April 26, 2012

News Release

Company: Olympus Corporation
Representative Director, President: Hiroyuki Sasa
(Code 7733, First Section, Tokyo Stock Exchange)
Contact: Tetsuo Hyakutake, General Manager, Public Relations and IR Office

(Corrections) Notice Concerning Partial Corrections to "Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2009"

Olympus Corporation (the "Company") disclosed corrected financial results (kessan tanshin) of past fiscal years on December 28, 2011, 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. Since additional corrections have been made possible by continuous investigations following that previous disclosure, the Company has proceeded with operations to correct additional financial results of past fiscal years.

The Company has now completed the operations to correct ""Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2009" dated November 6, 2008, and it accordingly announces the details of the corrections.

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 Six Months of the Fiscal Year Ending March 31, 2009

November 6, 2008

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange, First Section of Osaka Securities Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Hironobu Kawamata, General Manager, Accounting Division
Phone: 03-3340-2111
Scheduled date to submit the Quarterly Report: November 14, 2008
Scheduled date to commence dividend payments: December 5, 2008

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to September 30, 2008)

(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	
Six months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
September 30, 2008	535,790	–	36,404	–	23,834	–	(4,540)	–
September 30, 2007	550,366	13.6	60,223	42.9	51,862	60.3	30,043	65.8

	Net income per share	Fully diluted net income per share
Six months ended	(¥)	(¥)
September 30, 2008	(16.92)	–
September 30, 2007	111.15	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
September 30, 2008	1,165,187	213,303	17.4	760.23
March 31, 2008	1,217,172	244,281	19.1	861.58

Note: Equity as of September 30, 2008: ¥ 203,154 million March 31, 2008: ¥ 232,833 million

2. Dividends

	Cash dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2008	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2009	–	20.00	——	——	——
Fiscal year ending March 31, 2009 (Forecast)	——	——	–	20.00	40.00

Note: Revisions of the forecast in the current quarter: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	1,055,000	(6.5)	73,000	(35.3)	56,000	(42.5)	19,000	(65.2)	71.10

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

4. Others

(1) Changes in significant subsidiaries during the period (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: Fore 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: Yes
2) Changes due to other reasons: Yes
[Note: Fore more details, please refer to the section of "4. Others" of "[Qualitative Information and Financial Statements]" on page 6.]

(4) 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, 2008	271,283,608 shares
As of March 31, 2008	271,283,608 shares

2) Number of treasury shares at the end of the period

As of September 30, 2008	4,055,714 shares
As of March 31, 2008	1,044,440 shares

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

Six months ended September 30, 2008	268,242,751 shares
Six months ended September 30, 2007	270,293,327 shares

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

1. The forecast of consolidated financial results which was announced on August 1, 2008, 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 6 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.
3. Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Results of Operations

Because quarterly accounting standards are applied from the current fiscal year, the following includes, as a reference, the percentage change in comparison with the same period of the previous fiscal year (monetary amounts recorded in the same period of the previous fiscal year).

The Japanese economy for the six months of the current fiscal year entered a receding trend due to galloping crude oil prices and lackluster exports coupled with constrained business investment. Across the globe, a slowdown of the European and U.S. economies occurred in the wake of uncertainty towards the financial crisis and galloping raw material prices while emerging economies also experienced uncertainty.

In this business environment, the Olympus Group succeeded in strengthening its effective strategies, and the organizational power that makes them a reality, based on our "'06 Corporate Strategic Plan" formulated in 2006 as the mid-term business plan for fortifying our sales framework at a global level in the surgical field of its Medical Systems Business in an effort to leverage the synergy generated with Gyrus, a British medical treatment equipment company subsidiarized in February of this year.

The Olympus Group's consolidated net sales for the six months, compared to the same period of the previous fiscal year, was down ¥14,576 million to ¥535,790 million. This figure was attributable to a fall in revenue in both its Imaging Systems Business and its Information & Communication Business as a result of a downturn in the global economy as well as foreign exchange effects despite favorable performance in our Medical Systems Business. The consolidated operating income figure was ¥36,404 million because of an increase in depreciation and other expenses incurred following the business integration of Gyrus as well as with respect to other consolidated subsidiaries. The consolidated ordinary income figure was ¥23,834 million, due to worsening non-operating income and expenses caused by an increase in foreign currency exchange loss, and the net loss for the period was ¥4,540 million, a figure attributable to the recording of an extraordinary loss of ¥7,832 million, income taxes of ¥21,172 million, among others.

Research and development (R&D) expenses for the six months amounted to ¥34,798 million.

The interim cash dividend was ¥20 per share, a figure unchanged from the same period of the previous fiscal year.

Imaging Systems Business

Consolidated net sales in the Imaging Systems Business for the six months was ¥140,287 million, while operating income reached ¥11,769 million.

In the digital camera field, performance was favorable thanks to the release of the new single-lens digital reflex camera brand "E-420", now even more compact and lightweight, in addition to the thin, light, single-focus pancake lens "ZUIKO DIGITAL 25mm F2.8", which applied the Four Thirds System. In the area of compact cameras, sales were robust both domestically and overseas for the "μ [mju:]" Series, with its thin and stylish body and 7x optical zoom lens, as well as for the "μ SW" Series, a tough camera that is water, dust and shock resistant. However, overall, the digital camera field suffered a loss of revenue overall due to a slowdown in the global economy.

In the voice recorders field, revenue is on a downward trend overall due to intensified competition abroad even though, in Japan, sales increased for the high sound quality uncompressed digital recording compatible linear PCM recorder as well as the "Voice-Trek V" Series, with its popular separate-typed design which can be directly connected to a personal computer.

Operating income decreased due to a downturn in unit prices following worsening global market conditions for digital cameras.

Medical Systems Business

Consolidated net sales in the Medical Systems Business for the six months amounted to ¥206,450 million, while operating income amounted to ¥39,525 million.

In the gastrointestinal endoscope field, the “EVIS LUCERA SPECTRUM” endoscope system, which also enables observation using specialized light spectra, performed well in the domestic market. Overseas, the “EVIS EXERA II”, our flagship high-resolution HDTV endoscope system, sold well mainly in Europe, Asia and Central and South America. However, overall, foreign exchange rates had a leveling off effect on sales.

In the fields of MIP such as surgical end Endo Therapy products, the number of units sold domestically increased for biliary tract and pancreas related products as well as stomach fistula catheters used for directly nourishing the stomach. Overseas, there was a dramatic increase in revenue thanks to the sales of Gyrus, a British medical treatment equipment company subsidiarized in February of this year, as well as sales to surgeons of our “EVIS EXERA II”, a high-resolution HDTV endoscope system.

Operating income dropped as a result of an increase in depreciation costs due to the business integration with Gyrus and the stronger yen.

Life Sciences Business

Consolidated net sales in the Life Sciences Business for the six months was ¥61,594 million, while operating income amounted to ¥1,756 million.

In the micro-imaging (microscopes) field, sales expanded overseas for biological microscopes thanks to the favorable results of sales promotion efforts for our “FLUOVIEW” Series confocal laser scanning microscope and positive results for upright microscopes for research in Asia. Contrastingly, overall revenue in the micro-imaging field decreased due to lower sales of industrial microscopes as a result of constrained business investment following the global economic slowdown and the effects of a strong yen.

In the diagnostic systems field, domestic sales continued on a strong path. Overseas, sales were favorable in Europe and, in Asia, compact and midsize clinical chemistry analyzer sales grew contributing to an overall increase in revenue.

Operating income fell due to an increase in R&D related investments in new products.

Information & Communication Business

Consolidated net sales in the Information & Communication Business for the six months was ¥92,997 million, while operating income was ¥3 million.

Despite positive results in our automobile aftermarket business, net sales witnessed a decrease mainly due to lower demand for cellular phone terminals as a result of lower consumer spending caused by the economic downturn in addition to the prolongation of the handset renewal cycle following changes in the fee plans of communications service providers involved in the cellular phone terminal sales effectuated by IT Telecom Inc., a player in the mobile field.

Operating income decreased following lower revenue even though aggressive efforts were made to control costs.

Others

Consolidated net sales in other business for the six months was ¥34,462 million and the operating loss was ¥1,870 million.

In the non-destructive testing equipment field, robust sales in our highly functional ultrasound phased array testing devices and our “IPLEX FX” highly durable, highly functional, high definition industrial endoscopes contributed to an increase in revenue, in addition to positive results from the strengthening of our sales framework in Europe.

The information equipment field saw an increase in the sales volume of printers manufactured through a business collaboration with Riso Kagaku Corporation resulting in an increase in revenue.

In the biomedical materials field, revenue increased thanks to positive sales of the bone replacement material “OSferion” both domestically and in the U.S. as well as to that product’s launch in Europe and China.

An operating loss was recorded due to the effects of goodwill amortization expenses relating to subsidiaries added to the scope consolidation in the previous period.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the second quarter of the current fiscal year were ¥1,165,187 million, down ¥51,985 million compared to the end of the previous fiscal year mainly due to the following decreases: ¥26,426 million in intangible fixed assets, due to the amortization of goodwill, trademarks and other intellectual property and ¥31,328 million in investments and other assets.

Liabilities amounted to ¥951,884 million, down ¥21,007 million compared to the end of the previous fiscal year mainly due to decreases of ¥6,539 million in notes and accounts payable and of ¥26,686 million in accounts payable–other.

Net assets totaled ¥213,303 million, down ¥30,978 million compared to the end of the previous fiscal year mainly due to the acquisition of ¥9,998 million worth of treasury stock as a means of returning profits to shareholders in addition to a ¥10,828 million decrease in valuation and translation adjustments due to fluctuations in exchange rates and share prices.

As a result, equity ratio came to 17.4% from the 19.1% recorded at the end of the previous fiscal year.

Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2009 and their causes.

“Cash flows from operating activities” increased by ¥26,429 million mainly due to ¥16,002 million in income before provision for income taxes and ¥23,382 million in depreciation. Contrastingly, decreasing factors mainly included ¥17,373 million in income taxes paid.

“Cash flows from investing activities” decreased by ¥14,052 million mainly due to purchase of property, plant, and equipment totaling ¥26,127 million as well as ¥19,945 million in acquisition of securities of subsidiaries. Contrastingly, increasing factors mainly included ¥3,184 million in withdrawal of time deposits, ¥1,349 million from the sales and redemption of investment securities.

“Cash flows from financing activities” decreased by ¥2,516 million mainly due to a ¥193,428 million net decrease in short-term borrowings and ¥10,183 million from the acquisition of treasury stock. Consequently, increasing factors mainly included ¥200,796 million in long-term borrowings.

As a result, the balance of cash and cash equivalents at the end of the second quarter reached ¥128,152 million, an increase of ¥8,310 million compared to that at the end of the previous fiscal year.

3. Qualitative Information Regarding Forecast of Consolidated Financial Results

Concerning the forecast for the year-end results, the Company revised its previously announced forecast as follows taking into consideration effects from the global economic slowdown in the wake of the financial crisis in Europe and the U.S. and the ensuing wane in consumer markets as well as the ever strengthening yen on the foreign exchange markets.

In addition, exchange rates in the third quarter and beyond are expected to be ¥100 per U.S. dollar and ¥130 per euro and the average exchange rates for the entire year, a precondition for the forecast, are expected to be ¥103 per U.S. dollar and ¥146 per euro.

Fiscal year ending March 31, 2009

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	1,108,000	95,000	75,000	43,000	160.88
Revised Forecast (B)	1,055,000	73,000	56,000	19,000	71.10
Increase (Decrease) (B-A)	(53,000)	(22,000)	(19,000)	(24,000)	–
Increase (Decrease) Ratio (%)	(4.8)	(23.2)	(25.3)	(55.8)	–

4. Others

(1) Changes in significant subsidiaries during the period (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 quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

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) Application of accounting standards concerning quarterly financial statements

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 14, 2007) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

2) Application of accounting standards concerning the valuation of inventories

Before the change, inventories held for sale in the ordinary course of business was stated mainly using the lower of cost (first-in first-out) or market method. However, because the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) has been applied from the first quarter, inventories is mainly stated at the cost (first-in first-out) (for the value stated in the balance sheet, the book value is written down based on the decreased profitability). The impact of this change on gains or losses is immaterial.

3) Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Commencing with the first quarter, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF Practical Solution No. 18, May 17, 2006) has been applied, and necessary amendments for quarterly consolidated financial statements are made. The impact of this change on gains or losses is immaterial.

4) Application of accounting standards concerning lease transactions

Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. However, because the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007) can be applied starting from quarterly consolidated financial statements for fiscal years beginning on or after April 1, 2008, commencing with the first quarter, this accounting standard and guidance has been applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Meanwhile, depreciation of leased assets pertaining to finance lease transactions not involving the transfer of ownership is computed on a straight-line method over the lease period as useful life without residual value. The impact of this change on gains or losses is immaterial.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
ASSETS		
Current assets		
Cash and time deposits	129,690	123,281
Notes and accounts receivable	184,178	193,555
Marketable securities	205	3
Merchandise	8,063	10,928
Finished goods	58,189	54,301
Raw materials	18,179	18,544
Work in process	23,471	26,606
Others	82,169	83,751
Allowance for doubtful accounts	(4,481)	(3,780)
Total current assets	499,663	507,189
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	59,080	61,051
Machinery and equipment, net	17,438	17,831
Tools, furniture and fixtures, net	47,208	42,623
Land	20,562	21,273
Lease assets, net	3,985	–
Construction in progress	14,198	6,398
Total property, plant and equipment	162,471	149,176
Intangible fixed assets		
Goodwill	210,352	227,759
Others	94,507	103,526
Total intangible fixed assets	304,859	331,285
Investments and other assets		
Investment securities	90,345	94,006
Managed assets of fund	31,231	67,816
Others	80,868	68,115
Allowance for doubtful accounts	(4,250)	(415)
Total investments and other assets	198,194	229,522
Total fixed assets	665,524	709,983
Total assets	1,165,187	1,217,172

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	77,063	83,602
Short-term borrowings	146,114	338,787
Current maturities of bonds	5,014	35,201
Income taxes payable	18,673	14,271
Warranty reserve	10,249	10,141
Other reserves	72	133
Others	143,465	162,738
Total current liabilities	400,650	644,872
Long-term liabilities		
Long-term bonds, less current maturities	150,300	105,397
Long-term borrowings, less current maturities	343,775	177,371
Severance and retirement allowance	12,334	10,317
Other reserves	113	574
Others	44,712	34,360
Total long-term liabilities	551,234	328,019
Total liabilities	951,884	972,891
NET ASSETS		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	73,049	73,049
Retained earnings	106,617	115,285
Treasury stock, at cost	(12,817)	(2,634)
Total shareholders' equity	215,181	234,032
Valuation and translation adjustments		
Net unrealized holding gains on available-for-sale securities, net of taxes	4,376	5,334
Net unrealized gains(losses)on hedging derivatives, net of taxes	2,480	34
Foreign currency translation adjustment	(18,883)	(6,567)
Total valuation and translation adjustments	(12,027)	(1,199)
Minority interests in income	10,149	11,448
Total net assets	213,303	244,281
Total liabilities and net assets	1,165,187	1,217,172

(2) Consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2008
Net sales	535,790
Costs of sales	272,587
Gross profit	263,203
Selling, general and administrative expenses	226,799
Operating income	36,404
Non-operating income	
Interest income	1,916
Dividends income	594
Others	2,134
Total non-operating income	4,644
Non-operating expenses	
Interest expenses	7,123
Foreign currency exchange loss	4,165
Others	5,926
Total non-operating expenses	17,214
Ordinary income	23,834
Extraordinary losses	
Impairment loss on fixed assets	511
Losses on valuation of investment securities	2,630
Loss on funds invested	878
Provision of allowance for doubtful accounts	3,813
Total extraordinary losses	7,832
Income before provision for income taxes	16,002
Income taxes	21,172
Minority interests in losses of consolidated subsidiaries	(630)
Net income	(4,540)

(3) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2008
Cash flows from operating activities	
Income before provision for income taxes	16,002
Depreciation and amortization	23,382
Impairment loss on fixed assets	511
Amortization of goodwill	9,665
Increase (decrease) of severance and retirement allowance	2,197
Interest and dividend income	(2,510)
Interest expenses	7,123
Loss on funds invested	878
Loss (gain) on valuation of investment securities	2,630
Decrease (increase) in accounts receivable	4,213
Decrease (increase) in inventories	(292)
Increase (decrease) in accounts payable	(5,767)
Increase (decrease) in other payable	(4,680)
Increase (decrease) in accrued expenses	(6,607)
Increase (decrease) in allowance for doubtful accounts on funds	3,813
Other operating activities	1,644
Subtotal	52,202
Interest and dividend received	2,560
Interest payments	(7,147)
Outflow of money from funds	(3,813)
Income taxes paid	(17,373)
Net cash provided by operating activities	26,429
Cash flows from investing activities	
Deposits in time deposits	(1,843)
Withdrawals from time deposits	3,184
Purchases of plant and equipment	(26,127)
Purchases of property	(3,257)
Purchases of investment securities	(2,856)
Sales of investment securities	1,349
Payments for acquisition of new consolidated subsidiaries	(128)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(95)
Payments for additional acquisition of consolidated subsidiaries	(38,956)
Money transfer of funds	54,718
Collection of fund assets invested	(19,012)
Other	(40)
Net cash used in investing activities	(14,052)

(Millions of yen)

	Six months ended September 30, 2008
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	(193,428)
Proceeds from long-term dept	200,796
Repayments of long-term dept	(8,620)
Proceeds from issuance of bonds	44,966
Redemption of bonds	(30,061)
Expenditure on acquisition of treasury stock	(10,183)
Dividends paid	(5,405)
Other	(581)
Net cash provided by financing activities	(2,516)
Effect of exchange rate changes on cash and cash equivalents	(1,545)
Net increase (decrease) in cash and cash equivalents	8,316
Cash and cash equivalents at beginning of year	119,842
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	(6)
Cash and cash equivalents at end of year	128,152

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

(4) Notes on premise of going concern

No items to report

(5) Segment information

a. Segment information by type of business

Six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Sciences	Information & Communi-cation	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	140,287	206,450	61,594	92,997	34,462	535,790	–	535,790
(2) Internal sales of transfer among segments	63	27	102	–	231	423	(423)	–
Total	140,350	206,477	61,696	92,997	34,693	536,213	(423)	535,790
Operating income (or operating loss)	11,769	39,525	1,756	3	(1,870)	51,182	(14,779)	36,404

Notes: 1. Method of segmentation of business

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

2. The main products for each business

(1) Imaging Systems: Digital cameras, Voice recorders

(2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes

(3) Life Sciences: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes

(4) Information & Communication: Sales of mobile terminals including mobile handsets, Development and sales of business package software, Mobile solution, Mobile content services, 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.

b. Segment information by region

Six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	200,649	144,236	147,733	43,172	535,790	–	535,790
(2) Internal sales or transfer among segments	155,879	4,749	10,558	48,660	219,846	(219,846)	–
Total	356,528	148,985	158,291	91,832	755,636	(219,846)	535,790
Operating income	32,505	4,013	9,317	5,468	51,303	(14,899)	36,404

Notes: 1. Countries and regions are segmented by geographical proximity.

2. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada, Mexico, and Brazil

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

c. Overseas sales

Six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	132,294	147,959	66,275	13,763	360,291
II. Consolidated sales					535,790
III. Percentage of overseas sales in consolidated sales (%)	24.7	27.5	12.4	2.6	67.2

Notes: 1. Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

2. Regions are segmented by geographical proximity.

3. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

(4) Others: Central and South America, Africa, etc.

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

The Company effectuated an acquisition of treasury stock in accordance with the provisions of Article 156 of the Company Law applied by replacing Article 165, Paragraph 3 of said Law. As a result of this acquisition, treasury stock increased ¥9,998 million (2,958,000 shares).

(Before Correction)

Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2009

November 6, 2008

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange, First Section of Osaka Securities Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Hironobu Kawamata, General Manager, Accounting Division
Phone: 03-3340-2111
Scheduled date to submit the Quarterly Report: November 14, 2008
Scheduled date to commence dividend payments: December 5, 2008

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to September 30, 2008)

(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	
Six months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
September 30, 2008	535,790	–	32,099	–	19,598	–	3,603	–
September 30, 2007	550,366	13.6	60,223	42.9	50,098	58.9	31,888	69.7

	Net income per share	Fully diluted net income per share
Six months ended	(¥)	(¥)
September 30, 2008	13.43	13.43
September 30, 2007	117.98	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
September 30, 2008	1,307,634	343,910	25.5	1,248.98
March 31, 2008	1,358,349	367,876	26.2	1,318.65

Note: Equity as of September 30, 2008: ¥ 333,761 million March 31, 2008: ¥ 356,351 million

2. Dividends

	Cash dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2008	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2009	–	20.00	——	——	——
Fiscal year ending March 31, 2009 (Forecast)	——	——	–	20.00	40.00

Note: Revisions of the forecast in the current quarter: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2009
(From April 1, 2008 to March 31, 2009)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	1,055,000	(6.5)	73,000	(35.2)	56,000	(39.8)	19,000	(67.2)	71.10

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

4. Others

(1) Changes in significant subsidiaries during the period (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: Fore 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: Yes
2) Changes due to other reasons: Yes
[Note: Fore more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(4) 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, 2008	271,283,608 shares
As of March 31, 2008	271,283,608 shares

2) Number of treasury shares at the end of the period

As of September 30, 2008	4,055,714 shares
As of March 31, 2008	1,044,440 shares

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

Six months ended September 30, 2008	268,242,751 shares
Six months ended September 30, 2007	270,293,327 shares

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

1. The forecast of consolidated financial results which was announced on August 1, 2008, 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 6 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.
3. Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Results of Operations

Because quarterly accounting standards are applied from the current fiscal year, the following includes, as a reference, the percentage change in comparison with the same period of the previous fiscal year (monetary amounts recorded in the same period of the previous fiscal year).

The Japanese economy for the six months of the current fiscal year entered a receding trend due to galloping crude oil prices and lackluster exports coupled with constrained business investment. Across the globe, a slowdown of the European and U.S. economies occurred in the wake of uncertainty towards the financial crisis and galloping raw material prices while emerging economies also experienced uncertainty.

In this business environment, the Olympus Group succeeded in strengthening its effective strategies, and the organizational power that makes them a reality, based on our "'06 Corporate Strategic Plan" formulated in 2006 as the mid-term business plan for fortifying our sales framework at a global level in the surgical field of its Medical Systems Business in an effort to leverage the synergy generated with Gyrus, a British medical treatment equipment company subsidiarized in February of this year.

The Olympus Group's consolidated net sales for the six months, compared to the same period of the previous fiscal year, was down ¥14,576 million to ¥535,790 million (a decrease of 2.6%). This figure was attributable to a fall in revenue in both its Imaging Systems Business and its Information & Communication Business as a result of a downturn in the global economy as well as foreign exchange effects despite favorable performance in our Medical Systems Business. The consolidated operating income figure was ¥32,099 million (down 46.7%) because of an increase in depreciation and other expenses incurred following the business integration of Gyrus as well as with respect to other consolidated subsidiaries. The consolidated ordinary income figure was ¥19,598 million (down 60.9%), due to worsening non-operating income and expenses caused by an increase in foreign currency exchange loss, and the net income for the period was ¥3,603 million (down 88.7%), a figure attributable to the recording of an extraordinary loss of ¥2,777 million, income taxes of ¥14,518 million, among others.

Research and development (R&D) expenses for the six months amounted to ¥34,798 million.

With respect to foreign currency exchange rates, compared to the same period of the previous fiscal year, rates against the euro remained roughly the same, however, the yen greatly appreciated against the U.S. dollar with average rates during the period at ¥106.11 per dollar and ¥162.68 per euro. These rates attributed to a ¥22,300 million decrease in net sales compared to the same period of the previous fiscal year.

The interim cash dividend was ¥20 per share, a figure unchanged from the same period of the previous fiscal year.

Imaging Systems Business

Consolidated net sales in the Imaging Systems Business for the six months was ¥140,287 million (a 14.0% decrease over the same period of the previous fiscal year), while operating income reached ¥11,769 million (down 45.4%).

In the digital camera field, performance was favorable thanks to the release of the new single-lens digital reflex camera brand "E-420", now even more compact and lightweight, in addition to the thin, light, single-focus pancake lens "ZUIKO DIGITAL 25mm F2.8", which applied the Four Thirds System. In the area of compact cameras, sales were robust both domestically and overseas for the "μ [mju:]" Series, with its thin and stylish body and 7x optical zoom lens, as well as for the "μ SW" Series, a tough camera that is water, dust and shock resistant. However, overall, the digital camera field suffered a loss of revenue overall due to a slowdown in the global economy.

In the voice recorders field, revenue is on a downward trend overall due to intensified competition abroad even though, in Japan, sales increased for the high sound quality uncompressed digital recording compatible linear PCM recorder as well as the “Voice-Trek V” Series, with its popular separate-typed design which can be directly connected to a personal computer.

Operating income decreased due to a downturn in unit prices following worsening global market conditions for digital cameras.

Medical Systems Business

Consolidated net sales in the Medical Systems Business for the six months amounted to ¥206,450 million (a 22.7% increase over the same period of the previous fiscal year), while operating income amounted to ¥38,757 million (down 21.7%).

In the gastrointestinal endoscope field, the “EVIS LUCERA SPECTRUM” endoscope system, which also enables observation using specialized light spectra, performed well in the domestic market. Overseas, the “EVIS EXERA II”, our flagship high-resolution HDTV endoscope system, sold well mainly in Europe, Asia and Central and South America. However, overall, foreign exchange rates had a leveling off effect on sales.

In the fields of MIP such as surgical end Endo Therapy products, the number of units sold domestically increased for biliary tract and pancreas related products as well as stomach fistula catheters used for directly nourishing the stomach. Overseas, there was a dramatic increase in revenue thanks to the sales of Gyrus, a British medical treatment equipment company subsidiarized in February of this year, as well as sales to surgeons of our “EVIS EXERA II”, a high-resolution HDTV endoscope system.

Operating income dropped as a result of an increase in depreciation costs due to the business integration with Gyrus and the stronger yen.

Life Sciences Business

Consolidated net sales in the Life Sciences Business for the six months was ¥61,594 million (a 2.0% decrease over the same period of the previous fiscal year), while operating income amounted to ¥1,756 million (down 37.9%).

In the micro-imaging (microscopes) field, sales expanded overseas for biological microscopes thanks to the favorable results of sales promotion efforts for our “FLUOVIEW” Series confocal laser scanning microscope and positive results for upright microscopes for research in Asia. Contrastingly, overall revenue in the micro-imaging field decreased due to lower sales of industrial microscopes as a result of constrained business investment following the global economic slowdown and the effects of a strong yen.

In the diagnostic systems field, domestic sales continued on a strong path. Overseas, sales were favorable in Europe and, in Asia, compact and midsize clinical chemistry analyzer sales grew contributing to an overall increase in revenue.

Operating income fell due to an increase in R&D related investments in new products.

Information & Communication Business

Consolidated net sales in the Information & Communication Business for the six months was ¥92,997 million (a 25.5% decrease over the same period of the previous fiscal year), while operating income was ¥3 million (down 99.5%).

Despite positive results in our automobile aftermarket business, net sales witnessed a decrease mainly due to lower demand for cellular phone terminals as a result of lower consumer spending caused by the economic downturn in addition to the prolongation of the handset renewal cycle following changes in the fee plans of communications service providers involved in the cellular phone terminal sales effectuated by IT Telecom Inc., a player in the mobile field.

Operating income decreased following lower revenue even though aggressive efforts were made to control costs.

Others

Consolidated net sales in other business for the six months was ¥34,462 million (a 9.9% increase over the same period of the previous fiscal year) and the operating loss was ¥5,407 million (compared to the operating income of ¥782 million in the same period of the previous fiscal year).

In the non-destructive testing equipment field, robust sales in our highly functional ultrasound phased array testing devices and our "IPLEX FX" highly durable, highly functional, high definition industrial endoscopes contributed to an increase in revenue, in addition to positive results from the strengthening of our sales framework in Europe.

The information equipment field saw an increase in the sales volume of printers manufactured through a business collaboration with Riso Kagaku Corporation resulting in an increase in revenue.

In the biomedical materials field, revenue increased thanks to positive sales of the bone replacement material "OSferion" both domestically and in the U.S. as well as to that product's launch in Europe and China.

An operating loss was recorded due to the effects of goodwill amortization expenses relating to subsidiaries added to the scope consolidation in the previous period.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the second quarter of the current fiscal year were ¥1,307,634 million, down ¥50,715 million compared to the end of the previous fiscal year mainly due to the following decreases: ¥28,591 million in cash and time deposits, ¥11,720 million in intangible fixed assets, due to the amortization of goodwill, trademarks and other intellectual property and ¥9,768 million in investments and other assets.

Liabilities amounted to ¥963,724 million, down ¥26,749 million compared to the end of the previous fiscal year mainly due to decreases of ¥6,539 million in notes and accounts payable and of ¥26,686 million in accounts payable–other.

Net assets totaled ¥343,910 million, down ¥23,966 million compared to the end of the previous fiscal year mainly due to the acquisition of ¥9,998 million worth of treasury stock as a means of returning profits to shareholders in addition to a ¥11,882 million decrease in valuation and translation adjustments due to fluctuations in exchange rates and share prices.

As a result, equity ratio came to 25.5% from the 26.2% recorded at the end of the previous fiscal year.

Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2009 and their causes.

"Cash flows from operating activities" increased by ¥30,242 million mainly due to ¥17,478 million in income before provision for income taxes and ¥23,496 million in depreciation. Contrastingly, decreasing factors mainly included ¥17,373 million in income taxes paid.

"Cash flows from investing activities" decreased by ¥17,865 million mainly due to purchase of property, plant, and equipment totaling ¥26,127 million as well as ¥38,956 million in acquisition of securities of subsidiaries. Contrastingly, increasing factors mainly included ¥38,184 million in withdrawal of time deposits, ¥17,254 million from the sales and redemption of investment securities.

"Cash flows from financing activities" decreased by ¥2,516 million mainly due to a ¥193,428 million net decrease in short-term borrowings and ¥10,183 million from the acquisition of treasury stock. Consequently, increasing factors mainly included ¥200,796 million in long-term borrowings.

As a result, the balance of cash and cash equivalents at the end of the second quarter reached ¥128,152 million, an increase of ¥8,310 million compared to that at the end of the previous fiscal year.

3. Qualitative Information Regarding Forecast of Consolidated Financial Results

Concerning the forecast for the year-end results, the Company revised its previously announced forecast as follows taking into consideration effects from the global economic slowdown in the wake of the financial crisis in Europe and the U.S. and the ensuing wane in consumer markets as well as the ever strengthening yen on the foreign exchange markets.

In addition, exchange rates in the third quarter and beyond are expected to be ¥100 per U.S. dollar and ¥130 per euro and the average exchange rates for the entire year, a precondition for the forecast, are expected to be ¥103 per U.S. dollar and ¥146 per euro.

Fiscal year ending March 31, 2009

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	1,108,000	95,000	75,000	43,000	160.88
Revised Forecast (B)	1,055,000	73,000	56,000	19,000	71.10
Increase (Decrease) (B-A)	(53,000)	(22,000)	(19,000)	(24,000)	–
Increase (Decrease) Ratio (%)	(4.8)	(23.2)	(25.3)	(55.8)	–

4. Others

(1) Changes in significant subsidiaries during the period (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 quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

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) Application of accounting standards concerning quarterly financial statements

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

2) Application of accounting standards concerning the valuation of inventories

Before the change, inventories held for sale in the ordinary course of business was stated mainly using the lower of cost (first-in first-out) or market method. However, because the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) has been applied from the first quarter, inventories is mainly stated at the cost (first-in first-out) (for the value stated in the balance sheet, the book value is written down based on the decreased profitability). The impact of this change on gains or losses is immaterial.

3) Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Commencing with the first quarter, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF Practical Solution No. 18, May 17, 2006) has been applied, and necessary amendments for quarterly consolidated financial statements are made. The impact of this change on gains or losses is immaterial.

4) Application of accounting standards concerning lease transactions

Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. However, because the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007) can be applied starting from quarterly consolidated financial statements for fiscal years beginning on or after April 1, 2008, commencing with the first quarter, this accounting standard and guidance has been applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Meanwhile, depreciation of leased assets pertaining to finance lease transactions not involving the transfer of ownership is computed on a straight-line method over the lease period as useful life without residual value. The impact of this change on gains or losses is immaterial.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
ASSETS		
Current assets		
Cash and time deposits	129,690	158,281
Notes and accounts receivable	184,178	193,555
Marketable securities	205	3
Merchandise	8,063	10,928
Finished goods	58,189	54,301
Raw materials	18,836	18,989
Work in process	23,471	26,606
Others	82,169	83,751
Allowance for doubtful accounts	(3,955)	(3,109)
Total current assets	500,846	543,305
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	59,326	61,305
Machinery and equipment, net	17,921	18,350
Tools, furniture and fixtures, net	47,259	42,692
Land	20,579	21,291
Lease assets, net	3,985	–
Construction in progress	14,198	6,398
Total property, plant and equipment	163,268	150,036
Intangible fixed assets		
Goodwill	297,166	299,800
Others	95,144	104,230
Total intangible fixed assets	392,310	404,030
Investments and other assets		
Investment securities	174,938	193,843
Others	76,709	67,550
Allowance for doubtful accounts	(437)	(415)
Total investments and other assets	251,210	260,978
Total fixed assets	806,788	815,044
Total assets	1,307,634	1,358,349

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	77,063	83,602
Short-term borrowings	146,114	338,787
Current maturities of bonds	5,014	35,201
Income taxes payable	11,869	14,121
Warranty reserve	10,249	10,141
Other reserves	72	133
Others	143,465	180,469
Total current liabilities	393,846	662,454
Long-term liabilities		
Long-term bonds, less current maturities	150,300	105,397
Long-term borrowings, less current maturities	362,357	177,371
Severance and retirement allowance	12,334	10,317
Other reserves	113	574
Others	44,774	34,360
Total long-term liabilities	569,878	328,019
Total liabilities	963,724	990,473
NET ASSETS		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	73,049	73,049
Retained earnings	237,292	237,817
Treasury stock, at cost	(12,817)	(2,634)
Total shareholders' equity	345,856	356,564
Valuation and translation adjustments		
Net unrealized holding gains on available-for-sale securities, net of taxes	5,158	6,320
Net unrealized gains(losses)on hedging derivatives, net of taxes	2,480	34
Foreign currency translation adjustment	(19,733)	(6,567)
Total valuation and translation adjustments	(12,095)	(213)
Minority interests in income	10,149	11,525
Total net assets	343,910	367,876
Total liabilities and net assets	1,307,634	1,358,349

(2) Consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2008
Net sales	535,790
Costs of sales	272,623
Gross profit	263,167
Selling, general and administrative expenses	231,068
Operating income	32,099
Non-operating income	
Interest income	1,916
Dividends income	594
Others	1,898
Total non-operating income	4,408
Non-operating expenses	
Interest expenses	7,123
Foreign currency exchange loss	4,165
Others	5,621
Total non-operating expenses	16,909
Ordinary income	19,598
Extraordinary income	
Gain on sales of investment securities	657
Total extraordinary income	657
Extraordinary losses	
Impairment loss on fixed assets	511
Losses on valuation of investment securities	2,266
Total extraordinary losses	2,777
Income before provision for income taxes	17,478
Income taxes	14,518
Minority interests in losses of consolidated subsidiaries	(643)
Net income	3,603

(3) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2008
Cash flows from operating activities	
Income before provision for income taxes	17,478
Depreciation and amortization	23,496
Impairment loss on fixed assets	511
Amortization of goodwill	13,839
Increase (decrease) of severance and retirement allowance	2,197
Interest and dividend income	(2,510)
Interest expenses	7,123
Loss (gain) on valuation of investment securities	2,266
Decrease (increase) in accounts receivable	4,213
Decrease (increase) in inventories	(505)
Increase (decrease) in accounts payable	(5,767)
Increase (decrease) in other payable	(4,680)
Increase (decrease) in accrued expenses	(6,607)
Other operating activities	1,148
Subtotal	52,202
Interest and dividend received	2,560
Interest payments	(7,147)
Income taxes paid	(17,373)
Net cash provided by operating activities	30,242
Cash flows from investing activities	
Deposits in time deposits	(1,843)
Withdrawals from time deposits	38,184
Purchases of plant and equipment	(26,127)
Purchases of property	(3,257)
Purchases of investment securities	(2,856)
Sales of investment securities	17,254
Payments for acquisition of new consolidated subsidiaries	(128)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(95)
Payments for additional acquisition of consolidated subsidiaries	(38,956)
Other	(41)
Net cash used in investing activities	(17,865)

(Millions of yen)

	Six months ended September 30, 2008
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	(193,428)
Proceeds from long-term dept	200,796
Repayments of long-term dept	(8,620)
Proceeds from issuance of bonds	44,966
Redemption of bonds	(30,061)
Expenditure on acquisition of treasury stock	(10,183)
Dividends paid	(5,405)
Other	(581)
Net cash provided by financing activities	(2,516)
Effect of exchange rate changes on cash and cash equivalents	(1,545)
Net increase (decrease) in cash and cash equivalents	8,316
Cash and cash equivalents at beginning of year	119,842
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	(6)
Cash and cash equivalents at end of year	128,152

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

(4) Notes on premise of going concern

No items to report

(5) Segment information

a. Segment information by type of business

Six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Sciences	Information & Communi-cation	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	140,287	206,450	61,594	92,997	34,462	535,790	–	535,790
(2) Internal sales of transfer among segments	63	27	102	–	231	423	(423)	–
Total	140,350	206,477	61,696	92,997	34,693	536,213	(423)	535,790
Operating income (or operating loss)	11,769	38,757	1,756	3	(5,407)	46,878	(14,779)	32,099

Notes: 1. Method of segmentation of business

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

2. The main products for each business

(1) Imaging Systems: Digital cameras, Voice recorders

(2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes

(3) Life Sciences: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes

(4) Information & Communication: Sales of mobile terminals including mobile handsets, Development and sales of business package software, Mobile solution, Mobile content services, 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.

b. Segment information by region

Six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	200,649	144,236	147,733	43,172	535,790	–	535,790
(2) Internal sales or transfer among segments	155,879	4,749	10,558	48,660	219,846	(219,846)	–
Total	356,528	148,985	158,291	91,832	755,636	(219,846)	535,790
Operating income	28,200	4,013	9,317	5,468	46,998	(14,899)	32,099

Notes: 1. Countries and regions are segmented by geographical proximity.

2. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada, Mexico, and Brazil

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

c. Overseas sales

Six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	132,294	147,959	66,275	13,763	360,291
II. Consolidated sales					535,790
III. Percentage of overseas sales in consolidated sales (%)	24.7	27.5	12.4	2.6	67.2

Notes: 1. Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

2. Regions are segmented by geographical proximity.

3. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

(4) Others: Central and South America, Africa, etc.

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

The Company effectuated an acquisition of treasury stock in accordance with the provisions of Article 156 of the Company Law applied by replacing Article 165, Paragraph 3 of said Law. As a result of this acquisition, treasury stock increased ¥9,998 million (2,958,000 shares).