



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS

For the Second Quarter ended September 30, 2009

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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 year ending			
	September 30	Proportion	September 30	Proportion	Growth	March 31	Proportion	Growth
	2008(Results)	(%)	2009(Results)	(%)	(%)	2010(Forecast)	(%)	(%)
Net Sales	535,790		435,421		-18.7%	920,000		-6.2%
<u>Cost of Sales</u>	272,623	50.9%	232,614	53.4%		505,000	54.9%	
Gross Profit	263,167	49.1%	202,807	46.6%	-22.9%	415,000	45.1%	-10.0%
<u>S.G.A. Expenses</u>	231,068	43.1%	174,289	40.1%		356,000	38.7%	
Operating Income	32,099	6.0%	28,518	6.5%	-11.2%	59,000	6.4%	70.6%
Other Income	4,408		2,777			8,000		
Other Expenses	16,909		12,801			27,000		
<u>Extraordinary Item</u>	-2,120		42,881			43,000		
Income Before Provision for Income Taxes	17,478	3.3%	61,375	14.1%	251.2%	83,000	9.0%	-
<u>Provision for Income Taxes</u>	14,518		25,174			42,600		
<u>Minority Interests</u>	-643		8			400		
Net Income	3,603	0.7%	36,193	8.3%	904.5%	40,000	4.3%	-

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	106.11		95.49			93.00		
Yen / Euro	162.68		133.16			129.00		
Favorable/Unfavorable Impact on Net Sales	-22,282		-43,231			-50,600		
Favorable/Unfavorable Impact on Operating Income	-3,183		-12,472			-15,400		
R & D Expenditures	34,798	6.5%	28,858	6.6%	-17.1%	59,000	6.4%	-15.7%
Capital Investments	27,436		20,608		-24.9%	36,000		-35.3%
Depreciation	23,496		22,555		-4.0%	43,000		-4.0%

(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 and Operating Income by Business Segment

(Millions of Yen)

		The first half year			The second half year			The fiscal year		
		From April 1, 2008	From April 1, 2009	Growth	From Oct. 1, 2008	From Oct. 1, 2009	Growth	From April 1, 2008	From April 1, 2009	Growth
		to Sep. 30,2008	to Sep. 30,2009		to Mar. 31,2009	to Mar. 31,2010		to Mar. 31,2009	to Mar. 31,2010	
						Forecast			Forecast	
Imaging	Net Sales	140,287	87,809	-52,478	84,173	102,191	18,018	224,460	190,000	-34,460
	Operating Income	11,769	1,739	-10,030	-16,900	3,261	20,161	-5,131	5,000	10,131
	(%)	8.4%	2.0%	-85.2%	-20.1%	3.2%	-	-2.3%	2.6%	-
Medical	Net Sales	206,450	170,466	-35,984	177,378	179,534	2,156	383,828	350,000	-33,828
	Operating Income	38,757	37,587	-1,170	36,286	35,913	-373	75,043	73,500	-1,543
	(%)	18.8%	22.0%	-3.0%	20.5%	20.0%	-1.0%	19.6%	21.0%	-2.1%
Life Science	Net Sales	61,594	44,071	-17,523	57,225	36,929	-20,296	118,819	81,000	-37,819
	Operating Income	1,756	1,456	-300	3,004	3,544	540	4,760	5,000	240
	(%)	2.9%	3.3%	-17.1%	5.2%	9.6%	18.0%	4.0%	6.2%	5.0%
Information and Communication	Net Sales	74,151	88,587	14,436	78,795	119,413	40,618	152,946	208,000	55,054
	Operating Income	269	2,341	2,072	1,385	2,159	774	1,654	4,500	2,846
	(%)	0.4%	2.6%	770.3%	1.8%	1.8%	55.9%	1.1%	2.2%	172.1%
Others	Net Sales	53,308	44,488	-8,820	47,442	46,512	-930	100,750	91,000	-9,750
	Operating Income	-5,673	-1,165	4,508	-9,037	-835	8,202	-14,710	-2,000	12,710
	(%)	-10.6%	-2.6%	-	-19.0%	-1.8%	-	-14.6%	-2.2%	-
Elimination or Corporate	Operating Income	-14,779	-13,440	1,339	-12,250	-13,560	-1,310	-27,029	-27,000	29
Total	Net Sales	535,790	435,421	-100,369	445,013	484,579	39,566	980,803	920,000	-60,803
	Operating Income	32,099	28,518	-3,581	2,488	30,482	27,994	34,587	59,000	24,413
	(%)	6.0%	6.5%	-11.2%	0.6%	6.3%	-	3.5%	6.4%	70.6%

(Note)

1. Diagnostic systems business, categorized as "Life Science", were divested on August 3, 2009.

2. From the fiscal year started on April 1, 2009, a part of businesses which were categorized as "information and Communication" have been transferred to "Others".

Above information for the year ended March 31 2009 are shown under the new business segments.

In addition, following information as of September 30 2008(Results) of "Sales by Product" (page 3), "Sales by Region"(page 4) and "Sales and Operating Income by Business Segment (Quarterly)"(page 5) are also shown under the new business segments.

Sales by Product

(Millions of Yen)

		September 30	Composition	September 30	Composition	Growth	March 31	Composition	Growth
		2008(Results)	Ratio(%)	2009(Results)	Ratio(%)	(%)	2010(Forecast)	Ratio(%)	(%)
Digital Camera	Domestic	15,821		12,641		-20.1%	28,900		6.0%
	Overseas	113,242		67,478		-40.4%	145,100		-18.3%
	Total	129,063	24.1%	80,119	18.4%	-37.9%	174,000	18.9%	-15.1%
Others	Domestic	2,315		1,484		-35.9%	3,800		-7.5%
	Overseas	8,909		6,206		-30.3%	12,200		-21.0%
	Total	11,224	2.1%	7,690	1.8%	-31.5%	16,000	1.8%	-18.1%
Imaging / Total	Domestic	18,136		14,125		-22.1%	32,700		4.2%
	Overseas	122,151		73,684		-39.7%	157,300		-18.5%
	Total	140,287	26.2%	87,809	20.2%	-37.4%	190,000	20.7%	-15.4%
Endoscope	Domestic	22,233		19,835		-10.8%	42,900		-3.7%
	Overseas	91,205		74,103		-18.8%	147,300		-12.5%
	Total	113,438	21.2%	93,938	21.6%	-17.2%	190,200	20.7%	-10.7%
Surgical & Endo-Therapy	Domestic	15,517		16,943		9.2%	33,400		5.5%
	Overseas	77,495		59,585		-23.1%	126,400		-9.3%
	Total	93,012	17.3%	76,528	17.6%	-17.7%	159,800	17.3%	-6.5%
Medical / Total	Domestic	37,750		36,778		-2.6%	76,300		0.1%
	Overseas	168,700		133,688		-20.8%	273,700		-11.0%
	Total	206,450	38.5%	170,466	39.2%	-17.4%	350,000	38.0%	-8.8%
MIS (Microscope)	Domestic	8,378		8,053		-3.9%	16,750		2.6%
	Overseas	26,460		19,485		-26.4%	47,717		-6.2%
	Total	34,838	6.5%	27,538	6.3%	-21.0%	64,467	7.0%	-4.1%
Diagnostic Systems (Blood Analyzers)	Domestic	3,562		1,950		-45.3%	1,950		-69.6%
	Overseas	23,194		14,583		-37.1%	14,583		-67.7%
	Total	26,756	5.0%	16,533	3.8%	-38.2%	16,533	1.8%	-68.0%
Life Science / Total	Domestic	11,940		10,003		-16.2%	18,700		-17.8%
	Overseas	49,654		34,068		-31.4%	62,300		-35.2%
	Total	61,594	11.5%	44,071	10.1%	-28.4%	81,000	8.8%	-31.8%
Information & Communication	Domestic	74,151		88,587		19.5%	208,000		36.0%
	Overseas	0		0		-	0		-
	Total	74,151	13.9%	88,587	20.3%	19.5%	208,000	22.6%	36.0%
Others	Domestic	33,522		31,513		-6.0%	60,300		-5.7%
	Overseas	19,786		12,975		-34.4%	30,700		-16.5%
	Total	53,308	9.9%	44,488	10.2%	-16.5%	91,000	9.9%	-9.7%
Total	Domestic	175,499		181,006		3.1%	396,000		14.0%
	Overseas	360,291		254,415		-29.4%	524,000		-17.3%
	Total	535,790	100.0%	435,421	100.0%	-18.7%	920,000	100.0%	-6.2%

Sales by Region

(Millions of Yen)

		September 30	Composition	September 30	Composition	Growth
		2008(Results)	Ratio (%)	2009(Results)	Ratio (%)	(%)
Imaging	Japan	18,136	12.9%	14,125	16.1%	-22.1%
	N. America	31,495	22.5%	18,219	20.7%	-42.2%
	Europe	52,205	37.2%	29,572	33.7%	-43.4%
	Asia	32,759	23.4%	22,044	25.1%	-32.7%
	Others	5,692	4.0%	3,849	4.4%	-32.4%
	Total	140,287		87,809		-37.4%
Medical	Japan	37,750	18.3%	36,778	21.6%	-2.6%
	N. America	77,704	37.6%	62,026	36.3%	-20.2%
	Europe	67,302	32.7%	49,545	29.1%	-26.4%
	Asia	18,456	8.9%	17,001	10.0%	-7.9%
	Others	5,238	2.5%	5,116	3.0%	-2.3%
	Total	206,450		170,466		-17.4%
Life Science	Japan	11,940	19.4%	10,003	22.7%	-16.2%
	N. America	15,261	24.8%	11,401	25.9%	-25.3%
	Europe	21,317	34.6%	13,281	30.1%	-37.7%
	Asia	11,230	18.2%	7,970	18.1%	-29.0%
	Others	1,846	3.0%	1,416	3.2%	-23.3%
	Total	61,594		44,071		-28.4%
Information & Communication	Japan	74,151	100.0%	88,587	100.0%	19.5%
	N. America	-	-	-	-	-
	Europe	-	-	-	-	-
	Asia	-	-	-	-	-
	Others	-	-	-	-	-
	Total	74,151		88,587		19.5%
Others	Japan	33,522	62.9%	31,513	70.8%	-6.0%
	N. America	7,834	14.6%	5,162	11.6%	-34.1%
	Europe	7,135	13.4%	3,931	8.8%	-44.9%
	Asia	3,830	7.2%	3,046	6.9%	-20.5%
	Others	987	1.9%	836	1.9%	-15.3%
	Total	53,308		44,488		-16.5%
Total	Japan	175,499	32.8%	181,006	41.6%	3.1%
	N. America	132,294	24.6%	96,808	22.2%	-26.8%
	Europe	147,959	27.6%	96,329	22.1%	-34.9%
	Asia	66,275	12.4%	50,061	11.5%	-24.5%
	Others	13,763	2.6%	11,217	2.6%	-18.5%
	Total	535,790		435,421		-18.7%

Consolidated Statements of Income (Quarterly)

(Millions of Yen)

	For the year ending March 31,2010		Growth (%)	
	First Quarter	Second Quarter	First Quarter	Second Quarter
Net Sales	205,169	230,252	-19.3%	-18.2%
<u>Cost of Sales</u>	<u>109,369</u>	<u>123,245</u>	-15.3%	-14.1%
Gross Profit	95,800	107,007	-23.5%	-22.4%
<u>S.G.A. Expenses</u>	<u>84,440</u>	<u>89,849</u>	-21.6%	-27.2%
Operating Income	11,360	17,158	-35.2%	17.9%
Other Income	1,382	1,722	-51.3%	9.7%
Other Expenses	5,757	7,371	-25.1%	-20.1%
<u>Extraordinary Item</u>	<u>-493</u>	<u>43,374</u>	-	-
Income Before Provision for Income Taxes	6,492	54,883	-45.2%	876.2%
<u>Provision for Income Taxes</u>	<u>4,693</u>	<u>20,481</u>	-15.9%	129.1%
<u>Minority Interests</u>	<u>-7</u>	<u>15</u>	-	-
Net Income	1,806	34,387	-72.3%	-
Capital Investments	10,625	9,983	-3.6%	-39.2%
Depreciation	11,462	11,093	25.5%	-22.8%

(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 and Operating Income by Business Segment (Quarterly)

(Millions of Yen)

		For the year ending March 31,2010		Growth (%)	
		First Quarter	Second Quarter	First Quarter	Second Quarter
Imaging	Net Sales	41,214	46,595	-42.9%	-31.6%
	Operating Income	368	1,371	-96.2%	-31.6%
Medical	Net Sales	78,844	91,622	-12.5%	-21.2%
	Operating Income	15,989	21,598	-10.4%	3.3%
Life Science	Net Sales	23,299	20,772	-18.3%	-37.2%
	Operating Income	931	525	-	-74.0%
Information and Communication	Net Sales	39,220	49,367	2.8%	37.1%
	Operating Income	1,068	1,273	-	615.2%
Others	Net Sales	22,592	21,896	-11.0%	-21.6%
	Operating Income	-779	-386	-	-
Elimination or Corporate	Operating Income	-6,217	-7,223	-	-
	Total				
	Net Sales	205,169	230,252	-19.3%	-18.2%
	Operating Income	11,360	17,158	-35.2%	17.9%

Consolidated Balance Sheets

(Millions of Yen)

	September 30 2008(Results)	September 30 2009(Results)	March 31 2009	Variance
Current Assets	500,846	531,064	474,767	56,297
Cash and time deposits	129,690	223,426	136,877	86,549
Notes and accounts receivable	184,178	142,866	160,258	-17,392
Marketable securities	205	2,500	199	2,301
Inventories	108,559	87,558	96,490	-8,932
Deferred income taxes	37,785	34,404	36,843	-2,439
Other current assets	44,384	43,992	48,494	-4,502
Allowance for doubtful accounts	-3,955	-3,682	-4,394	712
Fixed Assets	806,788	606,536	631,551	-25,015
Tangible Assets	163,268	151,243	163,113	-11,870
Buildings and structures	59,326	73,119	76,940	-3,821
Machinery and equipment	17,921	14,367	16,784	-2,417
Tools, dies, furniture and fixtures	47,259	38,738	42,630	-3,892
Land	20,579	19,140	19,856	-716
Leased asset	3,985	3,851	3,512	339
Construction in progress	14,198	2,028	3,391	-1,363
Intangible Assets	392,310	244,792	264,620	-19,828
Goodwill	297,166	169,923	180,540	-10,617
Others	95,144	74,869	84,080	-9,211
Investments and Other Assets	251,210	210,501	203,818	6,683
Investment securities	174,938	141,978	127,144	14,834
Deferred income taxes	15,846	11,915	15,661	-3,746
Others	60,863	57,930	62,251	-4,321
Allowance for doubtful accounts	-437	-1,322	-1,238	-84
Total Assets	1,307,634	1,137,600	1,106,318	31,282

(Millions of Yen)

	September 30 2008(Results)	September 30 2009(Results)	March 31 2009	Variance
Current Liabilities	393,846	321,510	341,905	-20,395
Notes and accounts payable	77,063	64,308	66,604	-2,296
Short-term borrowings	146,114	81,456	97,068	-15,612
Current maturities of bonds	5,014	40,300	20,300	20,000
Accrued expenses	74,514	58,645	65,592	-6,947
Income taxes payable	11,869	15,630	8,404	7,226
Warranty reserve	10,249	8,675	8,875	-200
Other reserve	72	-	61	-61
Other current liabilities	68,951	52,496	75,001	-22,505
Long-term Liabilities	569,878	611,792	595,629	16,163
Long-term bonds, less current maturities	150,300	110,200	130,200	-20,000
Long-term borrowings, less current maturities	362,357	450,920	412,656	38,264
Severance and retirement allowance	12,334	17,953	18,744	-791
Other reserve	113	142	130	12
Other non-current liabilities	44,774	32,577	33,899	-1,322
Net Assets	343,910	204,298	168,784	35,514
Owners' Equity	345,856	260,293	218,914	41,379
Common stock	48,332	48,332	48,332	-
Capital surplus	73,049	55,166	73,049	-17,883
Retained earnings	237,292	160,925	110,407	50,518
Treasury stock, at cost	-12,817	-4,130	-12,874	8,744
Valuation and Translation Adjustments	-12,095	-63,201	-57,550	-5,651
Unrealized holding gains or losses on securities	5,158	6,634	-1,457	8,091
Deferred gains or losses on hedges	2,480	818	-1,330	2,148
Foreign currency translation adjustments	-19,733	-70,653	-54,763	-15,890
Minority Interests	10,149	7,206	7,420	-214
Liabilities and Net Assets	1,307,634	1,137,600	1,106,318	31,282

(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.

Consolidated statement of cash flows

(Millions of yen)

	For the half year ended September 30 2008(Results)	For the half year ended September 30 2009(Results)	Variance
Cash flows from operating activities			
Income before provision for income taxes	17,478	61,375	43,897
Depreciation and amortization	23,496	22,555	-941
Impairment loss on fixed assets	511	162	-349
Amortization of goodwill	13,839	5,848	-7,991
Increase (decrease) of severance and retirement allowance	2,197	620	-1,577
Increase (decrease) in allowance for investment loss	-	1,800	1,800
Interest and dividend income	-2,510	-1,023	1,487
Interest expenses	7,123	6,295	-828
Gain on transfer of business	-	-46,271	-46,271
Loss (gain) on valuation of investment securities	2,266	1,506	-760
Decrease (increase) in accounts receivable	4,213	2,904	-1,309
Decrease (increase) in inventories	-505	791	1,296
Increase (decrease) in notes and accounts payable	-5,767	3,248	9,015
Increase (decrease) in other payable	-4,680	-6,443	-1,763
Increase (decrease) in accrued expenses	-6,607	-4,516	2,091
Other	1,148	1,601	453
Subtotal	52,202	50,452	-1,750
Interest and dividend received	2,560	1,096	-1,464
Interest payments	-7,147	-6,400	747
Income taxes paid	-17,373	-8,955	8,418
Net cash provided by operating activities	30,242	36,193	5,951
Cash flows from investing activities			
Deposits in time deposits	-1,843	-3,007	-1,164
Withdrawals from time deposits	38,184	2,247	-35,937
Purchase of property, plant and equipment	-26,127	-28,074	-1,947
Purchase of intangible assets	-3,257	-3,075	182
Purchases of investment securities	-2,856	-3,066	-210
Sales of investment securities	17,254	373	-16,881
Payments for acquisition of new consolidated subsidiaries	-128	-372	-244
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-95	-16	79
Purchase of investments in subsidiaries	-38,956	-1,219	37,737
Payments for transfer of business	-	-6,851	-6,851
Proceeds from transfer of business	-	74,402	74,402
Other	-41	-779	-738
Net cash used in investing activities	-17,865	30,563	48,428
Cash flows from financing activities			
Increase (decrease) in short-term borrowings	-193,428	-8,432	184,996
Proceeds from long-term dept	200,796	64,710	-136,086
Repayments of long-term dept	-8,620	-32,228	-23,608
Proceeds from issuance of bonds	44,966	-	-44,966
Redemption of bonds	-30,061	-	30,061
Expenditure on acquisition of treasury stock	-10,183	-	10,183
Dividends paid	-5,405	-	5,405
Other	-581	-538	43
Net cash provided by financing activities	-2,516	23,512	26,028
Effect of exchange rate changes on cash and cash equivalents	-1,545	-3,016	-1,471
Net increase (decrease) in cash and cash equivalents	8,316	87,252	78,936
Cash and cash equivalents at beginning of year	119,842	132,720	12,878
Increase in cash and cash equivalents associated with acquisition of consolidated subsidiaries	-	477	477
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	-6	-	6
Increase in cash and cash equivalents associated with acquisition of nonconsolidated subsidiaries	-	88	88
Cash and cash equivalents at end of year	128,152	220,537	92,385