

December 28, 2011

News Release

Company: Olympus Corporation  
Representative Director, President and CEO: Shuichi Takayama  
(Code 7733, First Section, Tokyo Stock Exchange)  
Contact: Akihiro Nambu, Manager, Public Relations and IR Office

(Corrections) Notice Concerning Partial Corrections to “Consolidated Financial Results (Kessan Tanshin) for the Three Months of the Fiscal Year Ending March 31, 2010”

Olympus Corporation (the “Company”) has proceeded with operations to correct consolidated financial results (kessan tanshin) of past fiscal years as announced in “Notice Concerning Filing of the Amendments to the Past Securities Reports and Partial Corrections to Past Financial Results (Kessan Tanshin) and That for the First Quarter of the Fiscal Year Ending March 2012,” a timely disclosure of the Company as prescribed by the Tokyo Stock Exchange dated December 15, 2011.

The Company has now completed the operations to correct “Consolidated Financial Results (Kessan Tanshin) for the Three Months of the Fiscal Year Ending March 31, 2010” dated August 6, 2009, and it accordingly announces the details of the corrections.

Because corrections have been made in numerous locations, two copies of the full document are attached: the version before corrections and the version after corrections. The places in the document where corrections were made are underlined.

END

(After Correction)

# Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2010



August 6, 2009

Company Name: Olympus Corporation  
Code Number: 7733  
(URL: <http://www.olympus.co.jp/>)  
Stock Exchange Listing: First Section of Tokyo Stock Exchange  
Representative: Tsuyoshi Kikukawa, President and Representative Director  
Contact: Nobuyuki Onishi, General Manager, Accounting Division  
Phone: 03-3340-2111  
Scheduled date to submit the Quarterly Securities Report: August 14, 2009  
Scheduled date to commence dividend payments: –

(Figures are rounded off to the nearest million yen)

## 1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2010 (From April 1, 2009 to June 30, 2009)

(1) Consolidated Results of Operations (cumulative) (% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Three months ended								
June 30, 2009	205,169	(19.3)	11,625	(40.3)	7,175	(50.7)	1,871	(64.3)
June 30, 2008	254,331	–	19,463	–	14,561	–	5,235	–

	Net income per share		Fully diluted net income per share	
	(¥)	(¥)	(¥)	(¥)
Three months ended				
June 30, 2009	6.98	6.97		
June 30, 2008	19.44	19.44		

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	%	(¥)
As of				
June 30, 2009	1,036,486	127,438	11.6	445.17
March 31, 2009	1,038,253	110,907	10.0	387.31

Note: Equity as of June 30, 2009: ¥120,184 million March 31, 2009: ¥103,487 million

## 2. Dividends

(Record date)	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2009	–	20.00	–	0.00	20.00
Fiscal year ending March 31, 2010	–				
Fiscal year ending March 31, 2010 (Forecast)		15.00	–	15.00	30.00

Note: Revisions of the forecast in the current quarter: No

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2010****(From April 1, 2009 to March 31, 2010)**

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Six months	420,000	(21.6)	19,000	(47.8)	9,500	(60.1)	36,000	=	133.35
Full year	900,000	(8.2)	59,000	38.1	40,000	55.8	40,000	-	148.16

Note: Revisions of the forecast in the current quarter: Yes

**4. Others**

(1) Changes in significant subsidiaries during period under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): No

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements: Yes

[Note: For more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”)

1) Changes due to revisions to accounting standards, and other regulations: No

2) Changes due to other reasons: Yes

[Note: For more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2009 271,283,608 shares

As of March 31, 2009 271,283,608 shares

2) Total number of treasury shares at the end of the period

As of June 30, 2009 1,312,048 shares

As of March 31, 2009 4,089,222 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2009 268,116,353 shares

Three months ended June 30, 2008 269,248,342 shares

**\* Proper use of the forecast of financial results, and other special matters**

1. The forecast of consolidated financial results which was announced on May 12, 2009, is revised in these materials.
2. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of “3. Qualitative Information Regarding Forecast of Consolidated Financial Results” of “[Qualitative Information and Financial Statements]” on page 5 for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 1. above.

## [Qualitative Information and Financial Statements]

### 1. Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy during the first three months ended June 30, 2009 remained low despite some signs of a partial improvement such as a bottoming out of exports attributable to the progress of global inventory adjustments, among other factors. Around the world, the recession continued to deepen mostly in the U.S. and Europe.

Amid this adverse business environment, the consolidated net sales for the Olympus Group over the first three months of the fiscal year under review decreased 19.3% year on year to ¥205,169 million. Operating income decreased 40.3% year on year to ¥11,625 million mainly due to the adverse influences of exchange rate movements and reduced revenue from the Imaging Systems Business. Ordinary income decreased 50.7% year on year to ¥7,175 million primarily due to the deterioration in operating income. The Olympus Group recorded extraordinary income of ¥140 million, extraordinary losses of ¥758 million and income taxes of ¥4,693 million resulting in net income of ¥1,871 million, down 64.3% year on year.

During the three months, the Olympus Group invested ¥13,053 million on research and development, and spent ¥10,625 million on capital investments.

As described in 4. Others (3) and 5. (5) Segment information, due to changes in the business segmentation of segment information from the three months of the fiscal year ending March 31, 2010, the following comparisons with the same period of the previous fiscal year are effected with respect to figures arranged in business classifications after the changes to the figures of the same period of the previous fiscal year.

#### Imaging Systems Business

In the Imaging Systems Business, the Olympus Group registered consolidated net sales for the three months of ¥41,214 million (down 42.9 % year on year) and an operating income of ¥368 million (down 96.2%).

Although the compact digital cameras “FE” Series and “μ TOUGH” Series contributed to sales, revenue declined mainly due to the appreciating yen and because fewer units were sold on the overall digital camera market in the wake of the economic downturn.

The Olympus Group secured operating income by thoroughly reducing costs and managing inventories despite low income due to a decline in revenue from adverse influences of exchange rate movements.

#### Medical Systems Business

Consolidated net sales in the Medical Systems Business during the three months amounted to ¥78,844 million (down 12.5% year on year), while operating income amounted to ¥16,072 million (down 10.7%).

In the Chinese market, sales of endoscope systems increased and sampling treatment services such as biopsy forceps and pancreatico-biliary therapeutic devices such as guide wires and stents all performed well both in Japan and abroad. Sales of Gyus, which was integrated in the Olympus Group, also fared well, however, the adverse influences of exchange rate movements brought down revenue on the whole in the Medical Systems Business.

Operating income fell due to the appreciating yen and other factors.

### **Life Science Business**

Consolidated net sales for the Life Science Business during the three months was ¥23,299 million (down 18.3% year on year), while operating income amounted to ¥931 million (compared with a ¥265 million operating loss in the same period of the previous fiscal year).

In addition to the positive sales of our blood transfusion related products in Japan, overseas sales mostly to China of clinical chemistry analyzers expanded. However, the appreciating yen and fall in global market conditions on the heels of the worsening economy pushed down sales of industrial microscopes, lowering revenue on the whole for the Life Science Business.

Operating income was secured thanks to cost reduction activities.

### **Information & Communication Business**

Consolidated net sales for the Information & Communication Business during the three months was ¥39,220 million (up 2.8% year on year), while operating income amounted to ¥1,068 million (compared with an operating income of ¥91 million in the same period of the previous fiscal year).

Net sales increased due to an expansion in sales channels for mobile phones.

Operating income went up thanks to enhanced profitability after effecting cost reductions.

### **Others**

Consolidated net sales for other businesses in the three months was ¥22,592 million (down 11.0% year on year), with an operating loss of ¥596 million (compared with an operating loss of ¥1,529 million recorded in the same period of the previous fiscal year).

In the non-destructive testing equipment field, highly functional phased array testing devices sold briskly in Japan and sales of high-speed inkjet printers in the information equipment field and “OSferion,” an artificial bone replacement material, in the biomedical materials field expanded. However, revenue in other businesses declined on the whole as the global economic recession restricted corporate investment.

The operating loss contracted as a result of lower costs associated with amortization of goodwill of consolidated subsidiaries recorded in the previous fiscal year.

## **2. Qualitative Information Regarding Consolidated Financial Position**

As of the end of the first three months, total assets decreased ¥1,767 million compared to the end of the previous fiscal year to ¥1,036,486 million, primarily as a result of decreases in notes and accounts receivable of ¥17,541 million and in intangible fixed assets of ¥4,844 million due to the amortization of goodwill, notwithstanding increases in cash and time deposits of ¥8,008 million and in investment securities of ¥12,539 million.

Total liabilities decreased ¥18,298 million compared to the end of the previous fiscal year to ¥909,048 million, primarily as a result of decreases of ¥6,640 million in notes and accounts payable, and ¥6,957 million in accounts payable-other.

Net assets increased ¥16,531 million compared to the end of the previous fiscal year to ¥127,438 million, primarily due to a decrease of ¥8,747 million worth of treasury stock after a share exchange associated with the complete subsidiarization of Iwaken Co., Ltd., as well as an increase of ¥9,638 million in valuation and translation adjustments arising from fluctuations in exchange rates and stock prices.

As a result of the foregoing, equity ratio increased from 10.0% as of the end of the previous consolidated fiscal

year to 11.6%.

#### Cash flow position

The following are the cash flows for the three months of the fiscal year ending March 31, 2010 and their causes.

“Cash flows from operating activities” increased by ¥22,924 million mainly due to a decrease of ¥20,274 million in accounts receivable and ¥11,418 million in depreciation and amortization, among others. Contrastingly, decreasing factors mainly included a ¥7,180 million decrease in accounts payable and ¥5,555 million in income taxes paid.

“Cash flows from investing activities” decreased by ¥14,668 million mainly due to purchase of property, plant and equipment totaling ¥9,905 million.

“Cash flows from financing activities” decreased by ¥2,031 million mainly due to ¥5,734 million in repayments of long-term debt. Contrastingly, increasing factors mainly consisted of a ¥4,095 million increase in short-term borrowings.

As a result, cash and cash equivalents at the end of the first three months reached ¥139,838 million, an increase of ¥7,118 million compared to the end of the previous fiscal year.

### **3. Qualitative Information Regarding Forecast of Consolidated Financial Results**

Regarding the forecast of consolidated financial results for the first six months ending September 30, 2009, continuing Group-wide efforts to lower cost of sales and selling, general and administrative expenses in addition to thorough inventory adjustments especially in the Imaging Systems Business, among other factors, resulted in the improvement of revenue. Taking these circumstances into consideration, the Olympus Group has revised the previously announced forecasts as follows. Foreign exchange rates in the first six months and beyond are expected to be ¥95 per U.S. dollar and ¥120 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥96 per U.S. dollar and ¥123 per euro.

Regarding the full-year forecasts, no changes have been made to the previously announced figures due to current uncertainties in the future business environment.

#### Six months of the fiscal year ending March 31, 2010

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	420,000	15,000	5,500	33,000	123.51
Revised Forecast (B)	420,000	19,000	9,500	36,000	133.35
Increase (Decrease) (B-A)	–	4,000	4,000	3,000	–
Increase (Decrease) Ratio (%)	–	26.7	72.7	9.1	–

#### Fiscal year ending March 31, 2010

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	900,000	59,000	40,000	40,000	149.70
Revised Forecast (B)	900,000	59,000	40,000	40,000	148.16
Increase (Decrease) (B-A)	–	–	–	–	–
Increase (Decrease) Ratio (%)	–	–	–	–	–

Note: Due to a change in the number of shares, only the net income per share has changed.

#### 4. Others

- (1) Changes in significant subsidiaries during period under review (changes in specified subsidiaries resulting in the changes in scope of consolidation)

No items to report

- (2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the three months under review, and next by multiplying the income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

With respect to the calculation of inventories at the end of the first three months, physical inventories were omitted and a reasonable calculation method was employed based on the physical inventories at the end of the previous fiscal year.

In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

- (3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

1) Changes in account items for net sales and cost of sales on investment securities for business incubations

Previously, regarding the consolidated subsidiary ITX Corporation, proceeds from the sale of investment securities for business incubations were recorded as net sales and the book values and valuation losses, etc. of securities sold were recorded as cost of sales, however, following changes in the investment policy, from the three months of the fiscal year ending March 31, 2010, income/loss from such sales is recorded in extraordinary income/losses. The effect of this change on gross profit and operating income is immaterial.

2) Changes in business segmentation of the segment information

From the three months of the fiscal year ending March 31, 2010, the business segmentation of the segment information has been changed. For details, see 5. (5) Segment information.

**5. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

	(Millions of yen)	
	As of June 30, 2009	As of March 31, 2009 (Summary)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	144,885	136,877
Notes and accounts receivable	142,717	160,258
Securities	–	199
Merchandise and finished goods	57,061	58,683
Work in process	23,021	21,230
Raw materials and supplies	17,047	15,627
Other current assets	84,114	84,077
Allowance for doubtful accounts	(4,300)	(4,594)
Total current assets	<u>464,545</u>	<u>472,357</u>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	78,436	76,782
Machinery and equipment, net	15,363	16,326
Tools, furniture and fixtures, net	43,797	42,594
Land	19,993	19,839
Lease assets, net	4,201	3,512
Construction in progress	2,271	3,391
Net property, plant and equipment	<u>164,061</u>	<u>162,444</u>
Intangible fixed assets		
Goodwill	168,540	170,252
Others	80,378	83,510
Total intangible fixed assets	<u>248,918</u>	<u>253,762</u>
Investments and other assets		
Investment securities	75,128	62,589
Investment fund assets	8,333	8,458
Other assets	81,824	84,924
Allowance for doubtful accounts	(6,323)	(6,281)
Total investments and other assets	<u>158,962</u>	<u>149,690</u>
Total fixed assets	<u>571,941</u>	<u>565,896</u>
Total assets	<u>1,036,486</u>	<u>1,038,253</u>

	(Millions of yen)	
	As of June 30, 2009	As of March 31, 2009 (Summary)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	59,964	66,604
Short-term borrowings	99,461	97,068
Current maturities of bonds	20,300	20,300
Income taxes payable	<u>14,508</u>	<u>15,600</u>
Provision for product warranties	9,573	8,875
Other reserves	39	61
Other current liabilities	128,539	140,593
Total current liabilities	<u>332,384</u>	<u>349,101</u>
Non-current liabilities		
Long-term bonds, less current maturities	130,200	130,200
Long-term borrowings, less current maturities	<u>393,405</u>	<u>395,271</u>
Severance and retirement allowance	19,017	18,744
Other reserves	122	130
Other non-current liabilities	33,920	<u>33,900</u>
Total non-current liabilities	<u>576,664</u>	<u>578,245</u>
Total liabilities	<u>909,048</u>	<u>927,346</u>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	73,027	73,049
Retained earnings	<u>50,458</u>	<u>52,124</u>
Treasury stock, at cost	(4,127)	(12,874)
Total shareholders' equity	<u>167,690</u>	<u>160,631</u>
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	<u>3,810</u>	<u>(2,311)</u>
Net unrealized gains (losses) on hedging derivatives, net of taxes	(78)	(1,330)
Foreign currency translation adjustments	<u>(51,238)</u>	<u>(53,503)</u>
Total valuation and translation adjustments	<u>(47,506)</u>	<u>(57,144)</u>
Minority interests	7,254	7,420
Total net assets	<u>127,438</u>	<u>110,907</u>
Total liabilities and net assets	<u>1,036,486</u>	<u>1,038,253</u>

## (2) Consolidated Statements of Income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	254,331	205,169
Costs of sales	<u>129,046</u>	<u>109,359</u>
Gross profit	<u>125,285</u>	<u>95,810</u>
Selling, general and administrative expenses	<u>105,822</u>	<u>84,185</u>
Operating income	<u>19,463</u>	<u>11,625</u>
Non-operating income		
Interest income	945	214
Dividends income	513	387
Others	<u>1,618</u>	<u>881</u>
Total non-operating income	<u>3,076</u>	<u>1,482</u>
Non-operating expenses		
Interest expenses	3,185	3,044
Foreign currency exchange loss	2,246	1,627
Others	<u>2,547</u>	<u>1,261</u>
Total non-operating expenses	<u>7,978</u>	<u>5,932</u>
Ordinary income	<u>14,561</u>	<u>7,175</u>
Extraordinary income		
Gain on sales of investment securities in subsidiaries and affiliates	–	63
Gain on sales of investment securities	–	77
Total extraordinary income	–	140
Extraordinary losses		
Impairment loss on fixed assets	–	54
Loss on valuation of investment securities	<u>988</u>	579
<u>Loss on funds invested</u>	<u>439</u>	<u>125</u>
<u>Provision of allowance for doubtful accounts</u>	<u>2,554</u>	–
Total extraordinary losses	<u>3,981</u>	<u>758</u>
Income before provision for income taxes	<u>10,580</u>	<u>6,557</u>
Income taxes	5,579	4,693
Minority interest in losses of consolidated subsidiaries	<u>(234)</u>	<u>(7)</u>
Net income	<u>5,235</u>	<u>1,871</u>

## (3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Cash flows from operating activities		
Income before provision for income taxes	<u>10,580</u>	<u>6,557</u>
Depreciation and amortization	<u>10,547</u>	<u>11,418</u>
Amortization of goodwill	<u>3,579</u>	<u>2,659</u>
Increase (decrease) in severance and retirement allowance	1,563	356
Interest and dividend income	(1,458)	(601)
Interest expense	3,185	3,044
Loss (gain) valuation of investment securities	<u>988</u>	579
Decrease (increase) in accounts receivable	14,067	20,274
Decrease (increase) in inventories	<u>(6,445)</u>	30
Increase (decrease) in accounts payable	(13,127)	(7,180)
Increase (decrease) in other payable	4,018	(5,030)
Increase (decrease) in accrued expense	1,437	(6,690)
<u>Increase (decrease) in allowance for doubtful accounts on funds</u>	<u>2,554</u>	=
<u>Loss on funds invested</u>	<u>439</u>	<u>125</u>
Other	<u>5,062</u>	<u>4,181</u>
Sub-total	<u>36,988</u>	<u>29,721</u>
Interest and dividend received	1,460	604
Interest payments	(2,843)	(1,846)
<u>Outflow of money from funds</u>	<u>(2,554)</u>	=
Income taxes paid	(10,126)	(5,555)
Net cash provided by operating activities	<u>22,925</u>	<u>22,924</u>
Cash flows from investing activities		
Deposits in time deposits	(29,079)	(1,146)
Withdrawals from time deposits	<u>3,184</u>	683
Purchase of property, plant and equipment	(10,642)	(9,905)
Purchases of intangible fixed assets	(1,261)	(1,434)
Purchases of investment securities	(1,347)	(1,009)
Sales and redemption of investment securities	288	373
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(128)	-
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	-	(16)
Payments for acquisition of new consolidated subsidiaries	<u>(689)</u>	(1,216)
Payments for transfer of business	-	(904)
<u>Money transfer of funds</u>	<u>(13,710)</u>	=
<u>Collection of fund assets invested</u>	<u>37,554</u>	=
Other	(868)	(94)
Net cash used in investing activities	<u>(16,698)</u>	<u>(14,668)</u>

	(Millions of yen)	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	26,575	4,095
Proceeds from long-term debt	3,751	10
Repayments of long-term debt	(2,185)	(5,734)
Proceeds from issuance of bonds	150	-
Redemption of bonds	(34)	-
Expenditure on acquisition of treasury stock	(10,025)	-
Dividends paid	(5,093)	-
Other	(58)	(402)
Net cash provided by (used in) financing activities	13,081	(2,031)
Effect of exchange rate changes on cash and cash equivalents	2,200	416
Net increase (decrease) in cash and cash equivalents	21,508	6,641
Cash and cash equivalents at beginning of period	119,842	132,720
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	-	477
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	(6)	-
Cash and cash equivalents at end of period	141,344	139,838

## (4) Notes on premise of going concern

No items to report

## (5) Segment information

## a. Segment information by type of business

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communication	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	72,116	90,154	28,532	47,417	16,112	254,331	–	254,331
(2) Internal sales of transfer among segments	27	11	63	–	146	247	(247)	–
Total	72,143	90,165	28,595	47,417	16,258	254,578	(247)	254,331
Operating income (or operating loss)	9,766	17,992	(265)	99	(1,537)	26,055	(6,592)	19,463

Three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communication	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	41,214	78,844	23,299	39,220	22,592	205,169	–	205,169
(2) Internal sales of transfer among segments	15	4	37	–	17	73	(73)	–
Total	41,229	78,848	23,336	39,220	22,609	205,242	(73)	205,169
Operating income (or operating loss)	368	16,072	931	1,068	(596)	17,842	(6,217)	11,625

## Notes:

## 1. Method of segmentation of business

Business established based on product line are segmented taking into consideration similarities in sales markets.

## 2. The main products for each business are as follows:

Three months of the fiscal year ended March 31, 2009

- (1) Imaging Systems: Digital cameras, Voice recorders  
 (2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes  
 (3) Life Science: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes  
 (4) Information & Communication: Sales of mobile terminals including mobile handsets, Mobile solution, Mobile content services, Development and sales of business package software, Sales of network infrastructure systems, Sales of semiconductor devices and electric equipment  
 (5) Others: Industrial endoscopes, Non-destructive testing equipment, Printers, Bar code data processing equipment, System development, etc.

Three months of the fiscal year ending March 31, 2010

- (1) Imaging Systems: Digital cameras, Voice recorders  
 (2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes  
 (3) Life Science: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes  
 (4) Information & Communication: Sales of mobile terminals including mobile handsets  
 (5) Others: Industrial endoscopes, Non-destructive testing equipment, Printers, Mobile solution, Mobile content services, Development and sales of business package software, Sales of network infrastructure systems, Sales of semiconductor devices and electric equipment, System development, etc.

## 3. Changes in business segmentation

Taking into consideration the revision in business segmentation effected to promote the "Corporate Structural Reform" implemented at ITX Corporation, the Company's consolidated subsidiary, from the three months of the fiscal year ending March 31, 2010, a portion of the businesses included in "Information & Communication Business" shall be included in "Others."

The following are business segmentation for the three months of the previous fiscal year presented in the same manner as the three months of the fiscal year under review.

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communication	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	72,116	90,154	28,532	38,143	25,386	254,331	—	254,331
(2) Internal sales of transfer among segments	27	11	63	—	146	247	(247)	—
Total	72,143	90,165	28,595	38,143	25,532	254,578	(247)	254,331
Operating income (or operating loss)	9,766	17,992	(265)	91	(1,529)	26,055	(6,592)	19,463

## b. Segment information by region

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	96,427	62,611	74,611	20,682	254,331	–	254,331
(2) Internal sales of transfer among segments	74,893	1,931	4,494	25,774	107,092	(107,092)	–
Total	171,320	64,542	79,105	46,456	361,423	(107,092)	254,331
Operating income	<u>13,689</u>	2,985	5,160	2,896	<u>24,730</u>	(5,267)	<u>19,463</u>

Three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	90,037	49,565	50,583	14,984	205,169	–	205,169
(2) Internal sales of transfer among segments	44,478	2,105	3,612	13,095	63,290	(63,290)	–
Total	134,515	51,670	54,195	28,079	268,459	(63,290)	205,169
Operating income	<u>7,430</u>	<u>1,943</u>	<u>4,798</u>	28	<u>14,199</u>	(2,574)	<u>11,625</u>

Notes:

- Countries and regions are segmented by geographical proximity.
- Major countries and regions other than Japan are as follows:
  - Americas: USA, Canada, Mexico, and Brazil
  - Europe: Germany, UK, France, etc.
  - Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

## c. Overseas sales

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	57,208	75,349	31,692	6,072	170,321
II. Consolidated sales					254,331
III. Percentage of overseas sales in consolidated sales (%)	22.5	29.6	12.5	2.4	67.0

Three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	46,197	49,490	24,196	4,588	124,471
II. Consolidated sales					205,169
III. Percentage of overseas sales in consolidated sales (%)	22.6	24.1	11.8	2.2	60.7

Notes:

- Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.
- Regions are segmented by geographical proximity.
- Major countries and regions other than Japan are as follows:
  - North America: USA, Canada
  - Europe: Germany, UK, France, etc.
  - Asia: Singapore, Hong Kong, China, Korea, Australia, etc.
  - Others: Central and South America, Africa, etc.

(6) Notes on significant changes in the amount of shareholders' equity

No items to report

(7) Important subsequent events

Olympus Corporation resolved, at a meeting of its Board of Directors held on February 27, 2009, to divest the Group's diagnostic systems business to Beckman Coulter Group ("Beckman," parent company: Beckman Coulter, Inc.; California, USA). Said business was divested on August 3, 2009.

1. Purpose of divestment

Regarding the business environment for diagnostic systems, the existence of large competitors with trillions of yen in capitalization in the global market as well as an increase in M&A activity and the entry of new players from other fields in recent years have drastically changed the competitive environment.

Under such circumstances, Olympus Corporation determined that, instead of continuing in this business independently, its divestment to Beckman, a large manufacturer of clinical testing systems, would enable the effective use of managerial resources such as technological assets and know-how fostered over many years. Therefore, we decided to transfer the diagnostic systems business to Beckman.

2. Transfer of business

(1) Outline of agreement of divestment

a. Target of divestment

Diagnostic systems business operated by Olympus Corporation and the Olympus Group.

b. Transfer price

¥76.0 billion for the entire Group (tentative)

c. Income/loss from divestment

Although extraordinary income is expected, such is not confirmed at present.

(2) Outline of transferee

Transfer was effectuated to Beckman Coulter, Inc. and its affiliates.

General overview of main transferee

Trade name	Beckman Coulter, Inc.
Representative	Scott Garrett, Chief Executive Officer
Paid-in capital	US\$ 6.9 million
Head office	California, USA
Principal businesses	Manufacture and sales of clinical diagnostic testing systems and related products
Relationship with the Company	No capital, personnel or transaction relationships exist between Beckman Coulter, Inc. and the Company

(Before Correction)

# Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2010



August 6, 2009

Company Name: Olympus Corporation  
Code Number: 7733  
(URL: <http://www.olympus.co.jp/>)  
Stock Exchange Listing: First Section of Tokyo Stock Exchange  
Representative: Tsuyoshi Kikukawa, President and Representative Director  
Contact: Nobuyuki Onishi, General Manager, Accounting Division  
Phone: 03-3340-2111  
Scheduled date to submit the Quarterly Securities Report: August 14, 2009  
Scheduled date to commence dividend payments: –

(Figures are rounded off to the nearest million yen)

## 1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2010 (From April 1, 2009 to June 30, 2009)

(1) Consolidated Results of Operations (cumulative) (% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Three months ended								
June 30, 2009	205,169	(19.3)	11,360	(35.2)	6,985	(45.0)	1,806	(72.3)
June 30, 2008	254,331	–	17,544	–	12,698	–	6,521	–

	Net income per share		Fully diluted net income per share	
	(¥)	(¥)	(¥)	(¥)
Three months ended				
June 30, 2009	6.74	6.73		
June 30, 2008	24.22	24.22		

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	%	(¥)
As of				
June 30, 2009	1,104,785	185,941	16.2	661.87
March 31, 2009	1,106,318	168,784	14.6	603.92

Note: Equity as of June 30, 2009: ¥178,687 million March 31, 2009: ¥161,364 million

## 2. Dividends

(Record date)	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2009	–	20.00	–	0.00	20.00
Fiscal year ending March 31, 2010	–				
Fiscal year ending March 31, 2010 (Forecast)		15.00	–	15.00	30.00

Note: Revisions of the forecast in the current quarter: No

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Six months	420,000	(21.6)	19,000	(40.8)	9,500	(51.5)	36,000	899.2	133.35
Full year	900,000	(8.2)	59,000	70.6	40,000	117.5	40,000	-	148.16

Note: Revisions of the forecast in the current quarter: Yes

#### 4. Others

(1) Changes in significant subsidiaries during period under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): No

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements: Yes

[Note: For more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”)

1) Changes due to revisions to accounting standards, and other regulations: No

2) Changes due to other reasons: Yes

[Note: For more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)  
As of June 30, 2009 271,283,608 shares  
As of March 31, 2009 271,283,608 shares

2) Total number of treasury shares at the end of the period  
As of June 30, 2009 1,312,048 shares  
As of March 31, 2009 4,089,222 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)  
Three months ended June 30, 2009 268,116,353 shares  
Three months ended June 30, 2008 269,248,342 shares

#### \* Proper use of the forecast of financial results, and other special matters

- The forecast of consolidated financial results which was announced on May 12, 2009, is revised in these materials.
- The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of “3. Qualitative Information Regarding Forecast of Consolidated Financial Results” of “[Qualitative Information and Financial Statements]” on page 5 for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 1. above.

## [Qualitative Information and Financial Statements]

### 1. Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy during the first three months ended June 30, 2009 remained low despite some signs of a partial improvement such as a bottoming out of exports attributable to the progress of global inventory adjustments, among other factors. Around the world, the recession continued to deepen mostly in the U.S. and Europe.

Amid this adverse business environment, the consolidated net sales for the Olympus Group over the first three months of the fiscal year under review decreased 19.3% year on year to ¥205,169 million. Operating income decreased 35.2% year on year to ¥11,360 million mainly due to the adverse influences of exchange rate movements and reduced revenue from the Imaging Systems Business. Ordinary income decreased 45.0% year on year to ¥6,985 million primarily due to the deterioration in operating income. The Olympus Group recorded extraordinary income of ¥140 million, extraordinary losses of ¥633 million and income taxes of ¥4,693 million resulting in net income of ¥1,806 million, down 72.3% year on year.

The yen appreciated against both the U.S. dollar and the euro compared to the same period of the previous fiscal year, with an average exchange rate of ¥97.32 against the U.S. dollar (¥104.55 in same period of the previous fiscal year) and ¥132.57 against the euro (¥163.43 in same period of the previous fiscal year), which caused net sales and operating income to drop by ¥19,700 million and ¥4,800 million, respectively, year on year.

During the three months, the Olympus Group invested ¥13,053 million on research and development, and spent ¥10,625 million on capital investments.

As described in 4. Others (3) and 5. (5) Segment information, due to changes in the business segmentation of segment information from the three months of the fiscal year ending March 31, 2010, the following comparisons with the same period of the previous fiscal year are effected with respect to figures arranged in business classifications after the changes to the figures of the same period of the previous fiscal year.

#### **Imaging Systems Business**

In the Imaging Systems Business, the Olympus Group registered consolidated net sales for the three months of ¥41,214 million (down 42.9 % year on year) and an operating income of ¥368 million (down 96.2%).

Although the compact digital cameras “FE” Series and “μ TOUGH” Series contributed to sales, revenue declined mainly due to the appreciating yen and because fewer units were sold on the overall digital camera market in the wake of the economic downturn.

The Olympus Group secured operating income by thoroughly reducing costs and managing inventories despite low income due to a decline in revenue from adverse influences of exchange rate movements.

#### **Medical Systems Business**

Consolidated net sales in the Medical Systems Business during the three months amounted to ¥78,844 million (down 12.5% year on year), while operating income amounted to ¥15,989 million (down 10.4%).

In the Chinese market, sales of endoscope systems increased and sampling treatment services such as biopsy forceps and pancreatico-biliary therapeutic devices such as guide wires and stents all performed well both in Japan and abroad. Sales of Gyrus, which was integrated in the Olympus Group, also fared well, however, the adverse influences of exchange rate movements brought down revenue on the whole in the Medical Systems Business.

Operating income fell due to the appreciating yen and other factors.

### **Life Science Business**

Consolidated net sales for the Life Science Business during the three months was ¥23,299 million (down 18.3% year on year), while operating income amounted to ¥931 million (compared with a ¥265 million operating loss in the same period of the previous fiscal year).

In addition to the positive sales of our blood transfusion related products in Japan, overseas sales mostly to China of clinical chemistry analyzers expanded. However, the appreciating yen and fall in global market conditions on the heels of the worsening economy pushed down sales of industrial microscopes, lowering revenue on the whole for the Life Science Business.

Operating income was secured thanks to cost reduction activities.

### **Information & Communication Business**

Consolidated net sales for the Information & Communication Business during the three months was ¥39,220 million (up 2.8% year on year), while operating income amounted to ¥1,068 million (compared with an operating income of ¥91 million in the same period of the previous fiscal year).

Net sales increased due to an expansion in sales channels for mobile phones.

Operating income went up thanks to enhanced profitability after effecting cost reductions.

### **Others**

Consolidated net sales for other businesses in the three months was ¥22,592 million (down 11.0% year on year), with an operating loss of ¥779 million (compared with an operating loss of ¥3,300 million recorded in the same period of the previous fiscal year).

In the non-destructive testing equipment field, highly functional phased array testing devices sold briskly in Japan and sales of high-speed inkjet printers in the information equipment field and “OSferion,” an artificial bone replacement material, in the biomedical materials field expanded. However, revenue in other businesses declined on the whole as the global economic recession restricted corporate investment.

The operating loss contracted as a result of lower costs associated with amortization of goodwill of consolidated subsidiaries recorded in the previous fiscal year.

## **2. Qualitative Information Regarding Consolidated Financial Position**

As of the end of the first three months, total assets decreased ¥1,533 million compared to the end of the previous fiscal year to ¥1,104,785 million, primarily as a result of decreases in notes and accounts receivable of ¥17,541 million and in intangible fixed assets of ¥5,116 million due to the amortization of goodwill, notwithstanding increases in cash and time deposits of ¥8,008 million and in investment securities of ¥13,089 million.

Total liabilities decreased ¥18,690 million compared to the end of the previous fiscal year to ¥918,844 million, primarily as a result of decreases of ¥6,640 million in notes and accounts payable, and ¥6,957 million in accounts payable-other.

Net assets increased ¥17,157 million compared to the end of the previous fiscal year to ¥185,941 million, primarily due to a decrease of ¥8,747 million worth of treasury stock after a share exchange associated with the complete subsidiarization of Iwaken Co., Ltd., as well as an increase of ¥10,328 million in valuation and translation adjustments arising from fluctuations in exchange rates and stock prices.

As a result of the foregoing, equity ratio increased from 14.6% as of the end of the previous consolidated fiscal

year to 16.2%.

#### Cash flow position

The following are the cash flows for the three months of the fiscal year ending March 31, 2010 and their causes.

“Cash flows from operating activities” increased by ¥22,924 million mainly due to a decrease of ¥20,274 million in accounts receivable and ¥11,462 million in depreciation and amortization, among others. Contrastingly, decreasing factors mainly included a ¥7,180 million decrease in accounts payable and ¥5,555 million in income taxes paid.

“Cash flows from investing activities” decreased by ¥14,668 million mainly due to purchase of property, plant and equipment totaling ¥9,905 million.

“Cash flows from financing activities” decreased by ¥2,031 million mainly due to ¥5,734 million in repayments of long-term debt. Contrastingly, increasing factors mainly consisted of a ¥4,095 million increase in short-term borrowings.

As a result, cash and cash equivalents at the end of the first three months reached ¥139,838 million, an increase of ¥7,118 million compared to the end of the previous fiscal year.

### **3. Qualitative Information Regarding Forecast of Consolidated Financial Results**

Regarding the forecast of consolidated financial results for the first six months ending September 30, 2009, continuing Group-wide efforts to lower cost of sales and selling, general and administrative expenses in addition to thorough inventory adjustments especially in the Imaging Systems Business, among other factors, resulted in the improvement of revenue. Taking these circumstances into consideration, the Olympus Group has revised the previously announced forecasts as follows. Foreign exchange rates in the first six months and beyond are expected to be ¥95 per U.S. dollar and ¥120 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥96 per U.S. dollar and ¥123 per euro.

Regarding the full-year forecasts, no changes have been made to the previously announced figures due to current uncertainties in the future business environment.

#### Six months of the fiscal year ending March 31, 2010

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	420,000	15,000	5,500	33,000	123.51
Revised Forecast (B)	420,000	19,000	9,500	36,000	133.35
Increase (Decrease) (B-A)	–	4,000	4,000	3,000	–
Increase (Decrease) Ratio (%)	–	26.7	72.7	9.1	–

#### Fiscal year ending March 31, 2010

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	900,000	59,000	40,000	40,000	149.70
Revised Forecast (B)	900,000	59,000	40,000	40,000	148.16
Increase (Decrease) (B-A)	–	–	–	–	–
Increase (Decrease) Ratio (%)	–	–	–	–	–

Note: Due to a change in the number of shares, only the net income per share has changed.

#### 4. Others

- (1) Changes in significant subsidiaries during period under review (changes in specified subsidiaries resulting in the changes in scope of consolidation)

No items to report

- (2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the three months under review, and next by multiplying the income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

With respect to the calculation of inventories at the end of the first three months, physical inventories were omitted and a reasonable calculation method was employed based on the physical inventories at the end of the previous fiscal year.

In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

- (3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

1) Changes in account items for net sales and cost of sales on investment securities for business incubations

Previously, regarding the consolidated subsidiary ITX Corporation, proceeds from the sale of investment securities for business incubations were recorded as net sales and the book values and valuation losses, etc. of securities sold were recorded as cost of sales, however, following changes in the investment policy, from the three months of the fiscal year ending March 31, 2010, income/loss from such sales is recorded in extraordinary income/losses. The effect of this change on gross profit and operating income is immaterial.

2) Changes in business segmentation of the segment information

From the three months of the fiscal year ending March 31, 2010, the business segmentation of the segment information has been changed. For details, see 5. (5) Segment information.

**5. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

	(Millions of yen)	
	As of June 30, 2009	As of March 31, 2009 (Summary)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	144,885	136,877
Notes and accounts receivable	142,717	160,258
Securities	–	199
Merchandise and finished goods	57,061	58,683
Work in process	23,021	21,230
Raw materials and supplies	18,092	16,577
Other current assets	84,113	85,337
Allowance for doubtful accounts	(4,200)	(4,394)
Total current assets	<u>465,689</u>	<u>474,767</u>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	78,589	76,940
Machinery and equipment, net	15,811	16,784
Tools, furniture and fixtures, net	43,826	42,630
Land	20,011	19,856
Lease assets, net	4,201	3,512
Construction in progress	2,271	3,391
Net property, plant and equipment	<u>164,709</u>	<u>163,113</u>
Intangible fixed assets		
Goodwill	178,585	180,540
Others	80,919	84,080
Total intangible fixed assets	<u>259,504</u>	<u>264,620</u>
Investments and other assets		
Investment securities	140,233	127,144
Other assets	75,848	77,912
Allowance for doubtful accounts	(1,198)	(1,238)
Total investments and other assets	<u>214,883</u>	<u>203,818</u>
Total fixed assets	<u>639,096</u>	<u>631,551</u>
Total assets	<u>1,104,785</u>	<u>1,106,318</u>

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009 (Summary)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	59,964	66,604
Short-term borrowings	99,461	97,068
Current maturities of bonds	20,300	20,300
Income taxes payable	<u>7,312</u>	<u>8,404</u>
Provision for product warranties	9,573	8,875
Other reserves	39	61
Other current liabilities	128,539	140,593
Total current liabilities	<u>325,188</u>	<u>341,905</u>
Non-current liabilities		
Long-term bonds, less current maturities	130,200	130,200
Long-term borrowings, less current maturities	<u>410,397</u>	<u>412,656</u>
Severance and retirement allowance	19,017	18,744
Other reserves	122	130
Other non-current liabilities	33,920	<u>33,899</u>
Total non-current liabilities	<u>593,656</u>	<u>595,629</u>
Total liabilities	<u>918,844</u>	<u>937,534</u>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	73,027	73,049
Retained earnings	<u>108,677</u>	<u>110,407</u>
Treasury stock, at cost	(4,127)	(12,874)
Total shareholders' equity	<u>225,909</u>	<u>218,914</u>
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	<u>4,991</u>	<u>(1,457)</u>
Net unrealized gains (losses) on hedging derivatives, net of taxes	(78)	(1,330)
Foreign currency translation adjustments	<u>(52,135)</u>	<u>(54,763)</u>
Total valuation and translation adjustments	<u>(47,222)</u>	<u>(57,550)</u>
Minority interests	7,254	7,420
Total net assets	<u>185,941</u>	<u>168,784</u>
Total liabilities and net assets	<u>1,104,785</u>	<u>1,106,318</u>

## (2) Consolidated Statements of Income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	254,331	205,169
Costs of sales	<u>129,067</u>	<u>109,369</u>
Gross profit	<u>125,264</u>	<u>95,800</u>
Selling, general and administrative expenses	<u>107,720</u>	<u>84,440</u>
Operating income	<u>17,544</u>	<u>11,360</u>
Non-operating income		
Interest income	945	214
Dividends income	513	387
Others	<u>1,380</u>	<u>781</u>
Total non-operating income	<u>2,838</u>	<u>1,382</u>
Non-operating expenses		
Interest expenses	3,185	3,044
Foreign currency exchange loss	2,246	1,627
Others	<u>2,253</u>	<u>1,086</u>
Total non-operating expenses	<u>7,684</u>	<u>5,757</u>
Ordinary income	<u>12,698</u>	<u>6,985</u>
Extraordinary income		
Gain on sales of investment securities in subsidiaries and affiliates	–	63
Gain on sales of investment securities	–	77
Total extraordinary income	–	140
Extraordinary losses		
Impairment loss on fixed assets	–	54
Loss on valuation of investment securities	<u>842</u>	579
Total extraordinary losses	<u>842</u>	<u>633</u>
Income before provision for income taxes	<u>11,856</u>	<u>6,492</u>
Income taxes	5,579	4,693
Minority interest in losses of consolidated subsidiaries	<u>(244)</u>	<u>(7)</u>
Net income	<u>6,521</u>	<u>1,806</u>

## (3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Cash flows from operating activities		
Income before provision for income taxes	<u>11,856</u>	<u>6,492</u>
Depreciation and amortization	<u>10,607</u>	<u>11,462</u>
Amortization of goodwill	<u>5,430</u>	<u>2,874</u>
Increase (decrease) in severance and retirement allowance	1,563	356
Interest and dividend income	(1,458)	(601)
Interest expense	3,185	3,044
Loss (gain) valuation of investment securities	<u>842</u>	579
Decrease (increase) in accounts receivable	14,067	20,274
Decrease (increase) in inventories	<u>(6,438)</u>	30
Increase (decrease) in accounts payable	(13,127)	(7,180)
Increase (decrease) in other payable	4,018	(5,030)
Increase (decrease) in accrued expense	1,437	(6,690)
Other	<u>5,006</u>	<u>4,111</u>
Sub-total	<u>36,988</u>	<u>29,721</u>
Interest and dividend received	1,460	604
Interest payments	(2,843)	(1,846)
Income taxes paid	<u>(10,126)</u>	<u>(5,555)</u>
Net cash provided by operating activities	<u>25,479</u>	<u>22,924</u>
Cash flows from investing activities		
Deposits in time deposits	(29,079)	(1,146)
Withdrawals from time deposits	<u>38,184</u>	683
Purchase of property, plant and equipment	(10,642)	(9,905)
Purchases of intangible fixed assets	(1,261)	(1,434)
Purchases of investment securities	(1,347)	(1,009)
Sales and redemption of investment securities	288	373
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(128)	-
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	-	(16)
Payments for acquisition of new consolidated subsidiaries	<u>(14,399)</u>	(1,216)
Payments for transfer of business	-	(904)
Other	<u>(868)</u>	<u>(94)</u>
Net cash used in investing activities	<u>(19,252)</u>	<u>(14,668)</u>

	(Millions of yen)	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	26,575	4,095
Proceeds from long-term debt	3,751	10
Repayments of long-term debt	(2,185)	(5,734)
Proceeds from issuance of bonds	150	-
Redemption of bonds	(34)	-
Expenditure on acquisition of treasury stock	(10,025)	-
Dividends paid	(5,093)	-
Other	(58)	(402)
Net cash provided by (used in) financing activities	13,081	(2,031)
Effect of exchange rate changes on cash and cash equivalents	2,200	416
Net increase (decrease) in cash and cash equivalents	21,508	6,641
Cash and cash equivalents at beginning of period	119,842	132,720
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	-	477
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	(6)	-
Cash and cash equivalents at end of period	141,344	139,838

## (4) Notes on premise of going concern

No items to report

## (5) Segment information

## a. Segment information by type of business

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communication	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	72,116	90,154	28,532	47,417	16,112	254,331	–	254,331
(2) Internal sales of transfer among segments	27	11	63	–	146	247	(247)	–
Total	72,143	90,165	28,595	47,417	16,258	254,578	(247)	254,331
Operating income (or operating loss)	9,766	17,844	(265)	99	(3,308)	24,136	(6,592)	17,544

Three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communication	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	41,214	78,844	23,299	39,220	22,592	205,169	–	205,169
(2) Internal sales of transfer among segments	15	4	37	–	17	73	(73)	–
Total	41,229	78,848	23,336	39,220	22,609	205,242	(73)	205,169
Operating income (or operating loss)	368	15,989	931	1,068	(779)	17,577	(6,217)	11,360

## Notes:

## 1. Method of segmentation of business

Business established based on product line are segmented taking into consideration similarities in sales markets.

## 2. The main products for each business are as follows:

Three months of the fiscal year ended March 31, 2009

- (1) Imaging Systems: Digital cameras, Voice recorders  
 (2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes  
 (3) Life Science: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes  
 (4) Information & Communication: Sales of mobile terminals including mobile handsets, Mobile solution, Mobile content services, Development and sales of business package software, Sales of network infrastructure systems, Sales of semiconductor devices and electric equipment  
 (5) Others: Industrial endoscopes, Non-destructive testing equipment, Printers, Bar code data processing equipment, System development, etc.

Three months of the fiscal year ending March 31, 2010

- (1) Imaging Systems: Digital cameras, Voice recorders  
 (2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes  
 (3) Life Science: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes  
 (4) Information & Communication: Sales of mobile terminals including mobile handsets  
 (5) Others: Industrial endoscopes, Non-destructive testing equipment, Printers, Mobile solution, Mobile content services, Development and sales of business package software, Sales of network infrastructure systems, Sales of semiconductor devices and electric equipment, System development, etc.

## 3. Changes in business segmentation

Taking into consideration the revision in business segmentation effected to promote the “Corporate Structural Reform” implemented at ITX Corporation, the Company’s consolidated subsidiary, from the three months of the fiscal year ending March 31, 2010, a portion of the businesses included in “Information & Communication Business” shall be included in “Others.”

The following are business segmentation for the three months of the previous fiscal year presented in the same manner as the three months of the fiscal year under review.

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communication	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	72,116	90,154	28,532	38,143	25,386	254,331	–	254,331
(2) Internal sales of transfer among segments	27	11	63	–	146	247	(247)	–
Total	72,143	90,165	28,595	38,143	25,532	254,578	(247)	254,331
Operating income (or operating loss)	9,766	17,844	(265)	91	(3,300)	24,136	(6,592)	17,544

## b. Segment information by region

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	96,427	62,611	74,611	20,682	254,331	–	254,331
(2) Internal sales of transfer among segments	74,893	1,931	4,494	25,774	107,092	(107,092)	–
Total	171,320	64,542	79,105	46,456	361,423	(107,092)	254,331
Operating income	<u>11,770</u>	2,985	5,160	2,896	<u>22,811</u>	(5,267)	<u>17,544</u>

Three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	90,037	49,565	50,583	14,984	205,169	–	205,169
(2) Internal sales of transfer among segments	44,478	2,105	3,612	13,095	63,290	(63,290)	–
Total	134,515	51,670	54,195	28,079	268,459	(63,290)	205,169
Operating income	<u>7,248</u>	<u>1,869</u>	<u>4,789</u>	28	<u>13,934</u>	(2,574)	<u>11,360</u>

Notes:

- Countries and regions are segmented by geographical proximity.
- Major countries and regions other than Japan are as follows:
  - Americas: USA, Canada, Mexico, and Brazil
  - Europe: Germany, UK, France, etc.
  - Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

## c. Overseas sales

Three months of the fiscal year ended March 31, 2009 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	57,208	75,349	31,692	6,072	170,321
II. Consolidated sales					254,331
III. Percentage of overseas sales in consolidated sales (%)	22.5	29.6	12.5	2.4	67.0

Three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	46,197	49,490	24,196	4,588	124,471
II. Consolidated sales					205,169
III. Percentage of overseas sales in consolidated sales (%)	22.6	24.1	11.8	2.2	60.7

Notes:

- Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.
- Regions are segmented by geographical proximity.
- Major countries and regions other than Japan are as follows:
  - North America: USA, Canada
  - Europe: Germany, UK, France, etc.
  - Asia: Singapore, Hong Kong, China, Korea, Australia, etc.
  - Others: Central and South America, Africa, etc.

(6) Notes on significant changes in the amount of shareholders' equity

No items to report

(7) Important subsequent events

Olympus Corporation resolved, at a meeting of its Board of Directors held on February 27, 2009, to divest the Group's diagnostic systems business to Beckman Coulter Group ("Beckman," parent company: Beckman Coulter, Inc.; California, USA). Said business was divested on August 3, 2009.

1. Purpose of divestment

Regarding the business environment for diagnostic systems, the existence of large competitors with trillions of yen in capitalization in the global market as well as an increase in M&A activity and the entry of new players from other fields in recent years have drastically changed the competitive environment.

Under such circumstances, Olympus Corporation determined that, instead of continuing in this business independently, its divestment to Beckman, a large manufacturer of clinical testing systems, would enable the effective use of managerial resources such as technological assets and know-how fostered over many years. Therefore, we decided to transfer the diagnostic systems business to Beckman.

2. Transfer of business

(1) Outline of agreement of divestment

a. Target of divestment

Diagnostic systems business operated by Olympus Corporation and the Olympus Group.

b. Transfer price

¥76.0 billion for the entire Group (tentative)

c. Income/loss from divestment

Although extraordinary income is expected, such is not confirmed at present.

(2) Outline of transferee

Transfer was effectuated to Beckman Coulter, Inc. and its affiliates.

General overview of main transferee

Trade name	Beckman Coulter, Inc.
Representative	Scott Garrett, Chief Executive Officer
Paid-in capital	US\$ 6.9 million
Head office	California, USA
Principal businesses	Manufacture and sales of clinical diagnostic testing systems and related products
Relationship with the Company	No capital, personnel or transaction relationships exist between Beckman Coulter, Inc. and the Company