

OLYMPUS

Your Vision, Our Future

Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

May 10, 2012

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Highlights

- 1. The Medical Business remained strong in the fourth quarter (January-March) of the fiscal year ended March 31, 2012.**
- 2. Full-year net sales absorbed the impact of negative factors including the strong yen, the earthquake, and the Thai flooding, thereby recovering to the level of the previous fiscal year.**
- 3. Acceleration of structural reforms: By revaluing assets, etc., rigorously and disposing of losses in the fiscal year ended March 31, 2012, future risks were mitigated.**
- 4. In the Core Businesses, new strategic products were rolled out as drivers of future growth.**

I. Consolidated Financial Results for the Full Year and 4Q (January-March) of the FY Ended March 31, 2012

FY Ended March 2012 (1) Overview of Full Year and 4Q

- Full-year net sales and operating income absorbed the extraordinary factors and recovered to the previous year's levels.
- After adjustments for extraordinary factors, in the full year, net sales increased approx. 7% and operating income increased approx. 38% year on year.
- 4Q operating income increased 51% year on year in a sharp rebound.

(Billions of yen)	March 2011		March 2012		YoY Change		After adjustments for extraordinary factors (*)	
	4Q (Jan-Mar)	Full Year	4Q (Jan-Mar)	Full Year	4Q (Jan-Mar)	Full Year	4Q (Jan-Mar)	Full Year
Net sales	223.1	847.1	223.9	848.5	+0%	+0%	+5%	+7%
Operating income (% to sales)	6.3 (2.8%)	38.4 (4.5%)	9.6 (4.3%)	35.5 (4.2%)	+51%	-7%	+130%	+38%
Ordinary income (% to sales)	-3.7 (-)	23.2 (2.7%)	2.9 (1.3%)	17.9 (2.1%)	-	-23%		
Net income (loss) (% to sales)	-2.0 (-)	3.9 (0.5%)	-15.9 (-)	-49.0 (-)	-	-		

(*) YoY comparisons excluding the impact of the strong yen, effect of earthquake, transfer of printer business, and Thai flooding

【Foreign exchange rates and impact】

¥/US\$	¥82	¥86	¥79	¥79	-¥3	-¥7
¥/Euro	¥113	¥113	¥104	¥109	-¥9	-¥4
Impact on net sales	-	-	-¥5.3 bil.	-¥25.5 bil.	(yen appreciation)	
Impact on operating income	-	-	-¥1.4 bil.	-¥5.7 bil.		

FY Ended March 2012 (2) Extraordinary Losses

[Factors underlying the posting of extraordinary losses]

Promotion of structural reforms:

- Accelerating structural reforms based on the new management system
- Rigorously revaluing assets, etc., and disposing of losses in FY ended March 2012 to reduce future risks

[Summary of major extraordinary losses] (billions of yen)

Item	1Q-3Q (Apr-Dec)	4Q (Jan-Mar)	Full Year	Summary
Provision for loss on business liquidation	0	3.2	3.2	✓ Expenses such as liquidating three domestic subsidiaries (Altis, Humalabo, NEWS CHEF) and rationalizing overseas plants
Loss on restructuring of business	0	3.4	3.4	✓ Loss due to rigorous valuation of fixed assets in systems-related businesses
Impairment losses	14.1	1.8	15.8	✓ 3Q cumulative: Impairment losses on asset mainly in the Imaging business ✓ 4Q additional: Rigorously revaluing asset of domestic manufacturing bases, etc.
Others	4.8	0.4	5.2	✓ 3Q cumulative: Expense related to retrospective adjustment, etc.
Total	18.9	8.8	27.7	

FY Ended March 2012 (3) Results by Business Segment

Sales and profit grew at almost all segments on actual basis, excluding impact of strong yen, effect of earthquake, Thai flooding, etc.

(Billions of yen)		March 2011		March 2012		YoY Change		After adjustments for extraordinary factors (*)	
		4Q	Full Year	4Q	Full Year	4Q	Full Year	4Q	Full Year
Medical	Net sales	93.5	355.3	96.7	349.2	+3%	-2%	+7%	+6%
	Op. income	17.9	71.7	21.0	68.2	+17%	-5%	+24%	+13%
Life Science & Industrial	Net sales	30.0	100.8	26.5	92.4	-12%	-8%	+2%	+8%
	Op. income	4.1	8.6	1.9	5.4	-53%	-36%	-31%	+8%
Imaging	Net sales	28.4	131.4	23.8	128.6	-16%	-2%	-8%	+6%
	Op. income	-7.3	-15.0	-7.0	-10.8	-	-	-	-
Information & Communication	Net sales	57.3	209.5	65.4	229.4	+14%	+9%	+14%	+9%
	Op. income	1.7	5.2	1.7	5.3	-0%	+1%	-0%	+1%
Others	Net sales	13.8	50.0	11.5	48.9	-17%	-2%	-17%	-2%
	Op. income	-1.5	-3.6	-2.8	-8.0	-	-	-	-
Elimination and corporate	Net sales	-	-	-	-	-	-	-	-
	Op. income	-8.6	-28.5	-5.3	-24.6	-	-	-	-
Consolidated Total	Net sales	223.1	847.1	223.9	848.5	+0%	+0%	+5%	+7%
	Op. income	6.3	38.4	9.6	35.5	+51%	-7%	+130%	+38%

(*) YoY comparisons excluding the impact of the strong yen, effect of earthquake, transfer of printer business, and Thai flooding

FY Ended March 2012 (4) Medical Business

- 2H of this fiscal year seen a recovery from the earthquake, and the impact of deferring losses was limited.
- **Business remains strong.** In 4Q, the impact of the strong yen was absorbed, with sales increasing 3%, op increasing 17% yoy and **op margin improved 2.6pt** from 19.1% to 21.7% (in 4Q of FY ended March 2012)
- For both gastrointestinal endoscope and surgical & therapeutic devices, **development proceeded steadily, and three types of new strategic products were launched, mainly overseas.** (Energy device “THUNDERBEAT,” the next-generation video endoscopy system “EVIS EXERA III,” and the endoscopic videoscope system for emerging markets)

4Q (Jan-Mar)

Net sales: +3%

(After adjusting for FX impact: +7%)

(Billions of yen)

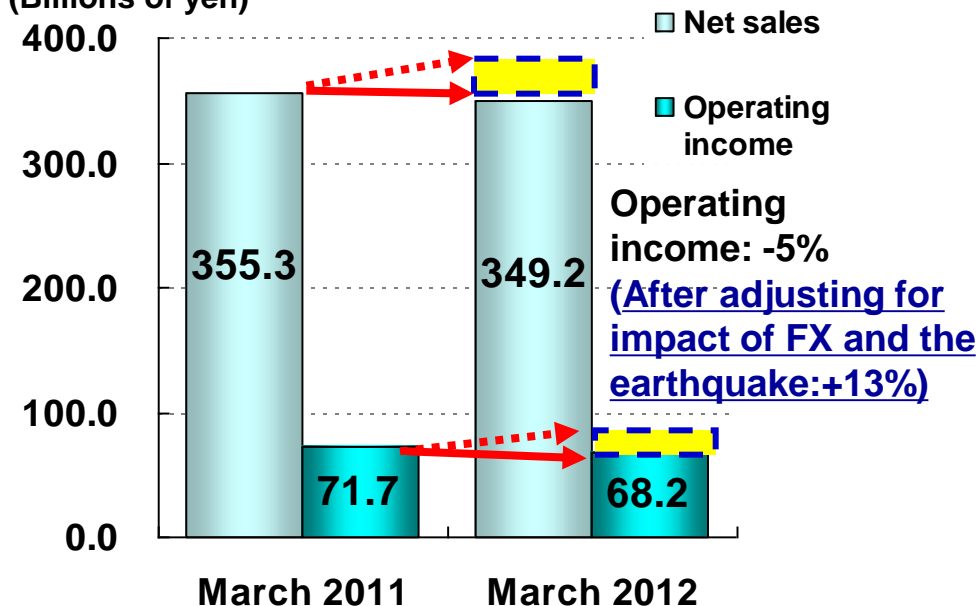


Full Year

Net sales : -2%

(After adjusting for FX impact
and effect of earthquake: +6%)

(Billions of yen)



FY Ended March 2012 (5) Life Science & Industrial Business

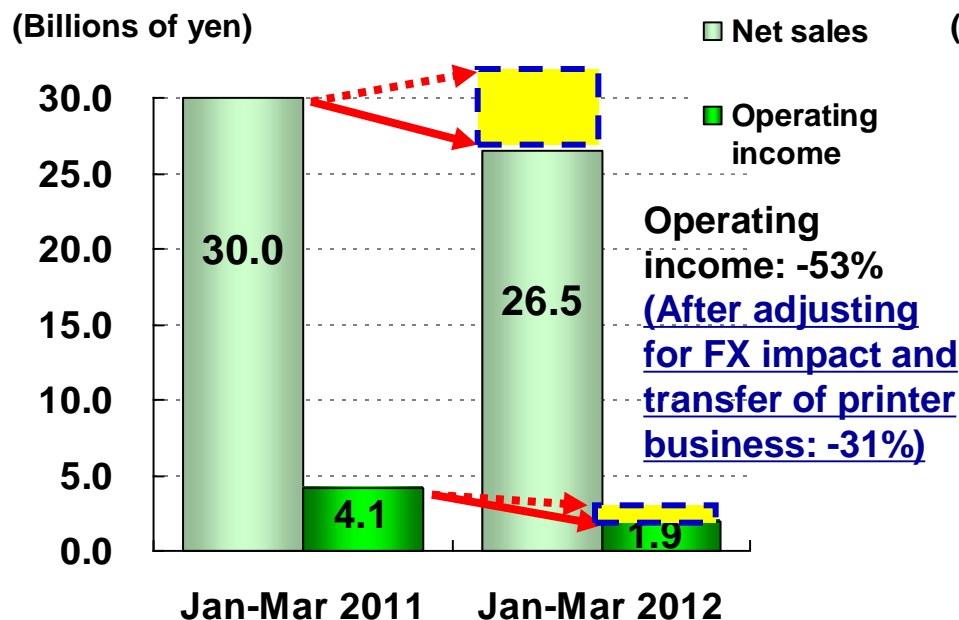
●For both the full year and 4Q, excluding extraordinary factors, net sales grew on an actual basis and with a stable trend.

●In the industrial field, sales of new products, i.e., the industrial microscope “DSX Series” and the industrial endoscope “IPLEX UltraLite,” both launched in January, progressed steadily and contributed to increased earnings.

4Q (Jan-Mar)

Net sales: -12%

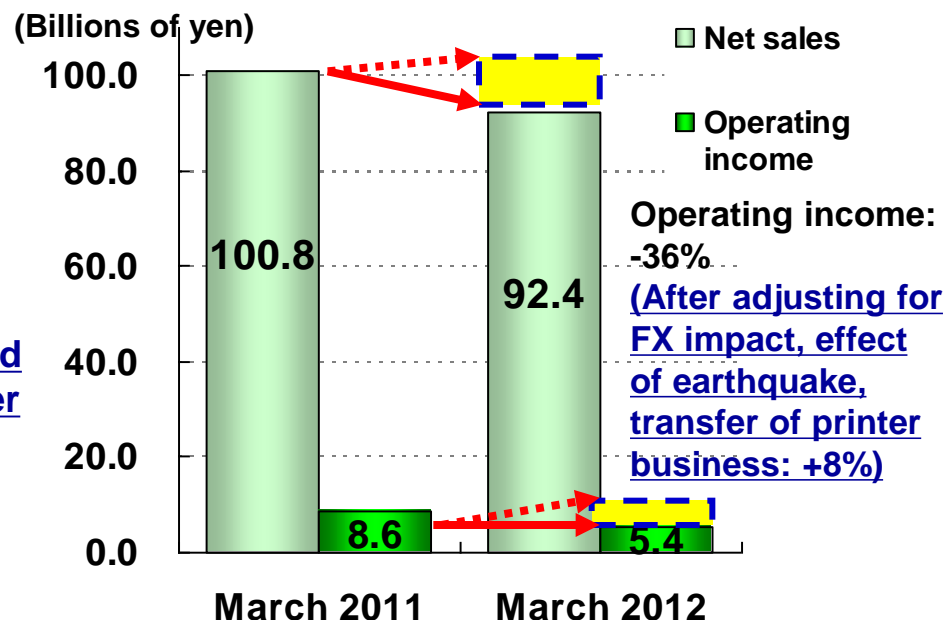
(After adjusting for FX impact and transfer of printer business: +2%)



Full Year

Net sales: -8%

(After adjusting for FX impact, effect of earthquake, transfer of printer business: +8%)



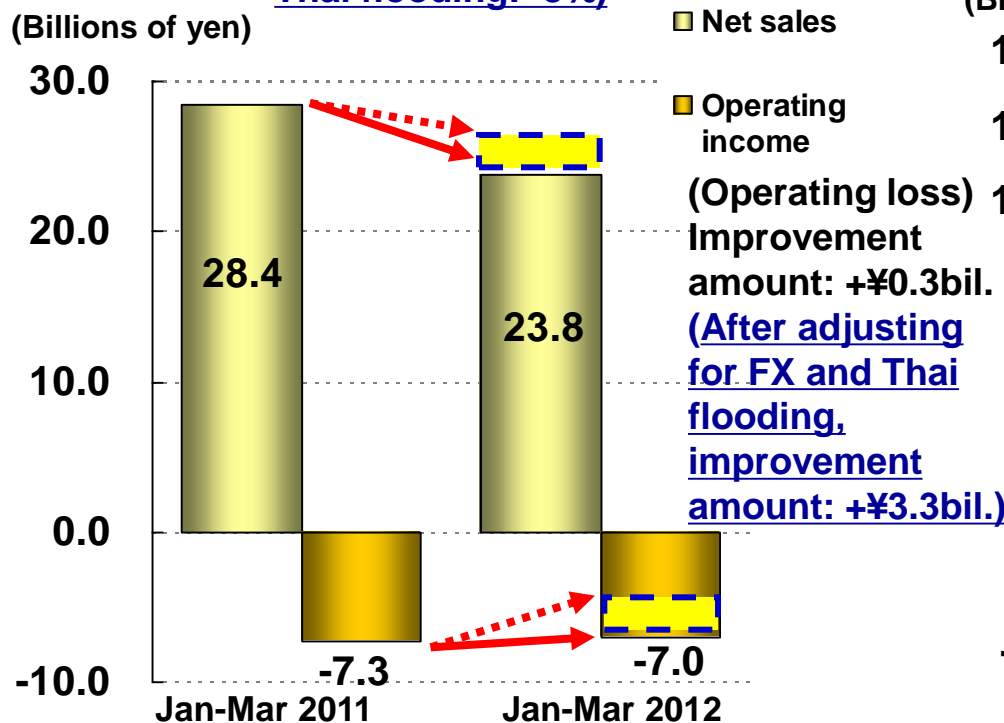
FY Ended March 2012 (6) Imaging Business

● Although net sales declined on factors such as the flooding in Thailand, sales of the “PEN Series” of micro SLR and of high-value-added compact cameras were steady, mainly in Japan, Asia, and Europe.

● The new micro SLR series “OM-D,” launched on March 31, **got off to a steady start.**

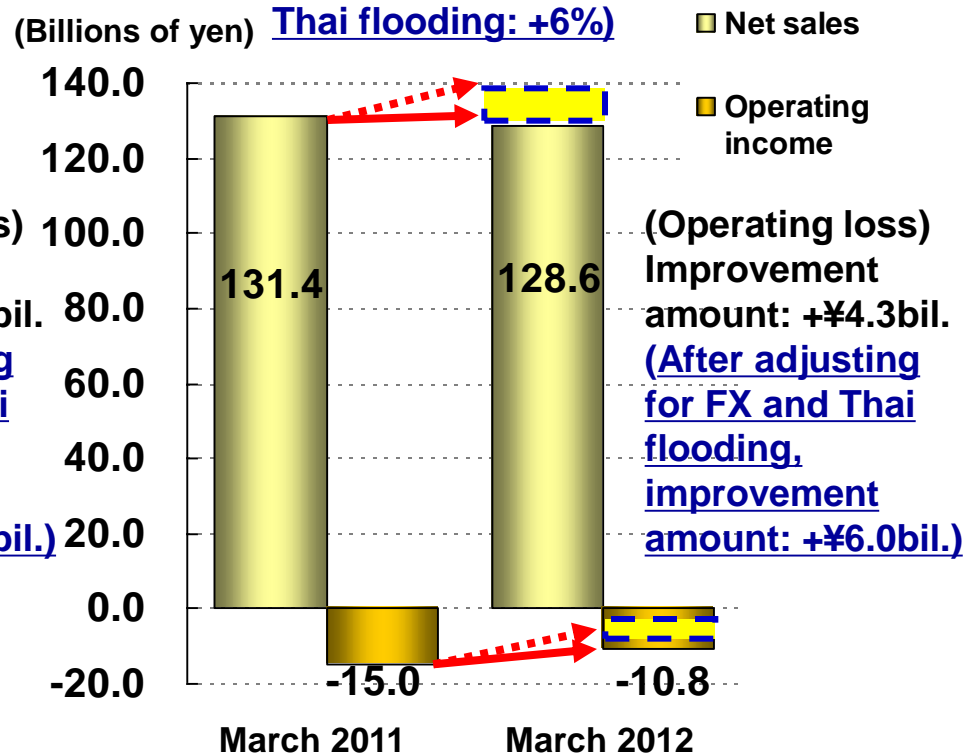
4Q (Jan-Mar)

Net sales: -16%
(After adjusting for FX and
Thai flooding: -8%)



Full Year

Net sales: -2%
(After adjusting for FX and
Thai flooding: +6%)



FY Ended March 2012 (7) Net Sales by Region

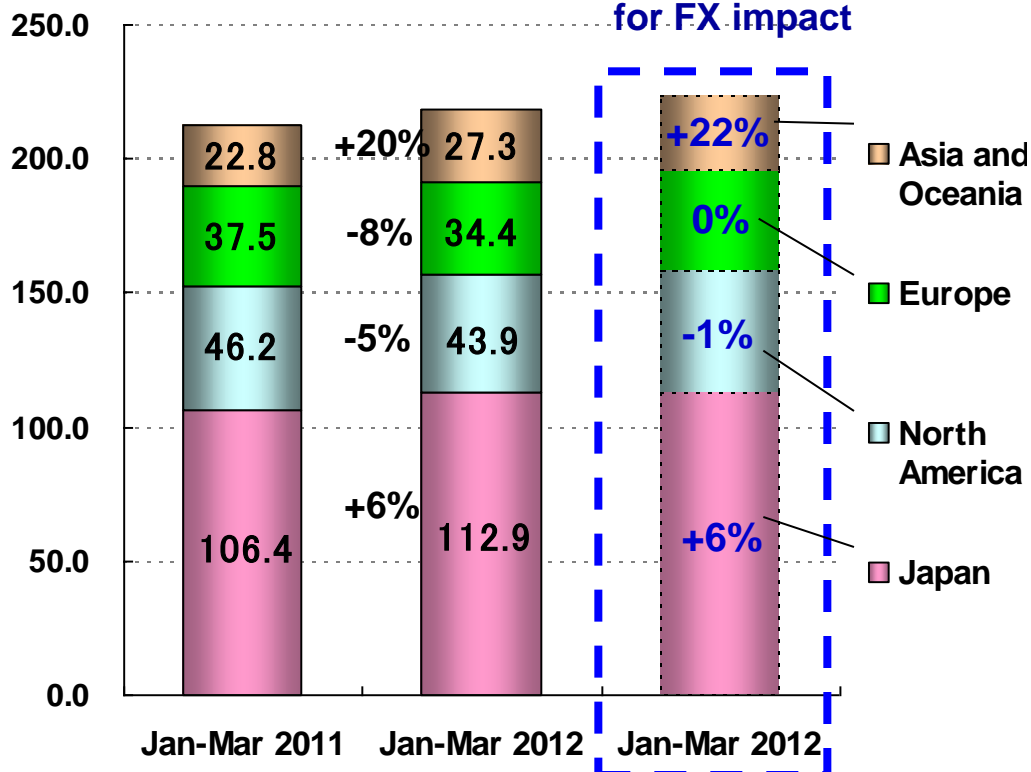
- In Asia, net sales were strong in all business segments, especially the Medical Business.
- In Europe, amid deterioration of the macroeconomic environment, full-year net sales grew 6% on a local currency basis.

4Q (Jan-Mar)

223.1 bil.
223.9 bil.
(+0.4%)
229.2 bil.
(+3%)

YoY after adjusting
for FX impact

(Billions of yen)

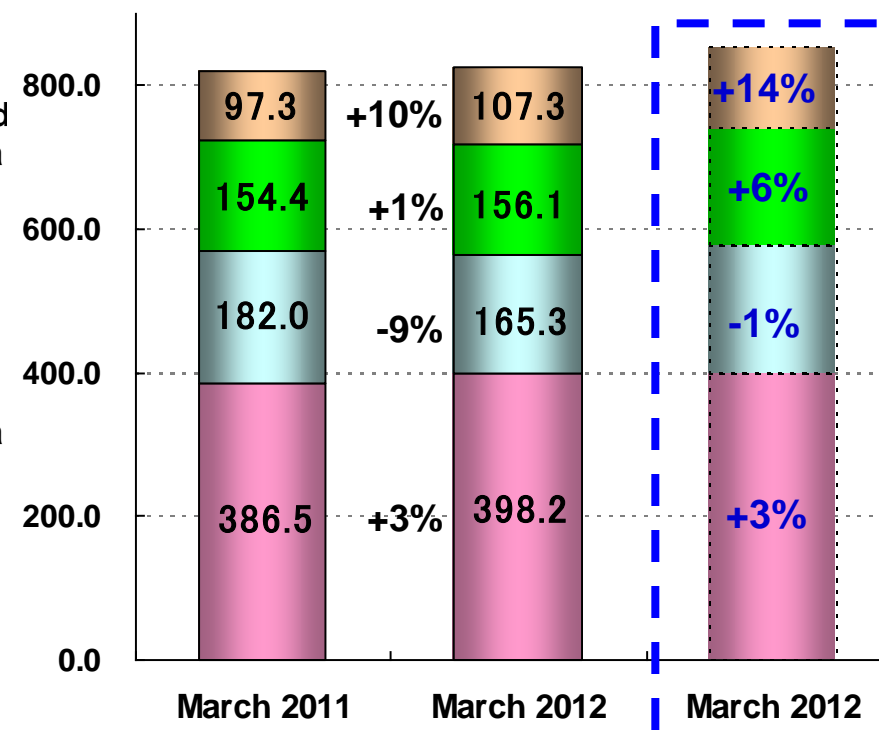


Full Year

847.1 bil.
848.5 bil.
(+0.2%)
874.0 bil.
(+3%)

YoY after adjusting
for FX impact

(Billions of yen)



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FY Ended March 2012 (8) Balance Sheet (End of March, 2012)

(Billions of yen)

	End Mar 2011	End Dec 2011	End Mar 2012	Change (from Dec)		End Mar 2011	End Dec 2011	End Mar 2012	Change (from Dec)
Current assets	533.5	507.6	526.6	+19.0	Current liabilities	332.8	291.7	320.4	+28.7
(Digital camera inventories)	(21.5)	(20.3)	(23.6)	(+3.3)					
Property, plant and equipment	141.3	122.5	127.8	+5.3	Non-current liabilities	570.8	594.1	598.1	+4.0
Intangible assets	206.0	189.5	197.1	+7.6	(Incl. bonds/ long-term loans payable)	(521.3)	(540.0)	(530.3)	(-9.7)
Investments and other assets	138.3	109.9	115.0	+5.1	Net assets	115.6	43.8	48.0	+4.3
					(Foreign currency translation adjustments)	(-95.2)	(-122.9)	(-102.1)	(+20.8)
					(Equity ratio)	(11.0%)	(4.4%)	(4.6%)	(+0.2p)
Total assets	1,019.2	929.6	966.5	+37.0	Total liabilities and net assets	1,019.2	929.6	966.5	+37.0

Interest-bearing debt : ¥642.4 billion (+¥5.6 billion)

Net interest-bearing debt : ¥442.3 billion (+¥7.0 billion)

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FY Ended March 2012 (9) Cash Flows

(Billions of yen)

	March 2011	March 2012	Change
Net sales	847.1	848.5	+1.4
Operating income	38.4	35.5	-2.9
(%)	4.5%	4.2%	-
CF from operating activities	30.5	30.9	+0.4
CF from investing activities	19.0	-35.7	-54.7
CF from financing activities	-37.4	-5.8	+31.6
Cash flow	12.1	-10.6	-22.7
Free cash flow	49.5	-4.8	-54.3
Interest-bearing debt	648.8	642.4	-6.4
Cash and deposits	213.6	200.1	-13.5

Depreciation and amortization	34.2	33.8	-0.4
Amortization of goodwill	12.2	12.3	+0.1
Capital expenditures	29.6	35.2	+5.6

Note: The above figures are based on statements of cash flows

II. Major Scheduled Events Going Forward

Major Scheduled Events Going Forward

(2012)

- **By the end of June (by General Meeting of Shareholders):**
Announcement of Forecasts for FY ending March 2013
and Medium-term Vision
- **Second Half of June:**
General Meeting of Shareholders
- **August 9 (schedule):**
Announcement of Financial Results for the 1Q of
FY ending March 2013

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Supplementary Materials

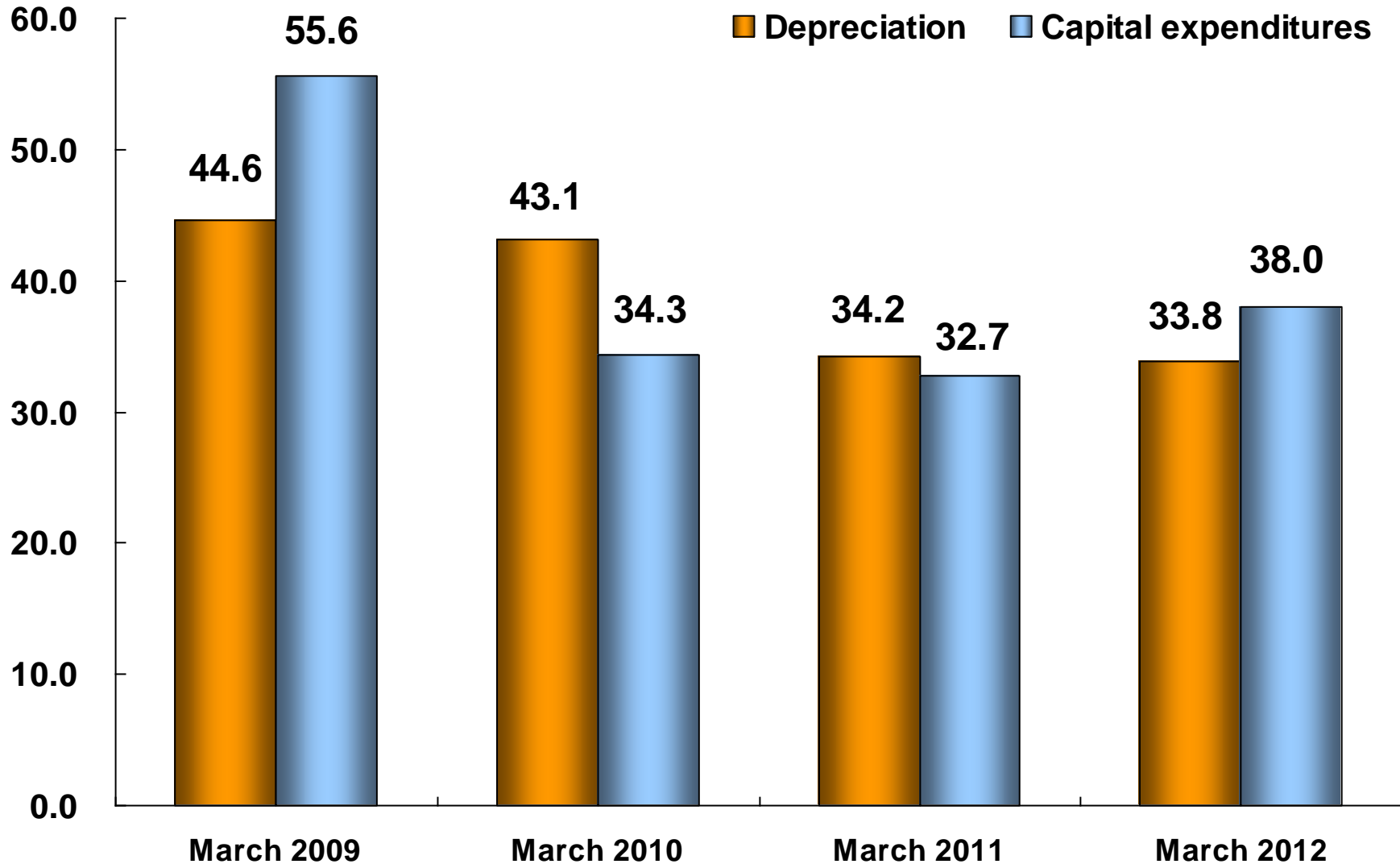
FY Ended March 2012 (Full Year)

Impact of Extraordinary Factors by Segments

(Billions of yen)		Impact of Strong Yen	Effect of Earthquake	Impact of Transfer of Printer Business	Effect of Thai Flooding
Medical	Net sales	-¥16.0	-¥11.0	-	-
	Op. income	-¥6.6	-¥6.0	-	-
Life Science & Industrial	Net sales	-¥4.3	-¥3.0	-¥9.6	-
	Op. income	-¥1.9	-¥1.0	-¥0.9	-
Imaging	Net sales	-¥4.8	-	-	-¥6.5
	Op. income	+¥2.2	-	-	-¥4.0
Information & Communication	Net sales	-	-	-	-
	Op. income	-	-	-	-
Others	Net sales	-¥0.3	-	-	-
	Op. income	+¥0.5	-	-	-
Consolidated Total	Net sales	-¥25.5	-¥14.0	-¥9.6	-¥6.5
	Op. income	-¥5.7	-¥7.0	-¥0.9	-¥4.0

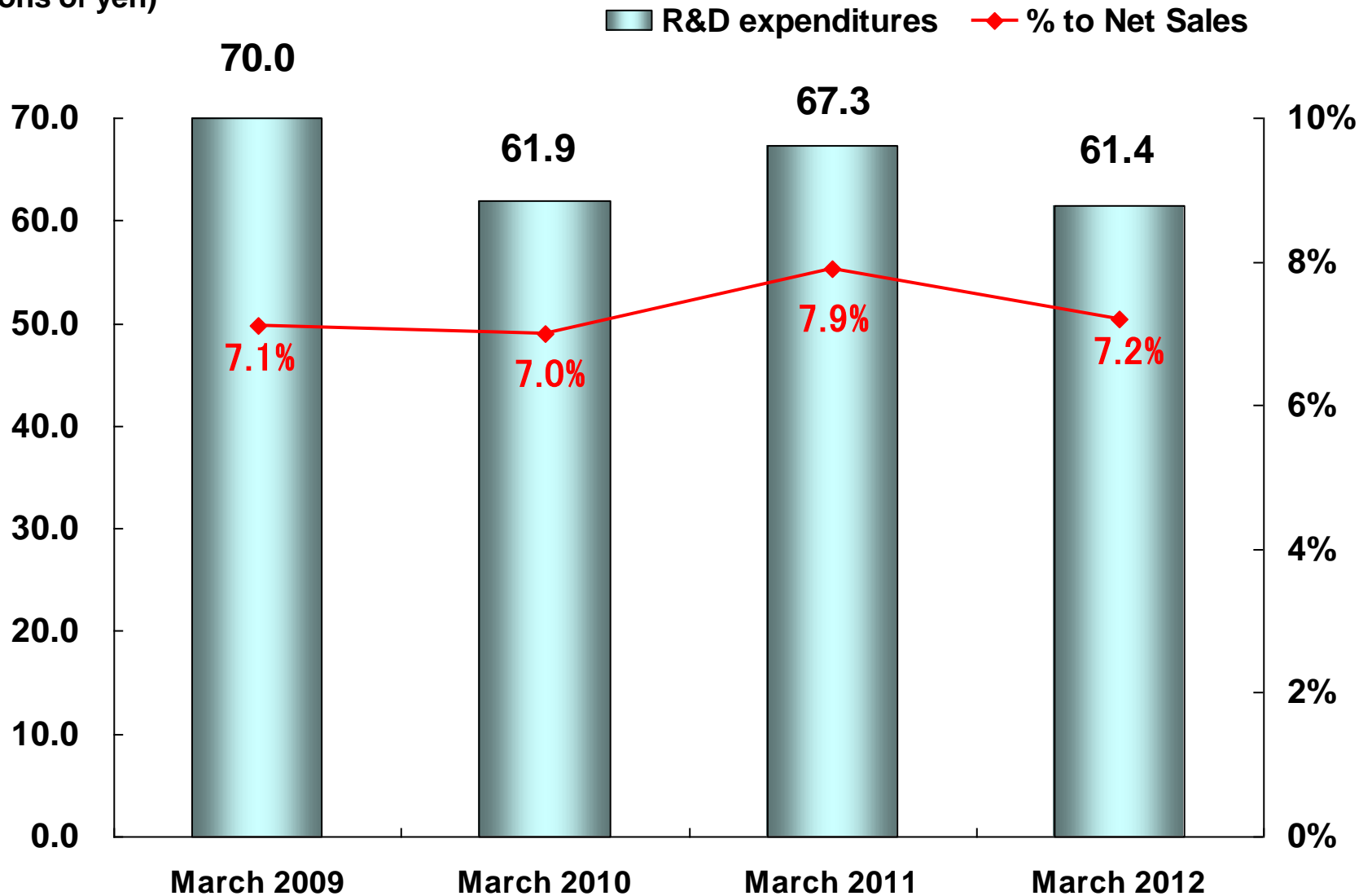
Depreciation, Capital Expenditures

(Billions of yen)



R&D Expenditures

(Billions of yen)



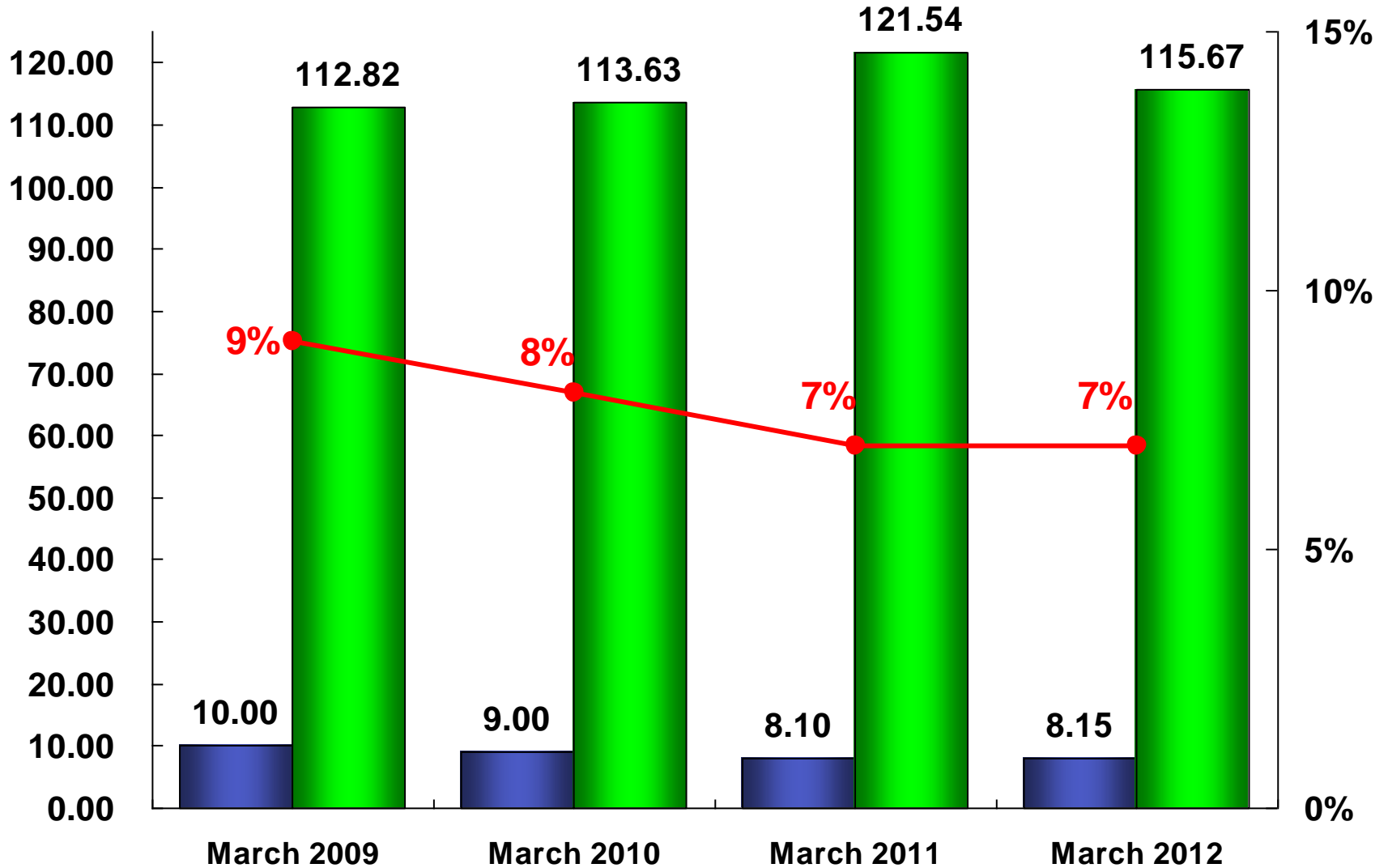
Digital Cameras

(Millions of units)

■ Olympus

■ WW

—●— Market share by volume



New Strategic Products (Core Businesses)

Medical Business

THUNDERBEAT

- The world's first surgical energy device: vessel sealing and tissue cutting device integrated with both advanced bipolar and ultrasonic energy



EVIS EXERA III

- ←Next-generation video endoscopy system (for Europe and the U.S.): Featuring enhancements such as enhanced observation performance, greater operability, and reduced burdens on doctors and patients

Axeon

- ↓Olympus' first endoscopic videoscope system for emerging markets: A driver of increased earnings in Asia



Life Science & Industrial Business

- IPLEX UltraLite: Hand-held industrial videoscope of the smallest and lightest in series, with image quality and durability comparable to top-end models



- ↑Opto-Digital Microscope DSX Series: The industry's first industrial microscopes integrating optical and digital technologies

Imaging Business

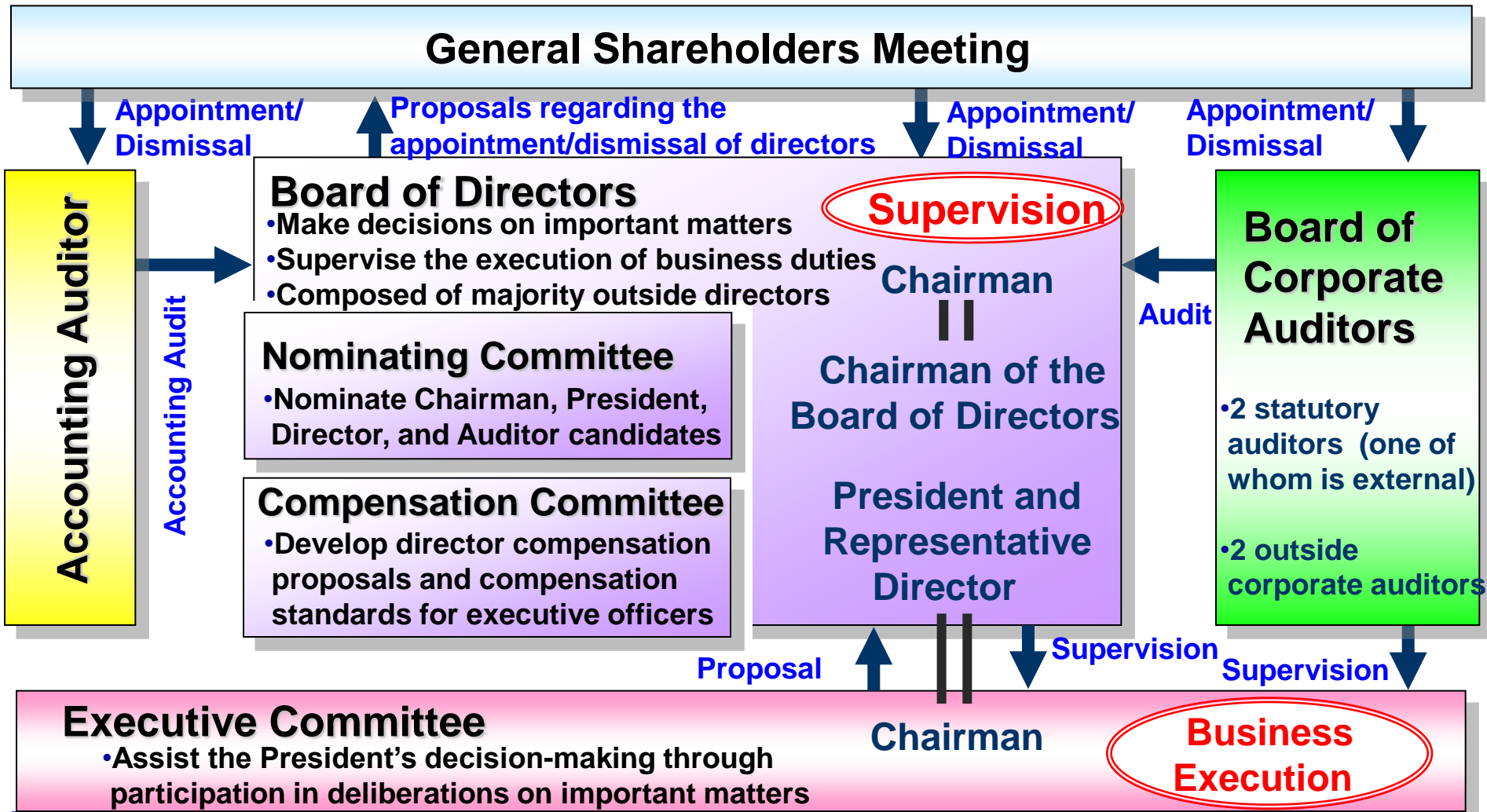
- ↓Delivering the mirrorless market's first dust & splash-proof model, the new micro SLR series "OM-D" revives the film era's SLR "OM" brand



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Governance Structure Scheme under the New Structure

- Clear separation of business execution and monitoring
- New establishment of Nominating Committee and Compensation Committee



Performance forecasts and other forward-looking statements in this presentation reflect judgments and assumptions based on information available at the time of writing. Because of the uncertainty inherent to judgments and assumptions, and because of the potential for future changes in business operations, conditions in Japan or overseas, or other factors, actual results, etc., may differ substantially from the targets stated.