



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the First Quarter ended June 30, 2013

Table of Contents

Consolidated Statements of Income	1
Sales and Operating Income by Business Segment	2
Sales by Product	3
Sales by Region	4
Consolidated Balance Sheets	5
Forecast of Consolidated Financial Results by Business Segment for the fiscal year ending March 31, 2014 (1H and 2H)	6

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 first quarter		For the first quarter		Growth	For the year ending		
	ended June 30	Proportion	ended June 30	Proportion		March 31	Proportion	Growth
	2012(Results)	(%)	2013(Results)	(%)	(%)	2014(Forecast)	(%)	(%)
Net Sales	189,542		159,229		-16.0%	700,000		-5.9%
<u>Cost of Sales</u>	<u>102,897</u>	54.3%	<u>65,136</u>	40.9%		<u>281,000</u>	40.1%	
Gross Profit	86,645	45.7%	94,093	59.1%	8.6%	419,000	59.9%	10.8%
<u>S.G.A. Expenses</u>	<u>84,527</u>	44.6%	<u>85,927</u>	54.0%		<u>348,000</u>	49.8%	
Operating Income	2,118	1.1%	8,166	5.1%	285.6%	71,000	10.1%	102.4%
Other Income/Expenses	-2,359		-5,768			-23,000		
<u>Extraordinary Item</u>	<u>-1,818</u>		<u>-896</u>			<u>-1,000</u>		
Income Before Provision for Income Taxes	-2,059	—	1,502	0.9%	—	47,000	6.7%	145.5%
<u>Provision for Income Taxes</u>	<u>2,311</u>		<u>3,368</u>			<u>17,000</u>		
<u>Minority Interests</u>	<u>86</u>		<u>-35</u>			<u>—</u>		
Net Income	-4,456	—	-1,831	—	—	30,000	4.3%	274.1%

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	80.20		98.76			90.00		
Yen / Euro	102.91		128.95			120.00		
Favorable/Unfavorable Impact on Net Sales	-6,128		23,430			38,111		
Favorable/Unfavorable Impact on Operating Income	-2,594		1,798			9,884		
R & D Expenditures	13,416	7.1%	13,619	8.6%	1.5%	65,000	9.3%	2.6%
Capital Investments	7,199		8,200		13.9%	39,000		38.7%
Depreciation	7,762		8,672		11.7%	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 First Quarter ended June 30 2012(Results)	For the First Quarter ended June 30 2013(Results)	Growth	For the fiscal year ending March 31 2014(Forecast)	Growth
Medical	Net Sales	78,402	107,885	29,483	470,000	75,276
	Operating Income	12,378	18,525	6,147	101,000	13,931
	(%)	15.8%	17.2%	1.4%	21.5%	-0.6%
Life Science and Industrial	Net Sales	17,697	19,949	2,252	100,000	14,487
	Operating Income	-403	-994	-591	7,000	3,473
	(%)	—	—	—	7.0%	2.9%
Imaging	Net Sales	28,849	24,956	-3,893	104,000	-3,638
	Operating Income	-1,533	-588	945	—	23,073
	(%)	—	—	—	—	—
Information and Communication	Net Sales	53,865	—	-53,865	—	-114,243
	Operating Income	548	—	-548	—	-1,704
	(%)	1.0%	—	—	—	—
Others	Net Sales	10,729	6,439	-4,290	26,000	-15,733
	Operating Income	-1,052	-1,428	-376	-5,000	-130
	(%)	—	—	—	—	—
Elimination or Corporate	Operating Income	-7,820	-7,349	471	-32,000	-2,720
Total	Net Sales	189,542	159,229	-30,313	700,000	-43,851
	Operating Income	2,118	8,166	6,048	71,000	35,923
	(%)	1.1%	5.1%	4.0%	10.1%	5.4%

Sales by Product

(Millions of Yen)

		June 30	Composition	June 30	Composition	Growth	March 31	Composition	Growth
		2012(Results)	Ratio(%)	2013(Results)	Ratio(%)	(%)	2014(Forecast)	Ratio(%)	(%)
Endoscope	Domestic	9,267		13,087		41.2%	49,000		3.5%
	Overseas	31,677		46,248		46.0%	206,700		20.6%
	Total	40,944	21.6%	59,335	37.3%	44.9%	255,700	36.5%	16.9%
Surgical & Endo-Therapy	Domestic	9,015		10,035		11.3%	43,300		2.7%
	Overseas	28,443		38,515		35.4%	171,000		27.7%
	Total	37,458	19.8%	48,550	30.5%	29.6%	214,300	30.6%	21.7%
Medical / Total	Domestic	18,282		23,122		26.5%	92,300		3.1%
	Overseas	60,120		84,763		41.0%	377,700		23.8%
	Total	78,402	41.4%	107,885	67.8%	37.6%	470,000	67.1%	19.1%
Life Science	Domestic	1,243		1,189		-4.3%	11,500		11.5%
	Overseas	6,106		7,284		19.3%	34,300		20.0%
	Total	7,349	3.9%	8,473	5.3%	15.3%	45,800	6.6%	17.7%
Industrial	Domestic	1,623		1,424		-12.3%	8,500		12.9%
	Overseas	8,725		10,052		15.2%	45,700		16.9%
	Total	10,348	5.4%	11,476	7.2%	10.9%	54,200	7.7%	16.3%
Life Science & Industrial / Total	Domestic	2,866		2,613		-8.8%	20,000		12.1%
	Overseas	14,831		17,336		16.9%	80,000		18.2%
	Total	17,697	9.3%	19,949	12.5%	12.7%	100,000	14.3%	16.9%
Digital Camera	Domestic	6,172		4,820		-21.9%	26,700		-2.0%
	Overseas	19,311		16,872		-12.6%	63,600		-6.3%
	Total	25,483	13.4%	21,692	13.6%	-14.9%	90,300	12.9%	-5.0%
Others	Domestic	1,149		1,109		-3.5%	4,300		4.2%
	Overseas	2,217		2,155		-2.8%	9,400		11.8%
	Total	3,366	1.8%	3,264	2.1%	-3.0%	13,700	2.0%	9.3%
Imaging / Total	Domestic	7,321		5,929		-19.0%	31,000		-1.1%
	Overseas	21,528		19,027		-11.6%	73,000		-4.3%
	Total	28,849	15.2%	24,956	15.7%	-13.5%	104,000	14.9%	-3.4%
Information & Communication	Domestic	53,865		—		—	—		—
	Overseas	—		—		—	—		—
	Total	53,865	28.4%	—	—	—	—	—	—
Others	Domestic	9,040		4,263		-52.8%	18,100		-46.9%
	Overseas	1,689		2,176		28.8%	7,900		3.1%
	Total	10,729	5.7%	6,439	4.0%	-40.0%	26,000	3.7%	-37.7%
Total	Domestic	91,374		35,927		-60.7%	161,400		-43.8%
	Overseas	98,168		123,302		25.6%	538,600		17.9%
	Total	189,542	100.0%	159,229	100.0%	-16.0%	700,000	100.0%	-5.9%

Sales by Region (Destination)

(Millions of Yen)

		June 30	Composition	June 30	Composition	Growth
		2012(Results)	Ratio (%)	2013(Results)	Ratio (%)	(%)
Medical	Japan	18,282	23.3%	23,122	21.4%	26.5%
	N. America	26,309	33.6%	40,153	37.2%	52.6%
	Europe	21,420	27.3%	27,522	25.5%	28.5%
	Asia/Oceania	10,272	13.1%	14,332	13.3%	39.5%
	Others	2,119	2.7%	2,756	2.6%	30.1%
	Total	78,402		107,885		37.6%
Life Science & Industrial	Japan	2,866	16.2%	2,613	13.1%	-8.8%
	N. America	4,723	26.7%	5,367	26.9%	13.6%
	Europe	4,027	22.7%	4,637	23.2%	15.1%
	Asia/Oceania	4,687	26.5%	5,788	29.0%	23.5%
	Others	1,394	7.9%	1,544	7.8%	10.8%
	Total	17,697		19,949		12.7%
Imaging	Japan	7,321	25.4%	5,929	23.8%	-19.0%
	N. America	4,428	15.4%	4,682	18.7%	5.7%
	Europe	8,534	29.6%	7,794	31.2%	-8.7%
	Asia/Oceania	7,455	25.8%	5,903	23.7%	-20.8%
	Others	1,111	3.8%	648	2.6%	-41.7%
	Total	28,849		24,956		-13.5%
Information & Communication	Japan	53,865	100.0%	—	—	—
	N. America	—	—	—	—	—
	Europe	—	—	—	—	—
	Asia/Oceania	—	—	—	—	—
	Others	—	—	—	—	—
	Total	53,865		—		—
Others	Japan	9,040	84.3%	4,263	66.2%	-52.8%
	N. America	452	4.2%	457	7.1%	1.1%
	Europe	608	5.7%	1,047	16.3%	72.2%
	Asia/Oceania	508	4.7%	671	10.4%	32.1%
	Others	121	1.1%	1	—	-99.2%
	Total	10,729		6,439		-40.0%
Total	Japan	91,374	48.2%	35,927	22.6%	-60.7%
	N. America	35,912	18.9%	50,659	31.8%	41.1%
	Europe	34,589	18.3%	41,000	25.8%	18.5%
	Asia/Oceania	22,922	12.1%	26,694	16.7%	16.5%
	Others	4,745	2.5%	4,949	3.1%	4.3%
	Total	189,542		159,229		-16.0%

Consolidated Balance Sheets

(Millions of Yen)

	June 30 2012	June 30 2013	March 31 2013	Variance
Current Assets	503,940	461,205	541,037	-79,832
Cash and time deposits	204,918	147,505	229,610	-82,105
Notes and accounts receivable	119,988	118,377	125,231	-6,854
Inventories	104,200	102,595	99,307	3,288
Deferred income taxes	22,994	26,700	25,087	1,613
Other current assets	55,049	69,457	65,099	4,358
Allowance for doubtful accounts	-3,209	-3,429	-3,297	-132
Fixed Assets	414,158	433,633	419,202	14,431
Property, Plant and Equipment	125,564	131,321	129,802	1,519
Buildings and structures	53,224	50,091	50,772	-681
Machinery and equipment	10,220	10,055	10,057	-2
Tools, furniture and fixtures	39,257	47,613	45,783	1,830
Land	15,649	15,284	15,172	112
Lease assets	5,912	6,074	6,165	-91
Construction in progress	1,302	2,204	1,853	351
Intangible Assets	187,082	177,421	174,606	2,815
Goodwill	117,890	108,506	106,346	2,160
Others	69,192	68,915	68,260	655
Investments and Other Assets	101,512	124,891	114,794	10,097
Investment securities	43,756	55,254	48,614	6,640
Deferred income taxes	7,542	9,987	9,581	406
Other assets	58,888	67,871	65,060	2,811
Allowance for doubtful accounts	-8,674	-8,221	-8,461	240
Total Assets	918,098	894,838	960,239	-65,401

(Millions of Yen)

	June 30 2012	June 30 2013	March 31 2013	Variance
Current Liabilities	299,912	253,714	316,860	-63,146
Notes and accounts payable	58,670	42,004	42,272	-268
Short-term borrowings	89,769	38,934	102,510	-63,576
Current maturities of bonds	20,040	35,000	35,000	-
Accrued expenses	60,945	65,565	67,676	-2,111
Income taxes payable	8,061	16,474	12,622	3,852
Warranty reserve	6,804	7,918	7,513	405
Other current liabilities	55,623	47,819	49,267	-1,448
Non-current Liabilities	594,044	470,689	491,472	-20,783
Long-term bonds, less current maturities	90,060	55,000	55,000	-
Long-term borrowings, less current maturities	438,508	342,844	367,880	-25,036
Severance and retirement allowance	23,974	29,183	28,251	932
Other reserves	1,972	200	287	-87
Other non-current liabilities	39,530	43,462	40,054	3,408
Net Assets	24,142	170,435	151,907	18,528
Shareholders' Equity	147,395	207,934	209,865	-1,931
Common stock	48,332	73,332	73,332	-
Capital surplus	54,788	79,788	79,788	-
Retained earnings	55,525	66,076	68,000	-1,924
Treasury stock, at cost	-11,250	-11,262	-11,255	-7
Valuation and Translation Adjustments	-126,519	-39,067	-61,260	22,193
Unrealized holding gains or losses on securities	-2,293	11,034	6,295	4,739
Deferred gains or losses on hedges	85	10	20	-10
Foreign currency translation adjustments	-118,445	-39,957	-58,029	18,072
Pension liabilities adjustment of foreign subsidiaries	-5,866	-10,154	-9,546	-608
Minority Interests	3,266	1,568	3,302	-1,734
Liabilities and Net Assets	918,098	894,838	960,239	-65,401

(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.

• 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 three months 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 three months ended June 30, 2012, and the fiscal year ended March 31, 2013. The impact of this retrospective

Forecast of Consolidated Financial Results (1H and 2H)

(Millions of Yen)

	For the fiscal year ended Mar.31,2013		For the fiscal year ending Mar.31, 2014 (Forecast)		Growth (%)	
	1H	2H	1H	2H	1H	2H
Net Sales	405,764	338,087	335,000	365,000	-17.4%	8.0%
Cost of Sales	<u>218,337</u>	<u>147,316</u>	<u>139,000</u>	<u>142,000</u>		
Gross Profit	187,427	190,771	196,000	223,000	4.6%	16.9%
S.G.A. Expenses	<u>169,387</u>	<u>173,734</u>	<u>169,000</u>	<u>179,000</u>		
Operating Income	18,040	17,037	27,000	44,000	49.7%	158.3%
Other Income/Expenses	<u>-10,646</u>	<u>-11,385</u>	<u>-9,500</u>	<u>-13,500</u>		
Extraordinary Item	<u>10,590</u>	<u>-4,494</u>	<u>-1,000</u>	=		
Income Before Provision for Income Taxes	17,984	1,158	16,500	30,500	-8.3%	-
Provision for Income Taxes	<u>9,834</u>	<u>1,066</u>	<u>6,500</u>	<u>10,500</u>		
Minority Interests	<u>135</u>	<u>87</u>	=	=		
Net Income	8,015	5	10,000	20,000	24.8%	-

(Note)

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

Forecast of Consolidated Financial Results by Segment (1H and 2H)

(Millions of Yen)

		For the fiscal year ended Mar.31,2013		For the fiscal year ending Mar.31, 2014 (Forecast)		Growth (%)	
		1H	2H	1H	2H	1H	2H
Medical	Net Sales	176,192	218,532	223,000	247,000	26.6%	13.0%
	Operating Income	37,354	49,715	46,000	55,000	23.1%	10.6%
Life Science & Industrial	Net Sales	38,133	47,380	46,000	54,000	20.6%	14.0%
	Operating Income	1,086	2,441	1,500	5,500	38.1%	125.3%
Imaging	Net Sales	55,940	51,698	53,000	51,000	-5.3%	-1.4%
	Operating Income	-4,437	-18,636	-	-	-	-
Information & Communication	Net Sales	114,243	-	-	-	-	-
	Operating Income	1,704	-	-	-	-	-
Others	Net Sales	21,256	20,477	13,000	13,000	-38.8%	-36.5%
	Operating Income	-3,603	-1,267	-3,500	-1,500	-	-
Elimination or Corporate	Net Sales	-	-	-	-	-	-
	Operating Income	-14,064	-15,216	-17,000	-15,000	-	-
Total	Net Sales	405,764	338,087	335,000	365,000	-17.4%	8.0%
	Operating Income	18,040	17,037	27,000	44,000	49.7%	158.3%