4%
Life Science / Total	Domestic	30,097		29,590		-1.7%	30,700		3.8%
	Overseas	93,609		101,856		8.8%	94,300		-7.4%
	Total	123,706	11.7%	131,446	11.6%	6.3%	125,000	10.9%	-4.9%
Information & Communication	Domestic	251,511		241,062		-4.2%	220,500		-8.5%
	Overseas	16,180		13,250		-18.1%	14,500		9.4%
	Total	267,691	25.2%	254,312	22.5%	-5.0%	235,000	20.4%	-7.6%
Others	Domestic	32,372		35,908		10.9%	39,300		9.4%
	Overseas	32,005		33,351		4.2%	30,700		-7.9%
	Total	64,377	6.0%	69,259	6.2%	7.6%	70,000	6.1%	1.1%
Total	Domestic	414,746		420,227		1.3%	413,700		-1.6%
	Overseas	647,040		708,648		9.5%	736,300		3.9%
	Total	1,061,786	100.0%	1,128,875	100.0%	6.3%	1,150,000	100.0%	1.9%

(Note)

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

(2) 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					
		March 31	to Net Sales	March 31	to Net Sales	Growth	March 31	to Net Sales	Growth
		2007(Results)	(%)	2008(Results)	(%)	(%)	2009(Forecast)	(%)	(%)
Imaging	Net Sales	294,303		320,589			320,000		
	<u>Operating Expenses</u>	267,095		287,503			296,000		
	Operating Income (%)	27,208	9.2%	33,086	10.3%	21.6%	24,000	7.5%	-27.5%
Medical	Net Sales	311,709		353,269			400,000		
	<u>Operating Expenses</u>	223,856		254,849			300,000		
	Operating Income (%)	87,853	28.2%	98,420	27.9%	12.0%	100,000	25.0%	1.6%
Life Science	Net Sales	123,706		131,446			125,000		
	<u>Operating Expenses</u>	115,627		124,456			119,000		
	Operating Income (%)	8,079	6.5%	6,990	5.3%	-13.5%	6,000	4.8%	-14.2%
Information and Communication	Net Sales	267,691		254,312			235,000		
	<u>Operating Expenses</u>	264,975		251,311			233,000		
	Operating Income (%)	2,716	1.0%	3,001	1.2%	10.5%	2,000	0.9%	-33.4%
Others	Net Sales	64,377		69,259			70,000		
	<u>Operating Expenses</u>	63,505		68,342			78,000		
	Operating Income (%)	872	1.4%	917	1.3%	5.2%	-8,000	-11.4%	-
Elimination Unallocation	Net Sales	—		—			—		
	<u>Operating Expenses</u>	27,999		29,791			29,000		
	Operating Income (%)	-27,999		-29,791			-29,000		
Total	Net Sales	1,061,786		1,128,875			1,150,000		
	<u>Operating Expenses</u>	963,057		1,016,252			1,055,000		
	Operating Income (%)	98,729	9.3%	112,623	10.0%	14.1%	95,000	8.3%	-15.6%

(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
		2007(Results)	Ratio (%)	2008(Results)	Ratio (%)	(%)
Imaging	Japan	29,504	10.0%	38,410	12.0%	30.2%
	N. America	69,873	23.7%	72,234	22.5%	3.4%
	Europe	123,099	41.8%	123,648	38.6%	0.4%
	Asia	59,989	20.4%	75,611	23.6%	26.0%
	Others	11,838	4.1%	10,686	3.3%	-9.7%
	Total	294,303		320,589		8.9%
Medical	Japan	71,262	22.9%	75,257	21.3%	5.6%
	N. America	105,935	34.0%	116,056	32.9%	9.6%
	Europe	99,526	31.9%	119,220	33.7%	19.8%
	Asia	26,648	8.5%	32,193	9.1%	20.8%
	Others	8,338	2.7%	10,543	3.0%	26.4%
	Total	311,709		353,269		13.3%
Life Science	Japan	30,097	24.3%	29,590	22.5%	-1.7%
	N. America	31,234	25.2%	32,488	24.7%	4.0%
	Europe	40,094	32.4%	44,803	34.1%	11.7%
	Asia	18,763	15.2%	21,093	16.0%	12.4%
	Others	3,518	2.9%	3,472	2.7%	-1.3%
	Total	123,706		131,446		6.3%
Information & Communication	Japan	251,511	93.9%	241,062	94.8%	-4.2%
	N. America	4,786	1.8%	3,451	1.4%	-27.9%
	Europe	6,366	2.4%	5,138	2.0%	-19.3%
	Asia	5,028	1.9%	4,654	1.8%	-7.4%
	Others	—	—	7	—	—
	Total	267,691		254,312		-5.0%
Others	Japan	32,372	50.3%	35,908	51.8%	10.9%
	N. America	17,407	27.0%	16,025	23.1%	-7.9%
	Europe	9,429	14.6%	10,301	14.9%	9.2%
	Asia	3,976	6.2%	5,322	7.7%	33.9%
	Others	1,193	1.9%	1,703	2.5%	42.7%
	Total	64,377		69,259		7.6%
Total	Japan	414,746	39.1%	420,227	37.2%	1.3%
	N. America	229,235	21.6%	240,254	21.3%	4.8%
	Europe	278,514	26.2%	303,110	26.9%	8.8%
	Asia	114,404	10.8%	138,873	12.3%	21.4%
	Others	24,887	2.3%	26,411	2.3%	6.1%
	Total	1,061,786		1,128,875		6.3%

Consolidated Balance Sheets

	(Millions of Yen)		
	March 31	March 31	Variance
	2007(Results)	2008(Results)	
Current Assets	572,838	543,305	-29,533
Cash and time deposits	216,586	158,281	-58,305
Notes and accounts receivable	192,855	193,555	700
Marketable securities	8,347	3	-8,344
Inventories	89,847	110,824	20,977
Deferred income taxes	32,319	36,719	4,400
Other current assets	36,265	47,032	10,767
Allowance for doubtful accounts	-3,381	-3,109	272
Fixed Assets	518,962	815,044	296,082
Tangible Fixed Assets	140,089	150,036	9,947
Buildings and structures	63,300	61,305	-1,995
Machinery and equipment	18,526	18,350	-176
Tools, dies, furniture and fixtures	38,421	42,692	4,271
Land	18,736	21,291	2,555
Construction in progress	1,106	6,398	5,292
Intangible Fixed Assets	100,351	404,030	303,679
Goodwill	78,718	299,800	221,082
Others	21,633	104,230	82,597
Investments and Other Assets	278,522	260,978	-17,544
Investment securities	216,636	193,843	-22,793
Deferred income taxes	9,606	9,665	59
Others	52,763	57,885	5,122
Allowance for doubtful accounts	-483	-415	68
Total Assets	1,091,800	1,358,349	266,549

	(Millions of Yen)		
	March 31	March 31	Variance
	2007(Results)	2008(Results)	
Current Liabilities	410,116	662,454	252,338
Notes and accounts payable	100,252	83,602	-16,650
Short-term borrowings	148,517	338,787	190,270
Current maturities of bonds	94	35,201	35,107
Accrued expenses	77,526	82,467	4,941
Income taxes payable	16,631	14,121	-2,510
Warranty reserve	8,758	10,141	1,383
Other current liabilities	58,338	98,135	39,797
Long-term Liabilities	336,813	328,019	-8,794
Long-term bonds, less current maturities	140,480	105,397	-35,083
Long-term borrowings, less current maturities	173,123	177,371	4,248
Severance and retirement allowance	9,529	10,317	788
Other non-current liabilities	13,681	34,934	21,253
Net Assets	344,871	367,876	23,005
Owners' Equity	310,239	356,564	46,325
Common stock	48,332	48,332	—
Capital surplus	73,049	73,049	—
Retained earnings	191,122	237,817	46,695
Treasury stock, at cost	-2,264	-2,634	-370
Valuation and Translation Adjustments	23,971	-213	-24,184
Net unrealized holding gains on securities	16,078	6,320	-9,758
Deferred losses on hedges	-184	34	218
Foreign currency translation adjustments	8,077	-6,567	-14,644
Minority Interests	10,661	11,525	864
Liabilities and Net Assets	1,091,800	1,358,349	266,549

(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.