



Olympus Corporation and Consolidated Subsidiaries

FINANCIAL RESULTS For the Third Quarter ended December 31, 2011

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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 third quarter		For the third quarter		Growth (%)	For the year ending		
	ended Dec. 31 2010(Results)	Proportion (%)	ended Dec. 31 2011(Results)	Proportion (%)		Mar. 31 2012(Forecast)	Proportion (%)	Growth (%)
Net Sales	624,013		624,652		0.1%	854,000		0.8%
<u>Cost of Sales</u>	334,759	53.6%	341,131	54.6%		469,000	54.9%	
Gross Profit	289,254	46.4%	283,521	45.4%	-2.0%	385,000	45.1%	-0.7%
<u>S.G.A. Expenses</u>	257,215	41.3%	257,562	41.2%		349,000	40.9%	
Operating Income	32,039	5.1%	25,959	4.2%	-19.0%	36,000	4.2%	-6.2%
Other Income/Expenses	-5,158		-10,953			-15,000		
<u>Extraordinary Item</u>	-5,678		-18,552			-19,000		
Income Before Provision for Income Taxes	21,203	3.4%	-3,546	—	-116.7%	2,000	0.2%	-90.0%
<u>Provision for Income Taxes</u>	14,948		29,358			33,800		
<u>Minority Interests</u>	411		181			200		
Net Income	5,844	0.9%	-33,085	—	-666.1%	-32,000	—	—

Average Exchange Rate for Net Sales

Yen / U.S.Dollar	86.85		79.01			79.00		
Yen / Euro	113.31		110.64			108.00		
Favorable/Unfavorable Impact on Net Sales	-34,170		-20,136			-27,663		
Favorable/Unfavorable Impact on Operating Income	-10,423		-4,330			-6,125		
R & D Expenditures	46,819	7.5%	43,140	6.9%	-7.9%	63,000	7.4%	-6.4%
Capital Investments	21,555		23,860		10.7%	34,000		4.0%
Depreciation	23,804		24,831		4.3%	35,000		2.4%

(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)

		The third Quarter			The fiscal year		
		From Apr. 1, 2010	From Apr. 1, 2011	Growth	From Apr. 1, 2010	From Apr. 1, 2011	Growth
		to Dec. 31,2010	to Dec. 31,2011		to Mar. 31,2011	to Mar. 31,2012	
		Forecast					
Medical	Net Sales	261,835	252,510	-9,325	355,322	347,000	-8,322
	Operating Income	53,791	47,236	-6,555	71,682	69,000	-2,682
	(%)	20.5%	18.7%	-1.8%	20.2%	19.9%	-0.3%
Life Science & Industrial	Net Sales	70,811	65,935	-4,876	100,808	93,000	-7,808
	Operating Income	4,435	3,510	-925	8,553	6,500	-2,053
	(%)	6.3%	5.3%	-1.0%	8.5%	7.0%	-1.5%
Imaging	Net Sales	102,996	104,803	1,807	131,417	139,000	7,583
	Operating Income	-7,732	-3,802	3,930	-15,019	-9,000	6,019
	(%)	—	—	—	—	—	—
Information and Communication	Net Sales	152,182	164,000	11,818	209,520	225,000	15,480
	Operating Income	3,547	3,584	37	5,242	6,000	758
	(%)	2.3%	2.2%	-0.1%	2.5%	2.7%	0.2%
Others	Net Sales	36,189	37,404	1,215	50,038	50,000	-38
	Operating Income	-2,120	-5,237	-3,117	-3,606	-9,500	-5,894
	(%)	—	—	—	—	—	—
Elimination or Corporate	Operating Income	-19,882	-19,332	550	-28,473	-27,000	1,473
Total	Net Sales	624,013	624,652	639	847,105	854,000	6,895
	Operating Income	32,039	25,959	-6,080	38,379	36,000	-2,379
	(%)	5.1%	4.2%	-0.9%	4.5%	4.2%	-0.3%

Sales by Product

(Millions of Yen)

		Dec. 31	Composition	Dec. 31	Composition	Growth	Mar. 31	Composition	Growth
		2010(Results)	Ratio(%)	2011(Results)	Ratio(%)	(%)	2012(Forecast)	Ratio(%)	(%)
Endoscope	Domestic	32,238		30,383		-5.8%	41,800		-4.7%
	Overseas	113,075		107,822		-4.6%	145,400		-4.1%
	Total	145,313	23.3%	138,205	22.1%	-4.9%	187,200	21.9%	-4.2%
Surgical & Endo-Therapy	Domestic	25,615		25,547		-0.3%	36,600		2.9%
	Overseas	90,907		88,758		-2.4%	123,200		-0.9%
	Total	116,522	18.7%	114,305	18.3%	-1.9%	159,800	18.7%	-0.0%
Medical / Total	Domestic	57,853		55,930		-3.3%	78,400		-1.3%
	Overseas	203,982		196,580		-3.6%	268,600		-2.6%
	Total	261,835	42.0%	252,510	40.4%	-3.6%	347,000	40.6%	-2.3%
Life Science	Domestic	5,831		5,993		2.8%	10,300		-2.4%
	Overseas	24,220		23,068		-4.8%	32,600		-3.9%
	Total	30,051	4.8%	29,061	4.7%	-3.3%	42,900	5.0%	-3.5%
Industrial	Domestic	14,517		5,884		-59.5%	8,500		-58.7%
	Overseas	26,243		30,990		18.1%	41,600		16.3%
	Total	40,760	6.5%	36,874	5.9%	-9.5%	50,100	5.9%	-11.1%
Life Science & Industrial / Total	Domestic	20,348		11,877		-41.6%	18,800		-39.6%
	Overseas	50,463		54,058		7.1%	74,200		6.5%
	Total	70,811	11.3%	65,935	10.6%	-6.9%	93,000	10.9%	-7.7%
Digital Camera	Domestic	17,745		21,569		21.5%	29,000		29.9%
	Overseas	73,986		72,988		-1.3%	96,300		1.9%
	Total	91,731	14.7%	94,557	15.1%	3.1%	125,300	14.7%	7.2%
Others	Domestic	2,806		2,972		5.9%	3,900		3.8%
	Overseas	8,459		7,274		-14.0%	9,800		-9.2%
	Total	11,265	1.8%	10,246	1.7%	-9.0%	13,700	1.6%	-5.9%
Imaging / Total	Domestic	20,551		24,541		19.4%	32,900		26.1%
	Overseas	82,445		80,262		-2.6%	106,100		0.7%
	Total	102,996	16.5%	104,803	16.8%	1.8%	139,000	16.3%	5.8%
Information & Communication	Domestic	152,182		164,000		7.8%	225,000		7.4%
	Overseas	—		—		—	—		—
	Total	152,182	24.4%	164,000	26.2%	7.8%	225,000	26.3%	7.4%
Others	Domestic	29,123		29,024		-0.3%	39,500		-2.1%
	Overseas	7,066		8,380		18.6%	10,500		8.4%
	Total	36,189	5.8%	37,404	6.0%	3.4%	50,000	5.9%	-0.1%
Total	Domestic	280,057		285,372		1.9%	394,600		2.1%
	Overseas	343,956		339,280		-1.4%	459,400		-0.3%
	Total	624,013	100.0%	624,652	100.0%	0.1%	854,000	100.0%	0.8%

Sales by Region (Destination)

(Millions of Yen)

		Dec. 31	Composition	Dec. 31	Composition	Growth
		2010(Results)	Ratio (%)	2011(Results)	Ratio (%)	(%)
Medical	Japan	57,853	22.1%	55,930	22.1%	-3.3%
	N. America	95,666	36.5%	88,013	34.9%	-8.0%
	Europe	70,058	26.7%	70,239	27.8%	0.3%
	Asia/Oceania	30,245	11.6%	30,665	12.1%	1.4%
	Others	8,013	3.1%	7,663	3.1%	-4.4%
	Total	261,835		252,510		-3.6%
Life Science & Industrial	Japan	20,348	28.7%	11,877	18.0%	-41.6%
	N. America	16,729	23.6%	16,297	24.7%	-2.6%
	Europe	13,858	19.6%	15,134	23.0%	9.2%
	Asia/Oceania	16,526	23.4%	18,144	27.5%	9.8%
	Others	3,350	4.7%	4,483	6.8%	33.8%
	Total	70,811		65,935		-6.9%
Imaging	Japan	20,551	20.0%	24,541	23.4%	19.4%
	N. America	22,178	21.5%	15,604	14.9%	-29.6%
	Europe	30,740	29.9%	34,114	32.6%	11.0%
	Asia/Oceania	24,552	23.8%	26,810	25.6%	9.2%
	Others	4,975	4.8%	3,734	3.5%	-24.9%
	Total	102,996		104,803		1.8%
Information & Communication	Japan	152,182	100.0%	164,000	100.0%	7.8%
	N. America	—	—	—	—	—
	Europe	—	—	—	—	—
	Asia/Oceania	—	—	—	—	—
	Others	—	—	—	—	—
	Total	152,182		164,000		7.8%
Others	Japan	29,123	80.5%	29,024	77.6%	-0.3%
	N. America	1,260	3.5%	1,466	3.9%	16.3%
	Europe	2,161	6.0%	2,239	6.0%	3.6%
	Asia/Oceania	3,195	8.8%	4,396	11.8%	37.6%
	Others	450	1.2%	279	0.7%	-38.0%
	Total	36,189		37,404		3.4%
Total	Japan	280,057	44.9%	285,372	45.7%	1.9%
	N. America	135,833	21.8%	121,380	19.4%	-10.6%
	Europe	116,817	18.7%	121,726	19.5%	4.2%
	Asia/Oceania	74,518	11.9%	80,015	12.8%	7.4%
	Others	16,788	2.7%	16,159	2.6%	-3.7%
	Total	624,013		624,652		0.1%

Consolidated Statements of Income (Quarterly)

(Millions of Yen)

	For the fiscal year ending Mar. 31, 2012			Growth (%)		
	1st Quarter	2nd Quarter	3rd Quarter	1st Quarter	2nd Quarter	3rd Quarter
Net Sales	198,572	215,946	210,134	-3.6%	2.2%	1.7%
<u>Cost of Sales</u>	<u>108,738</u>	<u>116,258</u>	<u>116,135</u>	-0.4%	3.0%	3.0%
Gross Profit	89,834	99,688	93,999	-7.3%	1.3%	0.1%
<u>S.G.A. Expenses</u>	<u>84,591</u>	<u>87,396</u>	<u>85,575</u>	-0.4%	-0.7%	1.5%
Operating Income	5,243	12,292	8,424	-56.1%	17.8%	-12.8%
Other Income/Expenses	-4,392	-3,667	-2,894	—	—	—
<u>Extraordinary Item</u>	<u>-268</u>	<u>-15,851</u>	<u>-2,433</u>	—	—	—
Income Before Provision for Income Taxes	583	-7,226	3,097	-91.6%	—	-60.2%
<u>Provision for Income Taxes</u>	<u>1,955</u>	<u>23,645</u>	<u>3,758</u>	-70.9%	780.0%	-32.2%
<u>Minority Interests</u>	<u>51</u>	<u>35</u>	<u>95</u>	-79.1%	—	-51.3%
Net Income	-1,423	-30,906	-756	—	—	—
Capital Investments	7,977	8,493	7,390	65.5%	-8.7%	-0.6%
Depreciation	8,294	8,280	8,257	17.1%	-4.8%	2.9%

(Note)

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Sales and Operating Income by Business Segment (Quarterly)

(Millions of Yen)

		For the fiscal year ending Mar. 31, 2012			Growth (%)		
		1st Quarter	2nd Quarter	3rd Quarter	1st Quarter	2nd Quarter	3rd Quarter
Medical	Net Sales	77,643	86,123	88,744	-9.7%	-3.7%	2.7%
	Operating Income	10,918	17,450	18,868	-37.7%	-6.3%	6.9%
Life Science & Industrial	Net Sales	20,567	24,288	21,080	-7.5%	-3.6%	-9.9%
	Operating Income	517	2,998	-5	-34.9%	43.9%	-100.3%
Imaging	Net Sales	34,259	36,840	33,704	-0.8%	9.6%	-3.2%
	Operating Income	370	-615	-3,557	—	—	—
Information & Communication	Net Sales	52,618	56,585	54,797	2.5%	10.8%	10.0%
	Operating Income	1,013	1,740	831	-19.0%	9.8%	16.9%
Others	Net Sales	13,485	12,110	11,809	13.0%	0.9%	-3.7%
	Operating Income	-1,140	-2,261	-1,836	—	—	—
Elimination or Corporate	Operating Income	-6,435	-7,020	-5,877	—	—	—
Total	Net Sales	198,572	215,946	210,134	-3.6%	2.2%	1.7%
	Operating Income	5,243	12,292	8,424	-56.1%	17.8%	-12.8%

Consolidated Balance Sheets

(Millions of Yen)

	Dec. 31 2010	Dec. 31 2011	Mar. 31 2011	Variance
Current Assets	503,575	507,593	533,534	-25,941
Cash and time deposits	188,119	201,498	213,561	-12,063
Notes and accounts receivable securities	133,898	131,586	141,176	-9,590
Merchandise and finished goods	1,000	0	—	—
Work in process	56,080	56,374	55,247	1,127
Raw materials and supplies	20,142	23,385	19,959	3,426
Other current assets	17,650	24,191	17,723	6,468
Allowance for doubtful accounts	89,329	73,929	88,516	-14,587
Allowance for doubtful accounts	-2,643	-3,370	-2,648	-722
Fixed Assets	501,364	421,981	485,626	-63,645
Property, Plant and Equipment	134,313	122,519	141,341	-18,822
Buildings and structures	62,199	54,469	64,077	-9,608
Machinery and equipment	11,545	10,009	12,741	-2,732
Tools, furniture and fixtures	35,338	35,270	37,739	-2,469
Land	19,043	16,034	19,430	-3,396
Lease assets	4,628	4,944	5,000	-56
Construction in progress	1,560	1,793	2,354	-561
Intangible Assets	200,395	189,522	205,979	-16,457
Goodwill	138,741	122,453	133,050	-10,597
Others	61,654	67,069	72,929	-5,860
Investments and Other Assets	166,656	109,940	138,306	-28,366
Investment securities	65,032	48,080	59,342	-11,262
Fund operating assets	31,617	0	—	—
Other assets	78,850	69,331	87,113	-17,782
Allowance for doubtful accounts	-8,843	-7,471	-8,149	678
Total Assets	1,004,939	929,574	1,019,160	-89,586

(Millions of Yen)

	Dec. 31 2010	Dec. 31 2,011	Mar. 31 2011	Variance
Current Liabilities	330,752	291,708	332,772	-41,064
Notes and accounts payable	62,047	64,660	68,715	-4,055
Short-term borrowings	137,886	76,821	127,295	-50,474
Current maturities of bonds	240	20,040	240	19,800
Income taxes payable	14,702	15,011	16,274	-1,263
Provision for product warranties	8,377	7,043	8,360	-1,317
Other reserves	—	919	812	107
Other current liabilities	107,500	107,214	111,076	-3,862
Non-current Liabilities	564,710	594,094	570,809	23,285
Long-term bonds, less current maturities	110,120	90,080	110,120	-20,040
Long-term borrowings, less current maturities	403,585	449,892	411,132	38,760
Severance and retirement allowance	19,371	18,264	18,798	-534
Other reserves	156	133	156	-23
Other non-current liabilities	31,478	35,725	30,603	5,122
Net Assets	109,477	43,772	115,579	-71,807
Shareholders' Equity	201,310	167,963	205,555	-37,592
Common stock	48,332	48,332	48,332	—
Capital surplus	55,166	54,788	54,788	—
Retained earnings	111,952	76,091	113,532	-37,441
Treasury stock, at cost	-14,140	-11,248	-11,097	-151
Valuation and Translation Adjustments	-99,826	-127,379	-93,078	-34,301
Net unrealized holding gains(losses) on available-for-sale securities, net of taxes	5,812	-1,108	6,524	-7,632
Net unrealized gains(losses) on hedging derivatives, net of taxes	186	-119	-758	639
Foreign currency translation adjustments	-105,824	-122,883	-95,201	-27,682
Pension liabilities adjustment of foreign subsidiaries	—	-3,269	-3,643	374
Minority Interests	7,993	3,188	3,102	86
Liabilities and Net Assets	1,004,939	929,574	1,019,160	-89,586

(Note)

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