



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the fiscal year ended March 31, 2013

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Cautionary Statements with respect to Forward-Looking Statements

This report contains forward-looking statements that reflect management's current views, plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Olympus's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Consolidated Statements of Income

(Millions of Yen)

	For the fiscal year		For the fiscal year		Growth	For the year ending		
	ended Mar. 31	Proportion	ended Mar. 31	Proportion		Mar. 31	Proportion	Growth
	2012(Results)	(%)	2013(Results)	(%)	(%)	2014(Forecast)	(%)	(%)
Net Sales	848,548		743,851		-12.3%	700,000		-5.9%
<u>Cost of Sales</u>	<u>464,743</u>	54.8%	<u>365,653</u>	49.2%		<u>281,000</u>	40.1%	
Gross Profit	383,805	45.2%	378,198	50.8%	-1.5%	419,000	59.9%	10.8%
<u>S.G.A. Expenses</u>	<u>348,287</u>	41.0%	<u>343,121</u>	46.1%		<u>348,000</u>	49.8%	
Operating Income	35,518	4.2%	35,077	4.7%	-1.2%	71,000	10.1%	102.4%
Other Income/Expenses	-17,653		-22,031			-23,000		
<u>Extraordinary Item</u>	<u>-27,360</u>		<u>6,096</u>			<u>—</u>		
Income Before Provision for Income Taxes	-9,495	—	19,142	2.6%	—	48,000	6.9%	150.8%
<u>Provision for Income Taxes</u>	<u>39,282</u>		<u>10,900</u>			<u>18,000</u>		
<u>Minority Interests</u>	<u>208</u>		<u>222</u>			<u>—</u>		
Net Income	-48,985	—	8,020	1.1%	—	30,000	4.3%	274.1%

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	79.08		83.10			90.00		
Yen / Euro	108.98		107.14			120.00		
Favorable/Unfavorable Impact on Net Sales	-25,454		12,841			38,111		
Favorable/Unfavorable Impact on Operating Income	-5,745		190			9,884		
R & D Expenditures	61,356	7.2%	63,379	8.5%	3.3%	65,000	9.3%	2.6%
Capital Investments	37,961		28,109		-26.0%	39,000		38.7%
Depreciation	33,787		33,899		0.3%	37,000		9.1%

(Note)

Above consolidated statements of income are based on Japanese GAAP. Therefore, this information has some differences as to description from financial statements in annual report based on U.S. GAAP.

Sales and Operating Income by Business Segment

(Millions of Yen)

		For the fiscal year ended Mar. 31 2012(Results)	For the fiscal year ended Mar. 31 2013(Results)	Growth	For the year ending March 31 2014(Forecast)	Growth
Medical	Net Sales	349,246	394,724	45,478	470,000	75,276
	Operating Income	68,188	87,069	18,881	101,000	13,931
	(%)	19.5%	22.1%	2.6%	21.5%	-0.6%
Life Science and Industrial	Net Sales	92,432	85,513	-6,919	100,000	14,487
	Operating Income	5,439	3,527	-1,912	7,000	3,473
	(%)	5.9%	4.1%	-1.8%	7.0%	2.9%
Imaging	Net Sales	128,561	107,638	-20,923	104,000	-3,638
	Operating Income	-10,760	-23,073	-12,313	—	23,073
	(%)	—	—	—	—	—
Information and Communication	Net Sales	229,399	114,243	-115,156	—	-114,243
	Operating Income	5,277	1,704	-3,573	—	-1,704
	(%)	2.3%	1.5%	-0.8%	—	—
Others	Net Sales	48,910	41,733	-7,177	26,000	-15,733
	Operating Income	-7,992	-4,870	3,122	-5,000	-130
	(%)	—	—	—	—	—
Elimination or Corporate	Operating Income	-24,634	-29,280	-4,646	-32,000	-2,720
Total	Net Sales	848,548	743,851	-104,697	700,000	-43,851
	Operating Income	35,518	35,077	-441	71,000	35,923
	(%)	4.2%	4.7%	0.5%	10.1%	5.4%

Sales by Product

(Millions of Yen)

		Mar. 31	Composition	Mar. 31	Composition	Growth	Mar. 31	Composition	Growth
		2012(Results)	Ratio(%)	2013(Results)	Ratio(%)	(%)	2014(Forecast)	Ratio(%)	(%)
Endoscope	Domestic	43,803		47,335		8.1%	49,000		3.5%
	Overseas	147,995		171,339		15.8%	206,700		20.6%
	Total	191,798	22.6%	218,674	29.4%	14.0%	255,700	36.5%	16.9%
Surgical & Endo-Therapy	Domestic	36,615		42,177		15.2%	43,300		2.7%
	Overseas	120,833		133,873		10.8%	171,000		27.7%
	Total	157,448	18.6%	176,050	23.7%	11.8%	214,300	30.6%	21.7%
Medical / Total	Domestic	80,418		89,512		11.3%	92,300		3.1%
	Overseas	268,828		305,212		13.5%	377,700		23.8%
	Total	349,246	41.2%	394,724	53.1%	13.0%	470,000	67.1%	19.1%
Life Science	Domestic	10,560		10,315		-2.3%	11,500		11.5%
	Overseas	32,090		28,595		-10.9%	34,300		20.0%
	Total	42,650	5.0%	38,910	5.2%	-8.8%	45,800	6.6%	17.7%
Industrial	Domestic	8,394		7,526		-10.3%	8,500		12.9%
	Overseas	41,388		39,077		-5.6%	45,700		16.9%
	Total	49,782	5.9%	46,603	6.3%	-6.4%	54,200	7.7%	16.3%
Life Science & Industrial / Total	Domestic	18,954		17,841		-5.9%	20,000		12.1%
	Overseas	73,478		67,672		-7.9%	80,000		18.2%
	Total	92,432	10.9%	85,513	11.5%	-7.5%	100,000	14.3%	16.9%
Digital Camera	Domestic	27,333		27,234		-0.4%	26,700		-2.0%
	Overseas	87,904		67,867		-22.8%	63,600		-6.3%
	Total	115,237	13.6%	95,101	12.8%	-17.5%	90,300	12.9%	-5.0%
Others	Domestic	4,018		4,126		2.7%	4,300		4.2%
	Overseas	9,306		8,411		-9.6%	9,400		11.8%
	Total	13,324	1.5%	12,537	1.7%	-5.9%	13,700	2.0%	9.3%
Imaging / Total	Domestic	31,351		31,360		0.0%	31,000		-1.1%
	Overseas	97,210		76,278		-21.5%	73,000		-4.3%
	Total	128,561	15.1%	107,638	14.5%	-16.3%	104,000	14.9%	-3.4%
Information & Communication	Domestic	229,399		114,243		-50.2%	—		-100.0%
	Overseas	—		—		—	—		—
	Total	229,399	27.0%	114,243	15.3%	-50.2%	—	—	-100.0%
Others	Domestic	38,115		34,069		-10.6%	18,100		-46.9%
	Overseas	10,795		7,664		-29.0%	7,900		3.1%
	Total	48,910	5.8%	41,733	5.6%	-14.7%	26,000	3.7%	-37.7%
Total	Domestic	398,237		287,025		-27.9%	161,400		-43.8%
	Overseas	450,311		456,826		1.4%	538,600		17.9%
	Total	848,548	100.0%	743,851	100.0%	-12.3%	700,000	100.0%	-5.9%

Sales by Region (Destination)

(Millions of Yen)

		Mar. 31	Composition	Mar. 31	Composition	Growth
		2012(Results)	Ratio (%)	2013(Results)	Ratio (%)	(%)
Medical	Japan	80,418	23.0%	89,512	22.7%	11.3%
	N. America	121,020	34.7%	137,715	34.9%	13.8%
	Europe	91,933	26.3%	102,850	26.0%	11.9%
	Asia/Oceania	45,489	13.0%	54,300	13.8%	19.4%
	Others	10,386	3.0%	10,347	2.6%	-0.4%
	Total	349,246		394,724		13.0%
Life Science & Industrial	Japan	18,954	20.5%	17,841	20.9%	-5.9%
	N. America	23,288	25.2%	20,941	24.5%	-10.1%
	Europe	20,250	21.9%	19,119	22.4%	-5.6%
	Asia/Oceania	23,675	25.6%	20,907	24.4%	-11.7%
	Others	6,265	6.8%	6,705	7.8%	7.0%
	Total	92,432		85,513		-7.5%
Imaging	Japan	31,351	24.4%	31,360	29.1%	0.0%
	N. America	19,001	14.8%	16,847	15.6%	-11.3%
	Europe	40,863	31.8%	31,944	29.7%	-21.8%
	Asia/Oceania	32,787	25.5%	24,704	23.0%	-24.7%
	Others	4,559	3.5%	2,783	2.6%	-39.0%
	Total	128,561		107,638		-16.3%
Information & Communication	Japan	229,399	100.0%	114,243	100.0%	-50.2%
	N. America	—	—	—	—	—
	Europe	—	—	—	—	—
	Asia/Oceania	—	—	—	—	—
	Others	—	—	—	—	—
	Total	229,399		114,243		-50.2%
Others	Japan	38,115	77.9%	34,069	81.6%	-10.6%
	N. America	1,954	4.0%	1,730	4.2%	-11.5%
	Europe	3,103	6.4%	3,266	7.8%	5.3%
	Asia/Oceania	5,353	10.9%	2,484	6.0%	-53.6%
	Others	385	0.8%	184	0.4%	-52.2%
	Total	48,910		41,733		-14.7%
Total	Japan	398,237	46.9%	287,025	38.6%	-27.9%
	N. America	165,263	19.5%	177,233	23.8%	7.2%
	Europe	156,149	18.4%	157,179	21.1%	0.7%
	Asia/Oceania	107,304	12.7%	102,395	13.8%	-4.6%
	Others	21,595	2.5%	20,019	2.7%	-7.3%
	Total	848,548		743,851		-12.3%

Consolidated Statements of Income (Quarterly)

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2013				Growth (%)			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net Sales	189,542	216,222	155,464	182,623	-4.5%	0.1%	-26.0%	-18.4%
Cost of Sales	102,897	115,440	68,006	79,310	-5.4%	-0.7%	-41.4%	-35.8%
Gross Profit	86,645	100,782	87,458	103,313	-3.5%	1.1%	-7.0%	3.0%
S.G.A. Expenses	84,527	84,860	80,888	92,846	-0.1%	-2.9%	-5.5%	2.3%
Operating Income	2,118	15,922	6,570	10,467	-59.6%	29.5%	-22.0%	9.5%
Other Income/Expenses	-2,359	-8,287	-5,225	-6,160	—	—	—	—
Extraordinary Item	-1,818	12,408	-2	-4,492	—	—	—	—
Income Before Provision for Income Taxes	-2,059	20,043	1,343	-185	—	—	-56.6%	—
Provision for Income Taxes	2,311	7,523	1,648	-582	18.2%	-68.2%	-56.1%	—
Minority Interests	86	49	86	1	68.6%	40.0%	-9.5%	-96.3%
Net Income	-4,456	12,471	-391	396	—	—	—	—
Capital Investments	7,199	7,430	5,935	7,545	-9.8%	-12.5%	-19.7%	-46.5%
Depreciation	7,762	7,965	8,533	9,639	-6.4%	-3.8%	3.3%	7.6%

(Note)

Above consolidated statements of income are based on Japanese GAAP. Therefore, this information has some differences as to description from financial statements in annual report based on U.S. GAAP.

Sales and Operating Income by Business Segment (Quarterly)

(Millions of Yen)

		For the fiscal year ended Mar. 31, 2013				Growth (%)			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Medical	Net Sales	78,402	97,790	94,035	124,497	1.0%	13.5%	6.0%	28.7%
	Operating Income	12,378	24,976	19,068	30,647	13.4%	43.1%	1.1%	46.3%
Life Science & Industrial	Net Sales	17,697	20,436	19,376	28,004	-14.0%	-15.9%	-8.1%	5.7%
	Operating Income	-403	1,489	96	2,345	—	-50.3%	—	21.6%
Imaging	Net Sales	28,849	27,091	30,949	20,749	-15.8%	-26.5%	-8.2%	-12.7%
	Operating Income	-1,533	-2,904	-4,316	-14,320	—	—	—	—
Information & Communication	Net Sales	53,865	60,378	—	—	2.4%	6.7%	-100.0%	-100.0%
	Operating Income	548	1,156	—	—	-45.9%	-33.6%	-100.0%	-100.0%
Others	Net Sales	10,729	10,527	11,104	9,373	-20.4%	-13.1%	-6.0%	-18.5%
	Operating Income	-1,052	-2,551	290	-1,557	—	—	—	—
Elimination or Corporate	Operating Income	-7,820	-6,244	-8,568	-6,648	—	—	—	—
Total	Net Sales	189,542	216,222	155,464	182,623	-4.5%	0.1%	-26.0%	-18.4%
	Operating Income	2,118	15,922	6,570	10,467	-59.6%	29.5%	-22.0%	9.5%

Consolidated Balance Sheets

	(Millions of Yen)		
	Mar. 31 2012	Mar. 31 2013	Variance
Current Assets	526,558	541,037	14,479
Cash and time deposits	200,088	229,610	29,522
Notes and accounts receivable	150,594	125,231	-25,363
Inventories	102,493	99,307	-3,186
Deferred income taxes	23,574	25,087	1,513
Other current assets	52,907	65,099	12,192
Allowance for doubtful accounts	-3,098	-3,297	-199
Fixed Assets	439,968	419,045	-20,923
Property, Plant and Equipment	127,808	129,802	1,994
Buildings and structures	55,925	50,772	-5,153
Machinery and equipment	10,535	10,057	-478
Tools, furniture and fixtures	38,580	45,783	7,203
Land	15,931	15,172	-759
Lease assets	5,706	6,165	459
Construction in progress	1,131	1,853	722
Intangible Assets	197,145	174,606	-22,539
Goodwill	124,465	106,346	-18,119
Others	72,680	68,260	-4,420
Investments and Other Assets	115,015	114,637	-378
Investment securities	51,318	48,614	-2,704
Deferred income taxes	8,167	9,418	1,251
Other assets	63,426	65,066	1,640
Allowance for doubtful accounts	-7,896	-8,461	-565
Total Assets	966,526	960,082	-6,444

	(Millions of Yen)		
	Mar. 31 2012	Mar. 31 2013	Variance
Current Liabilities	320,393	316,860	-3,533
Notes and accounts payable	75,330	42,272	-33,058
Short-term borrowings	92,075	102,510	10,435
Current maturities of bonds	20,040	35,000	14,960
Accrued expenses	62,613	67,676	5,063
Income taxes payable	8,228	12,622	4,394
Warranty reserve	7,336	7,513	177
Other reserves	18	—	-18
Other current liabilities	54,753	49,267	-5,486
Non-current Liabilities	598,105	490,815	-110,495
Long-term bonds, less current maturities	90,080	55,000	-35,080
Long-term borrowings, less current maturities	440,231	367,880	-72,351
Severance and retirement allowance	23,922	27,594	3,672
Other reserves	140	142	2
Provision for loss on business liquidation	3,205	145	-3,060
Other non-current liabilities	40,527	40,054	-3,678
Net Assets	48,028	152,407	104,379
Shareholders' Equity	152,067	209,865	57,798
Common stock	48,332	73,332	25,000
Capital surplus	54,788	79,788	25,000
Retained earnings	60,197	68,000	7,803
Treasury stock, at cost	-11,249	-11,255	-6
Valuation and Translation Adjustments	-107,297	-60,760	46,537
Unrealized holding gains or losses on securities	3,128	6,295	3,167
Deferred gains or losses on hedges	-1,268	20	1,288
Foreign currency translation adjustments	-102,067	-58,029	44,038
Pension liabilities adjustment of foreign subsidiaries	-7,090	-9,046	-1,956
Minority Interests	3,258	3,302	44
Liabilities and Net Assets	966,526	960,082	-6,444

(Note)

Above consolidated balance sheets are based on Japanese GAAP. Therefore, this information has some differences as to description from financial statements in annual report based on U.S. GAAP.

Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended Mar. 31 2012(Results)	For the fiscal year ended Mar. 31 2013(Results)	Variance
Cash flows from operating activities			
Income before provision for income taxes	-9,495	19,142	28,637
Depreciation and amortization	33,787	33,899	112
Impairment loss on fixed assets	15,839	7,600	-8,239
Amortization of goodwill	12,283	9,683	-2,600
Amendment fee	—	3,392	3,392
Settlement package	—	1,231	1,231
Early extra retirement payments	—	1,336	1,336
Increase (decrease) of severance and retirement allowance	1,445	794	-651
Decrease (increase) in prepaid expense of pensions	2,051	4,018	1,967
Decrease (increase) in warranty reserve	-716	-419	297
Interest and dividend income	-1,734	-1,843	-109
Interest expenses	14,026	13,942	-84
Loss (gain) of investment in affiliated companies carried on the equity method	-144	-22	122
Increase (decrease) in provision for loss on restructuring of business allowance	3,205	-3,060	-6,265
Loss (gain) on sales of stocks of subsidiaries and affiliates	38	-20,026	-20,064
Loss (gain) on valuation of investment securities	2,014	722	-1,292
Decrease (increase) in accounts receivable	-11,681	-10,063	1,618
Decrease (increase) in inventories	-9,742	1,048	10,790
Increase (decrease) in notes and accounts payable	6,792	6,707	-85
Increase (decrease) in other payable	260	3,217	2,957
Increase (decrease) in accrued expenses	3,719	1,458	-2,261
Decrease (increase) in lease receivable	2,145	-6,969	-9,114
Other	-1,120	-2,083	-963
Subtotal	62,972	63,704	732
Interest and dividend received	1,836	1,843	7
Interest payments	-13,990	-13,852	138
Amendment fee paid	—	-3,392	-3,392
Settlement package paid	—	-1,231	-1,231
Early extra retirement payments paid	—	-1,336	-1,336
Income taxes paid	-19,929	-20,503	-574
Net cash provided by operating activities	30,889	25,233	-5,656
Cash flows from investing activities			
Deposits in time deposits	-2,007	-3,846	-1,839
Withdrawals from time deposits	3,719	2,913	-806
Purchase of property, plant and equipment	-22,761	-24,023	-1,262
Purchase of intangible assets	-12,483	-3,942	8,541
Purchases of investment securities	-1,076	-373	703
Sales of investment securities	4,155	6,506	2,351
Payments for acquisition of new consolidated subsidiaries	-6,584	—	6,584
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	27	52,629	52,602
Purchase of investments in subsidiaries	-624	—	624
Payments of loans receivable	-1	-2,053	-2,052
Proceeds from collection of loans receivable	2,408	3,885	1,477
Other	-508	1,759	2,267
Net cash used in investing activities	-35,735	33,455	69,190
Cash flows from financing activities			
Increase (decrease) in short-term borrowings	2,722	-27,782	-30,504
Proceeds from long-term debt	60,244	—	-60,244
Repayments of long-term debt	-63,197	-42,935	20,262
Redemption of bonds	-240	-20,040	-19,800
Proceeds from issuance of common stock	—	49,953	49,953
Purchase of treasury stock	-152	-4	148
Dividends paid	-4,004	—	4,004
Dividends paid to minority shareholders	-22	-75	-53
Other	-1,112	-1,553	-441
Net cash provided by financing activities	-5,761	-42,436	-36,675
Effect of exchange rate changes on cash and cash equivalents	-1,220	10,701	11,921
Net increase (decrease) in cash and cash equivalents	-11,827	26,953	38,780
Cash and cash equivalents at beginning of year	210,385	198,661	-11,724
Increase in cash and cash equivalents associated with acquisition of consolidated subsidiaries	103	168	65
Cash and cash equivalents at end of year	198,661	225,782	27,121