

# Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2014 <under Japanese GAAP>



November 8, 2013

Company Name: Olympus Corporation  
Code Number: 7733  
(URL: <http://www.olympus.co.jp/>)  
Stock Exchange Listing: First Section of Tokyo Stock Exchange  
Representative: Hiroyuki Sasa, Representative Director, President  
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Scheduled date to submit the Quarterly Securities Report: November 8, 2013  
Scheduled date to commence dividend payments: –  
Presentation of supplementary material on quarterly financial results: Yes  
Holding of quarterly financial results presentation meeting: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

## 1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2014 (From April 1, 2013 to September 30, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Six months ended September 30, 2013	333,830	(17.7)	28,503	58.0	16,953	129.3	(7,938)	–
September 30, 2012	405,764	(2.1)	18,040	2.9	7,394	(22.0)	8,015	–

Note: Comprehensive income: Six months ended September 30, 2013: ¥16,994 million [–%]  
Six months ended September 30, 2012: ¥(13,125) million [–%]

	Net income per share	Fully diluted net income per share
Six months ended	(¥)	(¥)
September 30, 2013	(24.67)	–
September 30, 2012	30.03	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	(¥ million)	(¥ million)	%
September 30, 2013	970,772	280,628	28.7
March 31, 2013	960,239	151,907	15.5

Note: Equity as of September 30, 2013: ¥278,917 million March 31, 2013: ¥148,605 million

## 2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
Fiscal year ended March 31, 2013	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ending March 31, 2013	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2014	–	0.00			
Fiscal year ending March 31, 2014 (Forecast)			–	0.00	0.00

Note: Revisions of the forecast most recently announced: No

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2014

(From April 1, 2013 to March 31, 2014)

(% indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	720,000	(3.2)	72,500	106.7	50,000	283.3	13,000	62.1	37.98

Note: Revisions of the forecast most recently announced: Yes

#### \* Notes

- (1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): No
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
  - 1) Changes in accounting policies due to revisions to accounting standards, and other regulations: Yes
  - 2) Changes in accounting policies due to other reasons: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement of prior period financial statements after error corrections: No

#### (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 September 30, 2013	342,671,508 shares
As of March 31, 2013	305,671,508 shares

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

As of September 30, 2013	428,556 shares
As of March 31, 2013	4,425,782 shares

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

Six months ended September 30, 2013	321,743,680 shares
Six months ended September 30, 2012	266,860,707 shares

#### \* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly consolidated financial statements are in progress.

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

1. The forecast of consolidated financial results which was announced on May 15, 2013 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 "Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements" on page 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof.

# Attached Material

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## 1. Qualitative Information Regarding Settlement of Accounts for the Six Months

### (1) Explanation of Results of Operations

#### Overall

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	405,764	333,830	(71,934)	(17.7)%
Operating income	18,040	28,503	10,463	58.0%
Ordinary income	7,394	16,953	9,559	129.3%
Net income/loss	8,015	(7,938)	(15,953)	–
Exchange rate (Yen/U.S. dollar)	79.41	98.85	19.44	–
Exchange rate (Yen/Euro)	100.64	130.00	29.36	–

In the six months ended September 30, 2013, the global economy remained mired in uncertainty mainly because of the impact of fiscal policy trends in the U.S., financial conditions in Europe and slower economic growth in China and other emerging markets, despite following a trend of moderate recovery. Looking at the Japanese economy, correction in the yen's strength as well as monetary policies have led to improved business sentiment. As consumer spending and capital investment appear to have picked up, there is anticipation that Japan is heading for a full-scale economic recovery.

Faced with this business environment, the Olympus Group's overall consolidated net sales decreased over the six months of the fiscal year under review, despite an increase in the Medical Systems Business from strong selling new products, and amounted to ¥333,830 million (down 17.7% year on year), mainly from the impact of the sale of the Information & Communication Business. Operating income was ¥28,503 million (up 58.0% year on year), mainly due to the contraction of operating loss in the Imaging Systems Business, in addition to an increase in the Medical Systems Business. Ordinary income was ¥16,953 million (up 129.3% year on year) owing to an increase in operating income. Net loss was ¥7,938 million (compared to a net income of ¥8,015 million in the same period of the previous fiscal year). This reflected the recording of extraordinary losses of ¥18,668 million mainly from provision for loss on litigation and income taxes of ¥5,940 million.

Regarding foreign exchange, the yen depreciated against both the U.S. dollar and the euro compared to the same period of the previous fiscal year. The average exchange rate during the period was ¥98.85 against the U.S. dollar (¥79.41 in the same period of the previous fiscal year) and ¥130.00 against the euro (¥100.64 in the same period of the previous fiscal year), which caused net sales and operating income to rise by ¥51,400 million and ¥10,200 million, respectively, year on year.

Operating results by segment are shown below. Operating income/loss of each segment coincides with segment income/loss of each corresponding reportable segment.

**Medical Systems Business**

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	176,192	229,813	53,621	30.4%
Operating income	37,354	49,213	11,859	31.7%

Consolidated net sales in the Medical Systems Business during the six months amounted to ¥229,813 million (up 30.4% year on year), while operating income amounted to ¥49,213 million (up 31.7% year on year).

In our flagship gastrointestinal endoscope field, sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which were launched in the previous fiscal year, were both strong. In the surgical and therapeutic devices field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, continued to grow. These positive factors resulted in sales growth in the Medical Systems Business.

Operating income in the Medical Systems Business increased due to the substantial increase in sales.

**Life Science and Industrial Systems Business**

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	38,133	43,995	5,862	15.4%
Operating income	1,086	547	(539)	(49.6)%

Consolidated net sales in the Life Science and Industrial Systems Business during the six months amounted to ¥43,995 million (up 15.4% year on year), while operating income amounted to ¥547 million (down 49.6% year on year).

As a result of improved business sentiment in Japan, despite the continuing difficult market environment in Europe and China, sales of products launched in the previous fiscal year in this business segment grew, leading to higher sales in both the life science and industrial fields. These products included the “IX3” series of biological microscopes in the life science field as well as the “IPLEX TX” industrial videoscope and the “45MG” portable ultrasonic thickness gage in the industrial field.

Operating income in the Life Science and Industrial Systems Business decreased because of an increase in anticipatory expenses for sales promotion to drive sales expansion for new products.

**Imaging Systems Business**

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	55,940	47,045	(8,895)	(15.9)%
Operating income/loss	(4,437)	(2,711)	1,726	—

Consolidated net sales in the Imaging Systems Business during the six months amounted to ¥47,045 million (down 15.9% year on year), while operating loss amounted to ¥2,711 million (compared with an operating loss of ¥4,437 million in the same period of the previous fiscal year).

In the mirrorless interchangeable-lens camera field, there were firm sales of high-value added camera models such as the “OLYMPUS PEN E-P5.” This product is the highest-performance model in the PEN series and boasts a dignified design coupled with functions including a high-speed shutter and built-in wireless connectivity. In response to shrinkage in the compact camera market as a whole, however, we limited the number of units sold in this field. Consequently, there was a decline in sales in the Imaging Systems Business overall.

We reduced operating loss in this business by arranging cost structures in line with the business scale and striving to cut costs.

## Others

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	21,256	12,977	(8,279)	(38.9)%
Operating income/loss	(3,603)	(2,824)	779	—

Consolidated net sales for other businesses during the six months amounted to ¥12,977 million (down 38.9% year on year) and operating loss was ¥2,824 million (compared with an operating loss of ¥3,603 million in the same period of the previous fiscal year).

Due to progress in the disposal of businesses, there were declines in both net sales and the amount of operating loss in other businesses.

## (2) Explanation of Financial Position

As of the end of the second quarter under review, total assets increased ¥10,533 million compared to the end of the previous fiscal year to ¥970,772 million.

This was primarily as a result of increases in investment securities of ¥8,024 million, tools, furniture and fixtures of ¥4,112 million, cash and time deposits of ¥3,496 million, and raw materials and supplies of ¥3,044 million, and a decrease in notes and accounts receivable of ¥7,918 million.

Total liabilities decreased ¥118,188 million compared to the end of the previous fiscal year to ¥690,144 million due mainly to decreases in short-term borrowings of ¥43,321 million and long-term borrowings, less current maturities of ¥67,041 million.

Net assets increased ¥128,721 million compared to the end of the previous fiscal year to ¥280,628 million, primarily due to an increase in accumulated other comprehensive income of ¥24,907 million arising from fluctuations in foreign exchange and stock prices, as well as a ¥51,189 million increase in common stock, ¥52,083 million increase in capital surplus and ¥10,165 million decrease in treasury stock resulting from the completion of payment on July 25, 2013 for the issuance of new shares and for the disposal of treasury stock.

As a result of the foregoing, equity ratio increased from 15.5% as of the end of the previous fiscal year to 28.7%.

### Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2014 and their causes.

“Cash flows from operating activities” increased by ¥29,413 million. Increasing factors mainly included ¥16,877 million in depreciation and amortization and a decrease of ¥11,459 million in accounts receivable, as opposed to the main decreasing factors of a decrease of ¥5,701 million in accrued expenses and a decrease of ¥5,257 million in other payable.

“Cash flows from investing activities” decreased by ¥10,713 million, mainly because of ¥13,223 million in purchase of property, plant and equipment.

“Cash flows from financing activities” decreased by ¥21,875 million. Decreasing factors mainly included ¥89,736 million in repayments of long-term debt, a decrease of ¥23,549 million in short-term borrowings, and ¥20,000 million in redemption of bonds, as opposed to the main increasing factor of ¥101,594 million in proceeds from issuance of common stock.

As a result, cash and cash equivalents at the end of the six months was ¥229,000 million, an increase of ¥3,218 million compared to the end of the previous fiscal year.

**(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements**

Regarding the forecast of consolidated financial results for the full year ending March 31, 2014, the forecast figures announced on May 15, 2013 have been revised.

Boosted by a strong performance by the Medical Systems Business, net sales, operating income and ordinary income are expected to exceed the previous forecast by ¥20,000 million, ¥1,500 million, and ¥2,000 million, respectively. Net income is expected to fall short of the previous forecast by ¥17,000 million owing to the recording of provision for loss on litigation as extraordinary losses. Average foreign exchange rates for the third quarter and onwards, which are a precondition for the forecast, are expected to be ¥97 per U.S. dollar and ¥127 per euro.

	(Millions of yen)				
	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	700,000	71,000	48,000	30,000	¥87.66
Revised Forecast (B)	720,000	72,500	50,000	13,000	¥37.98
Increase (Decrease) (B-A)	20,000	1,500	2,000	(17,000)	–
Increase (Decrease) Ratio (%)	2.9	2.1	4.2	(56.7)	–

**2. Matters Regarding Summary Information (Notes)****(1) Changes in Significant Subsidiaries during the Six Months under Review**

No items to report

**(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements**

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 second quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

**(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections**

In line with the application of IAS No. 19, “Employee Benefits” (revised on June 16, 2011) for fiscal years starting on or after January 1, 2013, effective from the first quarter ended June 30, 2013, at certain overseas subsidiaries this accounting standard has been applied and the method of recognizing actuarial differences has been changed.

This change in accounting policy has been applied retrospectively to the quarterly consolidated financial statements and consolidated financial statements for the six months ended September 30, 2012, and the fiscal year ended March 31, 2013. The impact of this retrospective application on the six months ended September 30, 2012, and the fiscal year ended March 31, 2013, is immaterial.

**3. Important Event Regarding Premise of Going Concern**

No items to report

**4. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
<b>ASSETS</b>		
Current assets		
Cash and time deposits	229,610	233,106
Notes and accounts receivable	125,231	117,313
Merchandise and finished goods	59,740	59,235
Work in process	20,827	22,565
Raw materials and supplies	18,740	21,784
Other current assets	90,186	86,192
Allowance for doubtful accounts	(3,297)	(3,578)
Total current assets	541,037	536,617
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	50,772	49,534
Machinery and equipment, net	10,057	9,799
Tools, furniture and fixtures, net	45,783	49,895
Land	15,172	15,421
Lease assets, net	6,165	7,298
Construction in progress	1,853	1,973
Net property, plant and equipment	129,802	133,920
Intangible assets		
Goodwill	106,346	105,821
Others	68,260	66,709
Total intangible assets	174,606	172,530
Investments and other assets		
Investment securities	48,614	56,638
Other assets	74,641	79,281
Allowance for doubtful accounts	(8,461)	(8,214)
Total investments and other assets	114,794	127,705
Total fixed assets	419,202	434,155
Total assets	960,239	970,772



(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	42,272	40,346
Short-term borrowings	102,510	59,189
Current maturities of bonds	35,000	15,000
Income taxes payable	12,622	14,676
Provision for product warranties	7,513	8,257
Provision for loss on litigation	–	17,000
Other current liabilities	116,943	105,566
Total current liabilities	316,860	260,034
Non-current liabilities		
Long-term bonds, less current maturities	55,000	55,000
Long-term borrowings, less current maturities	367,880	300,839
Severance and retirement allowance	28,251	29,269
Provision for loss on business liquidation	145	145
Other reserves	142	54
Other non-current liabilities	40,054	44,803
Total non-current liabilities	491,472	430,110
Total liabilities	808,332	690,144
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	73,332	124,520
Capital surplus	79,788	131,871
Retained earnings	68,000	59,969
Treasury stock, at cost	(11,255)	(1,090)
Total shareholders' equity	209,865	315,270
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	6,295	12,149
Net unrealized gains (losses) on hedging derivatives, net of taxes	20	8
Foreign currency translation adjustments	(58,029)	(37,936)
Pension liability adjustment of foreign subsidiaries	(9,546)	(10,574)
Total accumulated other comprehensive income	(61,260)	(36,353)
Subscription rights to shares	–	118
Minority interests	3,302	1,593
Total net assets	151,907	280,628
Total liabilities and net assets	960,239	970,772

## (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

## Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	405,764	333,830
Costs of sales	218,337	128,963
Gross profit	187,427	204,867
Selling, general and administrative expenses	169,387	176,364
Operating income	18,040	28,503
Non-operating income		
Interest income	412	493
Dividends income	474	459
Foreign currency exchange gain	120	–
Gain on sales of investment securities	2,105	–
Others	1,571	1,520
Total non-operating income	4,682	2,472
Non-operating expenses		
Interest expenses	6,312	6,428
Foreign currency exchange loss	–	2,204
Amendment fee	3,392	–
Advanced repayment expenses	–	1,509
Others	5,624	3,881
Total non-operating expenses	15,328	14,022
Ordinary income	7,394	16,953
Extraordinary income		
Gain on sales of noncurrent assets	–	89
Gain on sales of investment securities	281	55
Gain on sales of investments in subsidiaries and affiliates	15,606	21
Total extraordinary income	15,887	165
Extraordinary losses		
Impairment loss on fixed assets	–	243
Loss on valuation of investment securities	2,382	128
Loss on sales of investments in subsidiaries and affiliates	165	187
Loss on liquidation of business	–	154
Early extra retirement payments	1,334	–
Settlement package	1,231	256
Penalty charges	–	700
Provision for loss on litigation	–	17,000
Soil improvement cost	185	–
Total extraordinary losses	5,297	18,668
Income (loss) before provision for income taxes	17,984	(1,550)
Income taxes	9,834	5,940
Income taxes for prior periods	–	470
Income (loss) before minority interests	8,150	(7,960)
Minority interest in income (loss) of consolidated subsidiaries	135	(22)
Net income (loss)	8,015	(7,938)

## Quarterly Consolidated Statements of Comprehensive Income (cumulative)

	(Millions of yen)	
	Six months ended September 30, 2012	Six months ended September 30, 2013
Income (loss) before minority interests	8,150	(7,960)
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	(4,229)	5,854
Net unrealized gains (losses) on hedging derivatives, net of taxes	1,290	(12)
Foreign currency translation adjustments	(19,045)	20,062
Pension liability adjustment of foreign subsidiaries	708	(1,028)
Share of other comprehensive income of associates accounted for using equity method	1	78
Total other comprehensive income	(21,275)	24,954
Comprehensive income	(13,125)	16,994
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(13,225)	16,968
Comprehensive income attributable to minority interests	100	26

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Cash flows from operating activities		
Income (loss) before provision for income taxes	17,984	(1,550)
Depreciation and amortization	15,727	16,877
Impairment loss on fixed assets	–	243
Amortization of goodwill	5,427	4,650
Amendment fee	3,392	–
Advanced repayment expense	–	1,509
Settlement package	1,231	256
Penalty charges	–	700
Increase (decrease) in severance and retirement allowance	623	784
Decrease (increase) in prepaid pension cost	2,182	(1,114)
Increase (decrease) in provision for loss on litigation	–	17,000
Interest and dividend income	(886)	(952)
Interest expense	6,312	6,428
Increase (decrease) in provision for loss on business liquidation	(1,905)	–
Loss (gain) on sale of investment securities in subsidiaries and affiliates	(15,441)	166
Loss (gain) on sales of investment securities	(2,386)	(55)
Loss (gain) on valuation of investment securities	2,382	128
Decrease (increase) in accounts receivable	(5,506)	11,459
Decrease (increase) in inventories	(8,386)	(3,434)
Increase (decrease) in accounts payable	8,145	(2,203)
Increase (decrease) in other payable	1,534	(5,257)
Increase (decrease) in accrued expense	(5,153)	(5,701)
Other	(137)	1,479
Sub-total	25,139	41,413
Interest and dividend received	886	952
Interest payments	(6,416)	(6,668)
Amendment fee paid	(3,392)	–
Advanced repayment expense paid	–	(1,509)
Settlement package paid	(1,231)	–
Penalty charges paid	–	(700)
Income taxes paid	(8,521)	(4,075)
Net cash provided by operating activities	6,465	29,413

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Cash flows from investing activities		
Deposits in time deposits	(2,412)	(2,718)
Withdrawals from time deposits	1,580	2,692
Purchase of property, plant and equipment	(13,339)	(13,223)
Purchases of intangible assets	(2,069)	(2,101)
Purchases of investment securities	(215)	(318)
Sales and redemption of investment securities	3,012	231
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	50,815	4,521
Other	(113)	203
Net cash provided by (used in) investing activities	37,259	(10,713)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,141	(23,549)
Repayments of long-term debt	(32,351)	(89,736)
Redemption of bonds	(20,020)	(20,000)
Proceeds from issuance of common stock	–	101,594
Proceeds from sales of treasury stock	–	11,067
Other	(847)	(1,251)
Net cash used in financing activities	(52,077)	(21,875)
Effect of exchange rate changes on cash and cash equivalents	(4,468)	6,393
Net increase (decrease) in cash and cash equivalents	(12,821)	3,218
Cash and cash equivalents at beginning of year	198,661	225,782
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	182	–
Cash and cash equivalents at end of year	186,022	229,000

## (4) Notes to Quarterly Consolidated Financial Statements

## (Notes on Premise of Going Concern)

No items to report

## (Notes on Significant Changes in the Amount of Shareholders' Equity)

Based on a resolution made at a meeting of its Board of Directors held on July 8, 2013, the Company issued new shares and disposed of treasury stock in the six months ended September 30, 2013, thus increasing common stock by ¥51,189 million, increasing capital surplus by ¥52,083 million, and decreasing treasury stock by ¥10,165 million. Consequently, as of September 30, 2013, common stock was ¥124,520 million, capital surplus was ¥131,871 million, and treasury stock was ¥1,090 million.

## (Segment Information)

## I. Six months of the fiscal year ended March 31, 2013 (from April 1, 2012 to September 30, 2012)

## 1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica- tion (Note 3)	Others	Total		
Sales								
Sales to outside customers	176,192	38,133	55,940	114,243	21,256	405,764	—	405,764
Internal sales or transfer among segments	67	2	25	—	48	142	(142)	—
Total	176,259	38,135	55,965	114,243	21,304	405,906	(142)	405,764
Segment income (loss)	37,354	1,086	(4,437)	1,704	(3,603)	32,104	(14,064)	18,040

## Notes:

1. The deduction of ¥14,064 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥14,064 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.
2. Segment income (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.
3. Information & Communication Business segment was divested by share transfer on September 28, 2012.

## 2. Information regarding assets by reportable segment

During the second quarter, on September 28, 2012, the Company succeeded the Information & Communication Business of ITX Corporation, which was previously classified as the Information & Communication segment, to the newly established ITX Corporation, which is the successor in an absorption-type company split, and transferred the company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc., thus excluding it from the scope of consolidation.

As a result, the assets of the Information & Communication segment as of September 30, 2012 are nil.

3. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

During the second quarter, on September 28, 2012, the Company succeeded the Information & Communication Business of ITX Corporation, which was previously classified as the Information & Communication segment, to the newly established ITX Corporation, which is the successor in an absorption-type company split, and transferred the company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc., thus excluding it from the scope of consolidation.

As a result, the amount of goodwill of the Information & Communication segment as of September 30, 2012 decreased by ¥21,855 million.

(Significant gain on negative goodwill)

No items to report

## II. Six months of the fiscal year ending March 31, 2014 (from April 1, 2013 to September 30, 2013)

## 1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica- tion (Note 3)	Others	Total		
Sales								
Sales to outside customers	229,813	43,995	47,045	—	12,977	333,830	—	333,830
Internal sales or transfer among segments	84	10	4	—	135	233	(233)	—
Total	229,897	44,005	47,049	—	13,112	334,063	(233)	333,830
Segment income (loss)	49,213	547	(2,711)	—	(2,824)	44,225	(15,722)	28,503

## Notes:

- The deduction of ¥15,722 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥15,722 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.
- Segment income (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.
- On September 28, 2012, the Company succeeded the Information & Communication Business of ITX Corporation, which was previously classified as the Information & Communication segment, to the newly established ITX Corporation, which is the successor in an absorption-type company split, and transferred the company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc.

## 2. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report

(Important Subsequent Event)

No items to report