

**Olympus Group**  
**Financial Results for the 3rd Quarter of the**  
**Fiscal Year Ending March 31, 2013**

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**February 12, 2013**

- I. Consolidated Financial Results and Overview  
by Segment for 3Q of the FY Ending March 2013**
  
- II. Forecasts for FY ending March 2013**
  
- III. Progress in the Medium-Term Vision and  
Schedule of Major Events**

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# **I. Consolidated Financial Results and Overview by Segment for 3Q of the FY Ending March 2013**

**(1) The Medical Business Remains Strong**

**(2) The Equity Ratio Significantly Improved**

**(3) The Medium-Term Vision Progressed Steadily**

# 3Q of FY Ending March 2013 (1) Consolidated Financial Results

(Billions of yen)	March 2012 9M (Apr-Dec)	March 2013 9M (Apr-Dec)	YoY Change	YoY (%)	YoY After adjusting impact of FX and ITX* (%)
Net sales	624.7	561.2	-63.4	-10%	-0%
SG&A expenses (% to sales)	257.6 (41.2%)	250.3 (44.6%)	-7.3 (+3.4pt)	-3%	-
Operating income (% to sales)	26.0 (4.2%)	24.6 (4.4%)	-1.3 (+0.2pt)	-5%	+14%
Ordinary income (% to sales)	15.0 (2.4%)	8.7 (1.6%)	-6.3 (-0.8pt)	-42%	
Net income (% to sales)	-33.1 (-)	7.6 (1%)	+40.7	-	
[ Foreign exchange rates and impact]					
¥/US\$	¥79	¥80	+¥1 (yen depreciation)		
¥/Euro	¥111	¥102	-¥8 (yen appreciation)		
Impact on net sales	-	-¥5.6 bil.			
Impact on Op. income	-	-¥4.1 bil.			

\*Impact of ITX:  
Impact due to the sales of the  
Information & Communication  
Business

## 3Q Key Points

- ✓ After adjusting for the impact from FX rates and the sales of the Information & Communication Business, operating income recorded a yoy increase of 14%, driven by steady performance of the Medical Business.
- ✓ Gains on sales of non-core businesses, fixed assets and others recorded for 3Q and thereafter.

# 3Q of FY Ending March 2013 (2) Results by Business Segment

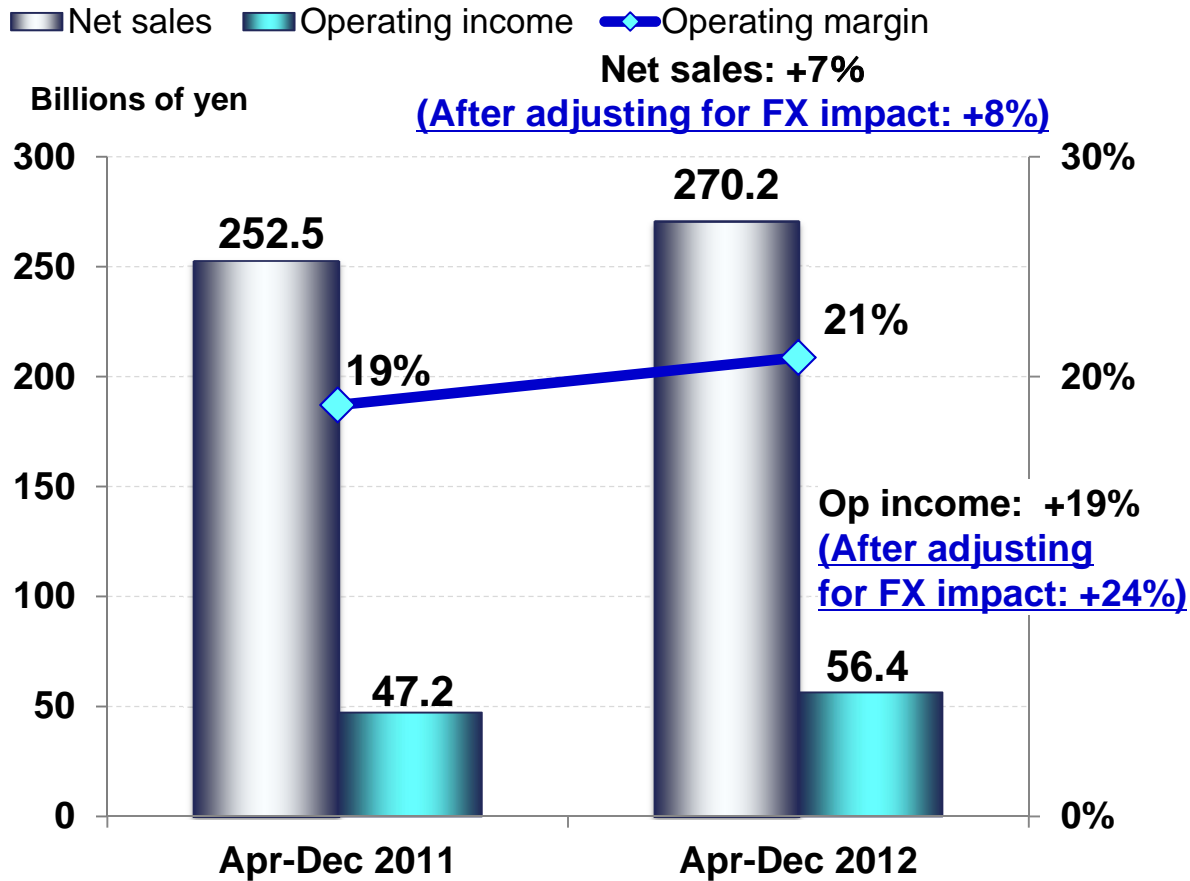
- ◆ The Medical Business recorded significant increases in sales and income on a yoy basis.
- ◆ The Information and Communication Business was sold during 2Q. (This is not to be included in the accounting figures for 3Q and thereafter.)

(Billions of yen)		March 2012 9M (Apr-Dec)	March 2013 9M (Apr-Dec)	YoY Change	YoY (%)	YoY after adjusting impact of FX / ITX(%)
<b>Medical</b>	Net sales	252.5	270.2	+17.7	+7%	+8%
	Op. income	47.2	56.4	+9.2	+19%	+24%
<b>Life Science &amp; Industrial</b>	Net sales	65.9	57.5	-8.4	-13%	-12%
	Op. income	3.5	1.2	-2.3	-66%	-66%
<b>Imaging</b>	Net sales	104.8	86.9	-17.9	-17%	-16%
	Op. income	-3.8	-8.8	-5.0	-	-
<b>Information &amp; Communication</b>	Net sales	164.0	114.2	-49.8	-30%	+3%
	Op. income	3.6	1.7	-1.9	-53%	-30%
<b>Others</b>	Net sales	37.4	32.4	-5.0	-14%	-13%
	Op. income	-5.2	-3.3	+1.9	-	-
<b>Elimination and corporate</b>	Net sales	-	-	-	-	-
	Op. income	-19.3	-22.6	-3.3	-	-
<b>Consolidated Total</b>	Net sales	624.7	561.2	-63.4	-10%	-0%
	Op. income	26.0	24.6	-1.3	-5%	+14%

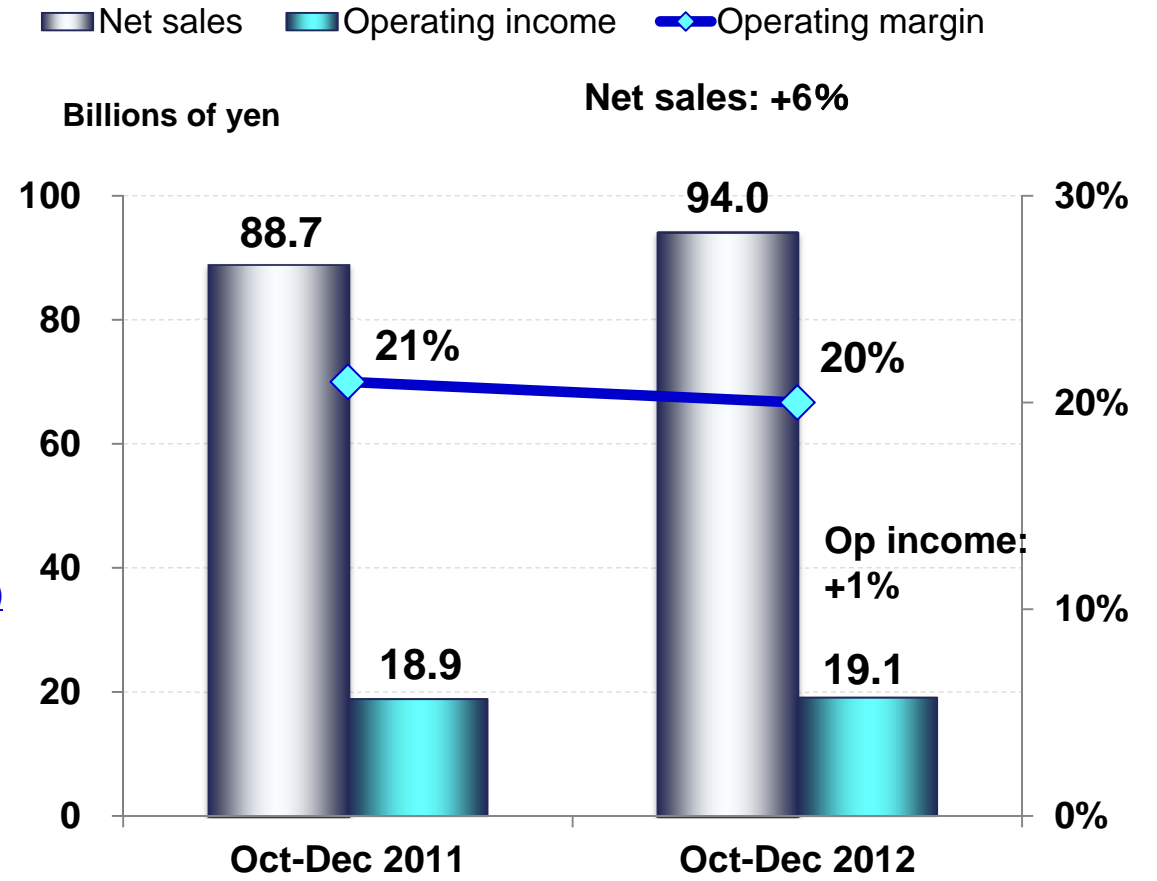
# 3Q of FY Ending March 2013 (3) Medical Business

- ◆ Our new surgical endoscope is enjoying brisk sales, along with our flagship product, gastrointestinal endoscope.
- ◆ Increase in sales of the profitable endoscope contributed to the improvement in op margin.

## 9M (Apr-Dec)



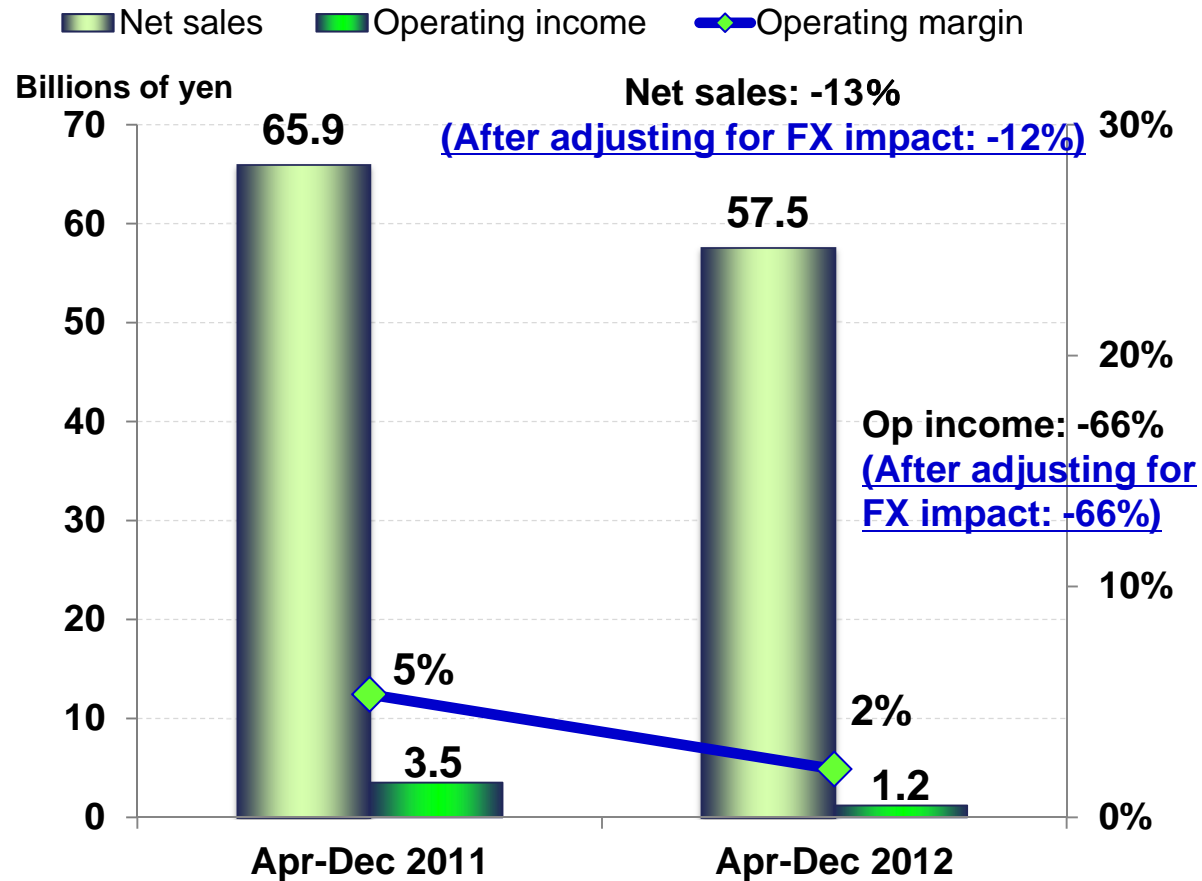
## 3M (Oct-Dec)



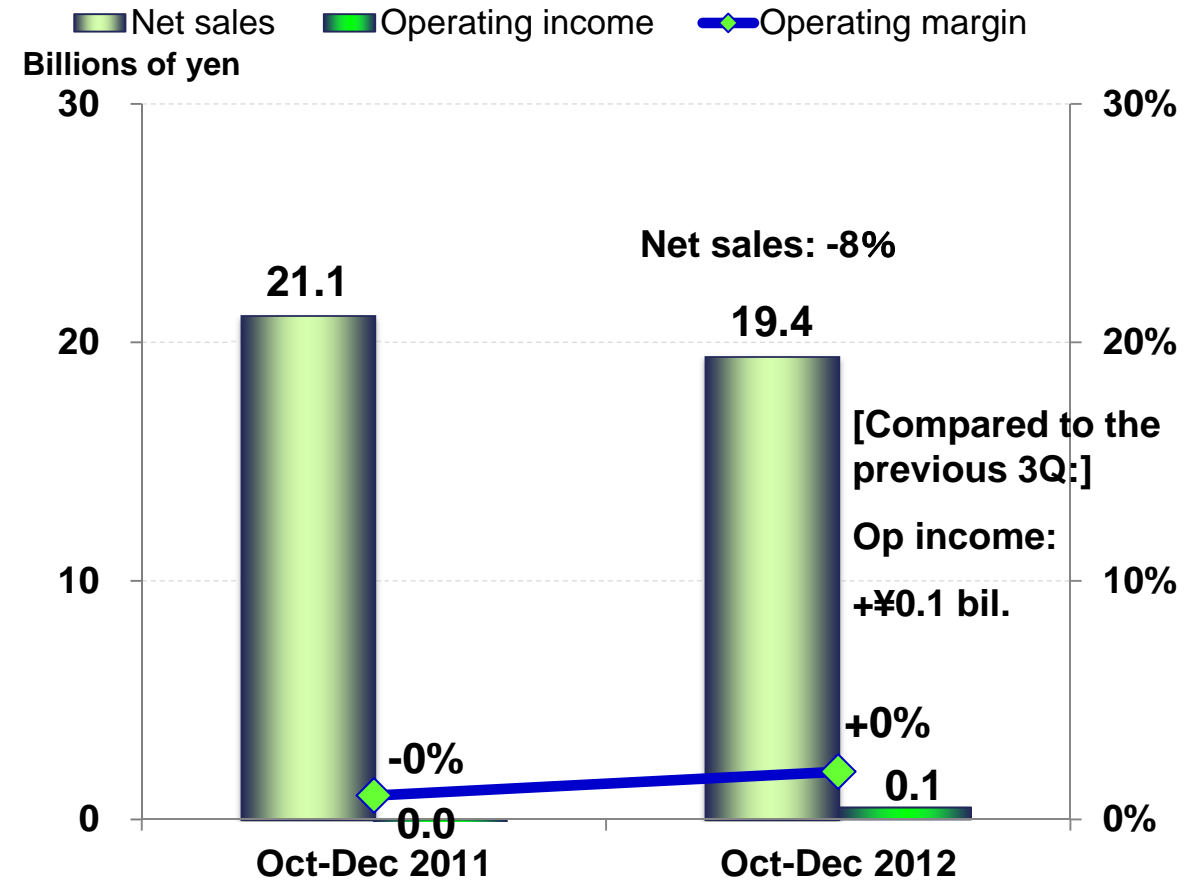
# 3Q of FY Ending March 2013 (4) Life Science & Industrial Business

◆ Both sales and income decreased, due to a reduction in capital investment in the private sector and delay in budget implementation from the government.

## 9M (Apr-Dec)



## 3M (Oct-Dec)

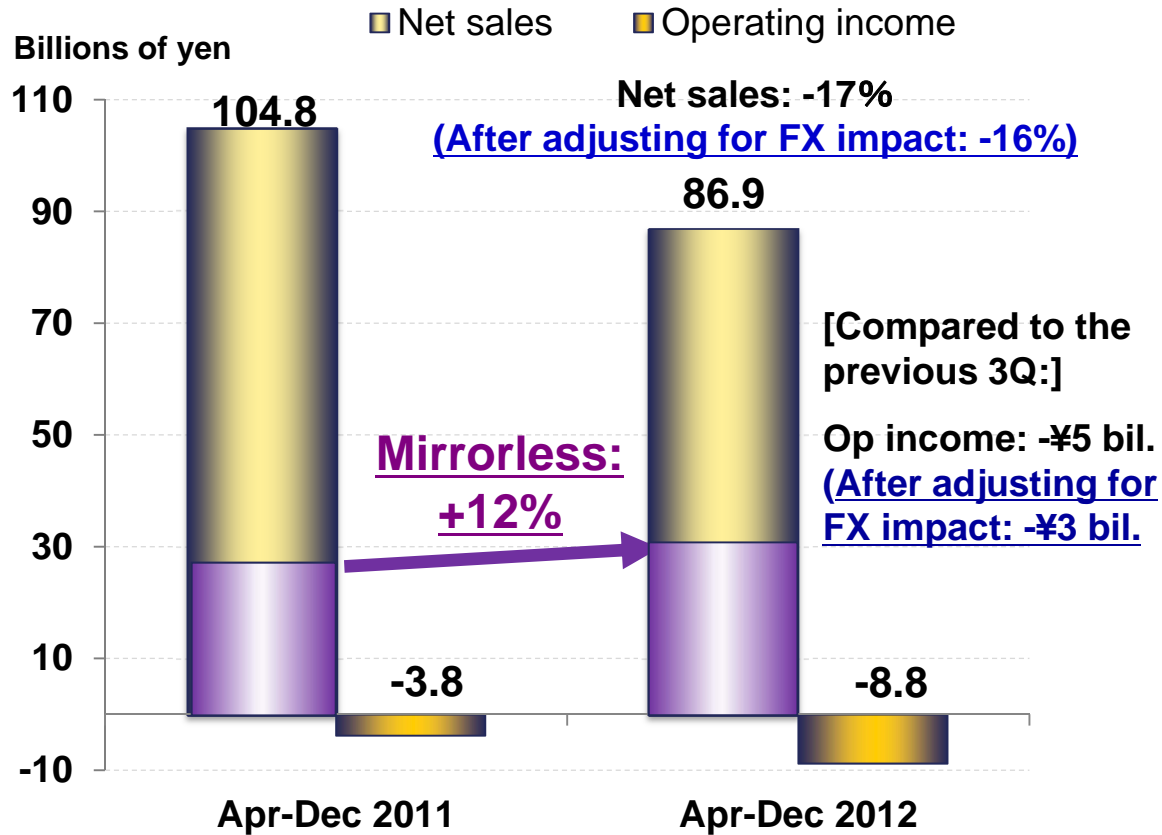




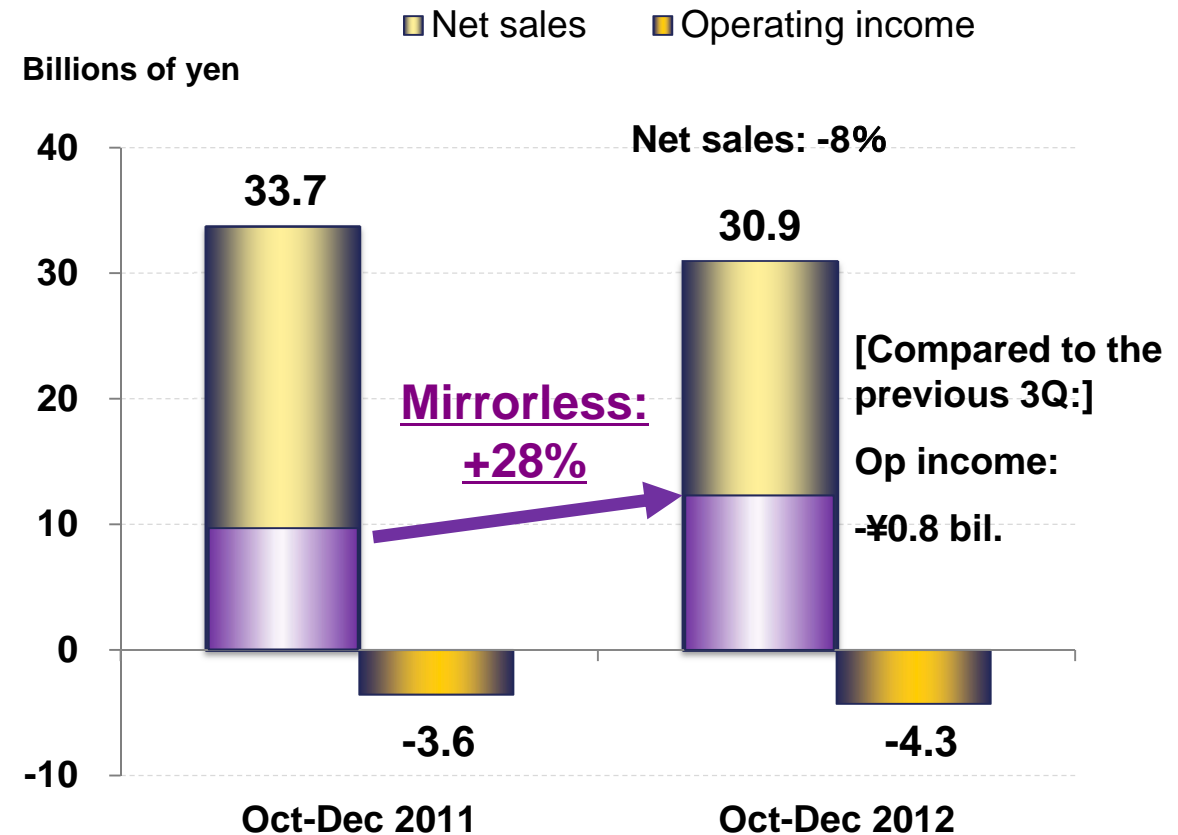
# 3Q of FY Ending March 2013 (5) Imaging Business

- ◆ Number of shipment of compact cameras decreased amidst the rapid contraction of the compact camera market.
- ◆ Sales of mirrorless in 3Q(Oct to Dec) increased by 28% due to OM-D and new PEN products.

## 9M (Apr-Dec)



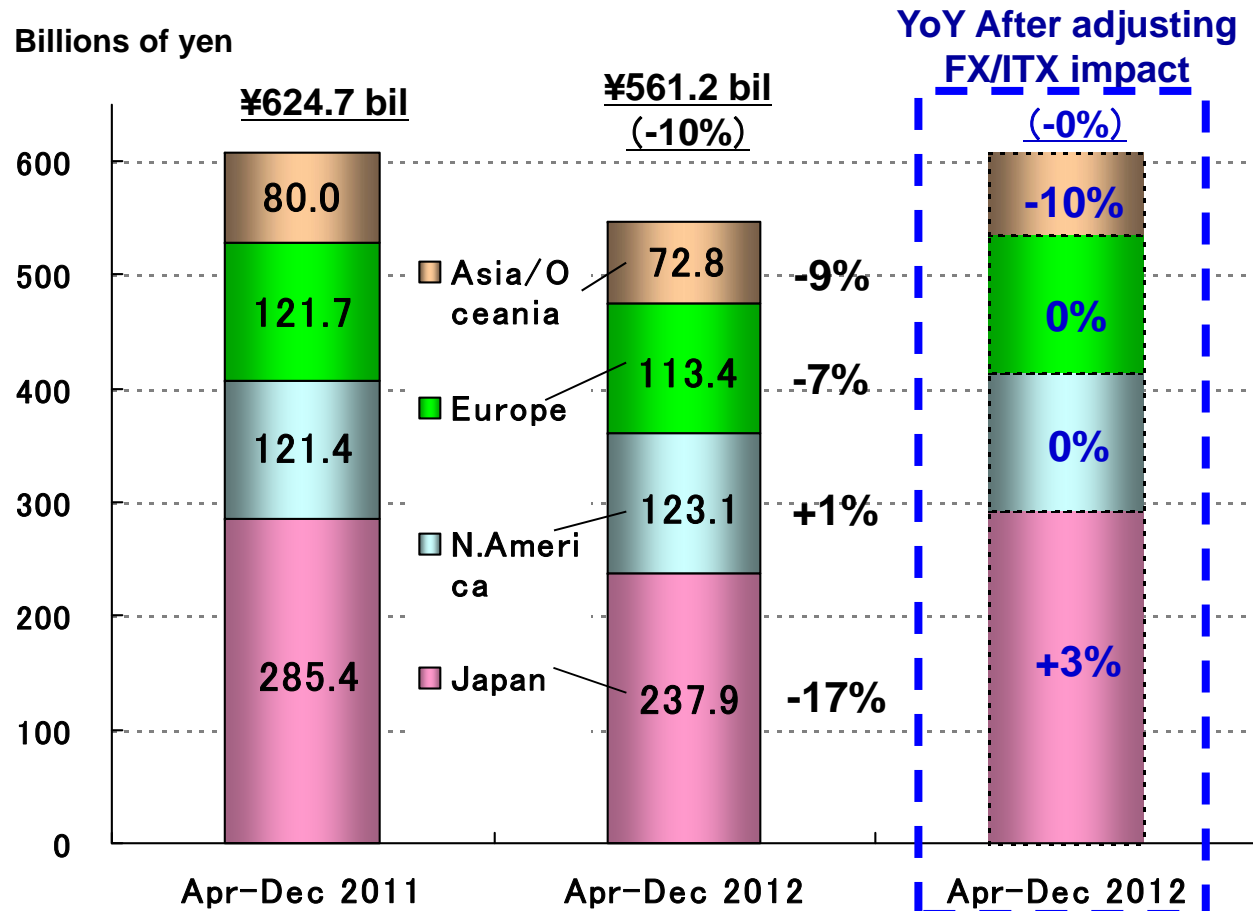
## 3M (Oct-Dec)



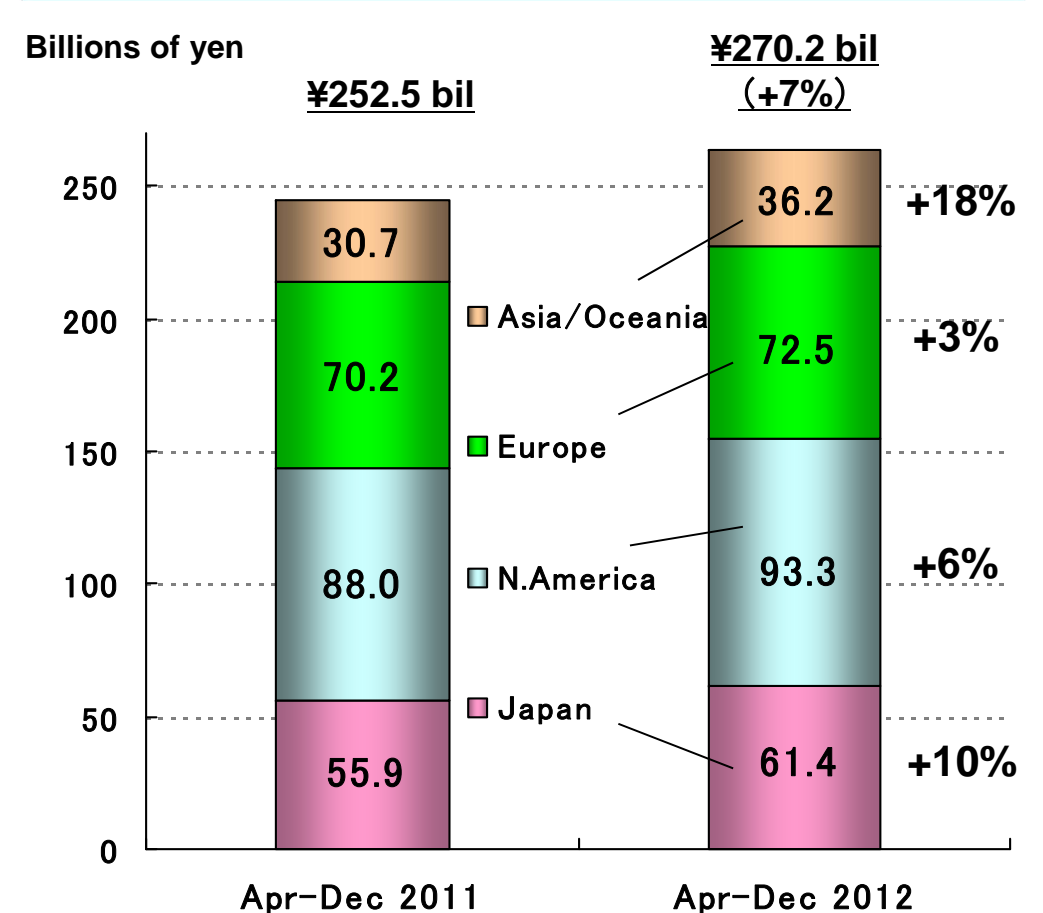
# 3Q of FY Ending March 2013 (6) Net Sales by Region

- ◆ In Asia and Europe, sales decreased mainly due to the European economic crisis and Chinese situation.
- ◆ Sales from the Medical increased in every region and served as a major force driving total sales.

## Consolidated Results (9M: Apr-Dec)



## Medical Business (9M: Apr-Dec)



# Balance Sheet (End of December 2012)

- ◆ The equity ratio improved by 5 points from the end of the previous term and restored to a level of around 10%.

(Billions of yen)	End Mar 2012	End Dec 2012	Change		End Mar 2012	End Dec 2012	Change
Current assets (Digital camera inventories)	526.6 (23.6)	516.3 (28.7)	-10.2 (+5.2)	Current liabilities	320.4	323.9	+3.5
Property, plant and equipment	127.8	127.1	-0.7	Non-current liabilities (Incl. bonds/ long-term loans payable)	598.1 (530.3)	500.5 (436.2)	-97.6 -94.1
Intangible assets	197.1	169.5	-27.7	Net assets	48.0	91.9	+43.9
Investments and other assets	115.0	103.4	-11.7	(Equity ratio)	(4.6%)	(9.7%)	(+5.1pt)
Total assets	966.5	916.3	-50.2	Total liabilities and net assets	966.5	916.3	-50.2

Interest-bearing debt: ¥596.2 billion (-¥46.2 billion from Mar. 2012)

Net interest-bearing debt: ¥383.2 billion (-¥59.1 billion from Mar. 2012)

# Cash Flows (April to December 2012)

(Billions of yen)	Mar 2012 9M(Apr-Dec 2011)	Mar 2013 9M(Apr-Dec 2012)	Change
<b>Net sales</b>	624.7	561.2	-63.4
<b>Operating income</b>	26.0	24.6	-1.3
(%)	4.2%	4.4%	+0.2pt
<b>CF from operating activities</b>	27.6	0	-27.6
<b>CF from investing activities</b>	-26.1	35.4	61.5
<b>CF from financing activities</b>	-5.1	-31.4	-26.4
<b>Cash flow</b>	-3.6	3.9	7.6
<b>Free cash flow</b>	1.4	35.4	33.9
<b>Cash and cash equivalents at end of year</b>	200.2	207.7	7.5
<b>Depreciation and amortization</b>	24.8	24.3	-0.5
<b>Amortizaion of goodwill</b>	9.5	7.4	-2.1
<b>Capital expenditures</b>	23.9	20.6	-3.3

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## **II. Forecasts for FY ending March 2013**

# Forecasts for FY ending March 2013 (Full-year)

(Billions of yen)	March 2012 Full-year (Results)	March 2013 Full-year (Current forecast)	YoY Change	YoY (%)	March 2013 Full-year (Previous forecast)
Net sales	848.5	740.0	-108.5	-13%	757.0
Operating income (% to net sales)	35.5 (4.2%)	35.0 (4.7%)	-0.5	-2%	38.0 (5.0%)
Ordinary income (% to net sales)	17.9 (2.1%)	11.5 (1.6%)	-6.4	-36%	16.0 (2.1%)
Net income (% to net sales)	-49.0 -	6.0 (0.8%)	+55.0	-	8.0 (1.1%)
<b>[ Foreign exchange rates and impact]</b>					
¥/US\$	¥79	¥83	+¥3(yen depreciation)		¥80
¥/Euro	¥109	¥107	-¥2(yen appreciation)		¥100
Impact on net sales	-	+¥9.0bil.			-¥15.2bil.
Impact on Op. income	-	+¥0.2bil.	(Notes) Assumption of FX rates in 4Q (Jan to Mar): ¥/US\$=¥90, ¥/Euro=¥120		-¥5.7bil.

# Segment Forecasts for FY ending March 31, 2013 (Full-year)

- ◆ The weak yen aided the Medical Business, which is expected to far exceed the initial target.

(Billions of yen)		March 2012 (Results)	March 2013 (Current forecast)	YoY Change	YoY Change(%)	March 2013 (Previous forecast)
Medical	Net sales	349.2	390.0	+40.8	+12%	378.0
	Op. income	68.2	84.0	+15.8	+23%	75.0
Life Science & Industrial	Net sales	92.4	85.0	-7.4	-8%	91.0
	Op. income	5.4	2.0	-3.4	-63%	4.0
Imaging	Net sales	128.6	110.0	-18.6	-14%	129.0
	Op. income	-10.8	-16.0	-5.2	-	-8.0
Information & Communication	Net sales	229.4	114.2	-115.2	-50%	114.2
	Op. income	5.3	1.7	-3.6	-68%	1.7
Others	Net sales	48.9	40.8	-8.2	-17%	44.8
	Op. income	-8.0	-6.7	+1.3	-	-4.7
Elimination and corporate	Net sales	-	-	-	-	-
	Op. income	-24.6	-30.0	-5.4	-	-30.0
Consolidated Total	Net sales	848.5	740.0	-108.5	-13%	757.0
	Op. income	35.5	35.0	-0.5	-2%	38.0

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# **III. Progress in the Medium-Term Vision and Schedule of Major Events**



# Progress in the Medium-Term Vision (April to December 2012)

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## (1) Rebuild Business Portfolio / Optimal Allocation of Management Resources

- ◆ **Liquidation of Non-core businesses:**  
Reduced subsidiaries and affiliates by approx. 30 entities through liquidation, sale or otherwise. (From October onwards, Net Protections, a domestic subsidiary was sold at ¥4 billion.)
- ◆ **Strategic Investment of Management Resources:**  
Resolved to enhance the production capacity of major production sites (Aizu, Shirakawa, Aomori) in the Medical Business. (Scheduled to start operation in 2015 to 2016.)
- ◆ **Restructuring of Imaging Business:**  
Reduced personnel by more than 10% from the end of March 2012. ⇒ Further drastic reform is under review.  
Cut SG&A expenses by approx. ¥4 billion on a yoy basis.

## (2) Review Cost Structures

- ◆ **Optimize Personnel:** 50% progress against the reduction target of 2,700 people.
- ◆ **Restructure Production Sites:** Trim down the 30 sites to 22 around the world.

## (3) Restore Financial Health

- ◆ **Equity Ratio:** Improved from approx. 4% (as of end of Sept.) to approx. 10%.
- ◆ **Reinforce Capital:** Completed payment of ¥19 billion for first third-party allotment of new shares through capital alliance with Sony.
- ◆ **Reduce Interest-bearing debt:** Reduction of ¥46.2 billion (balance as of end of Dec. 2012: ¥596.2 billion)

# Schedule of Major Events

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## In 2013

<b>January 21</b>	<b>Submitted a “written affirmation on the internal control system” to the TSE.</b>
<b>February</b>	<b>Payment of third-party allotment of new shares by Sony. (Second third-party allotment: ¥31 billion; ¥50 billion in total for the first and second allotments.)</b>
<b>To April</b>	<b>Establish Medical Business Venture Company with Sony</b>
<b>May 15</b>	<b>Announcement of the financial results for FY ending March 2013.</b>
<b>Late June</b>	<b>General meeting of shareholders.</b>

**OLYMPUS**

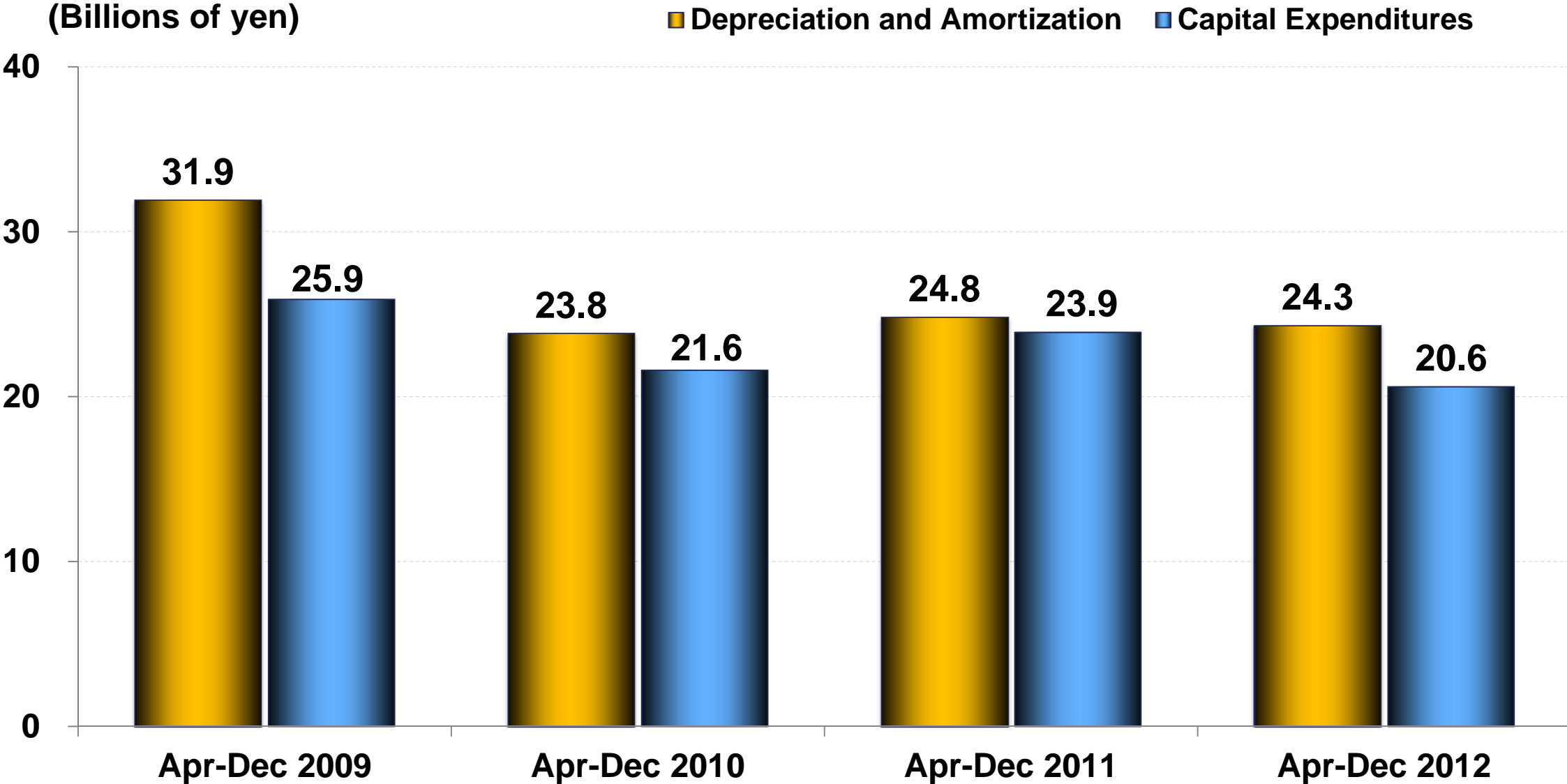
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Your Vision, Our Future

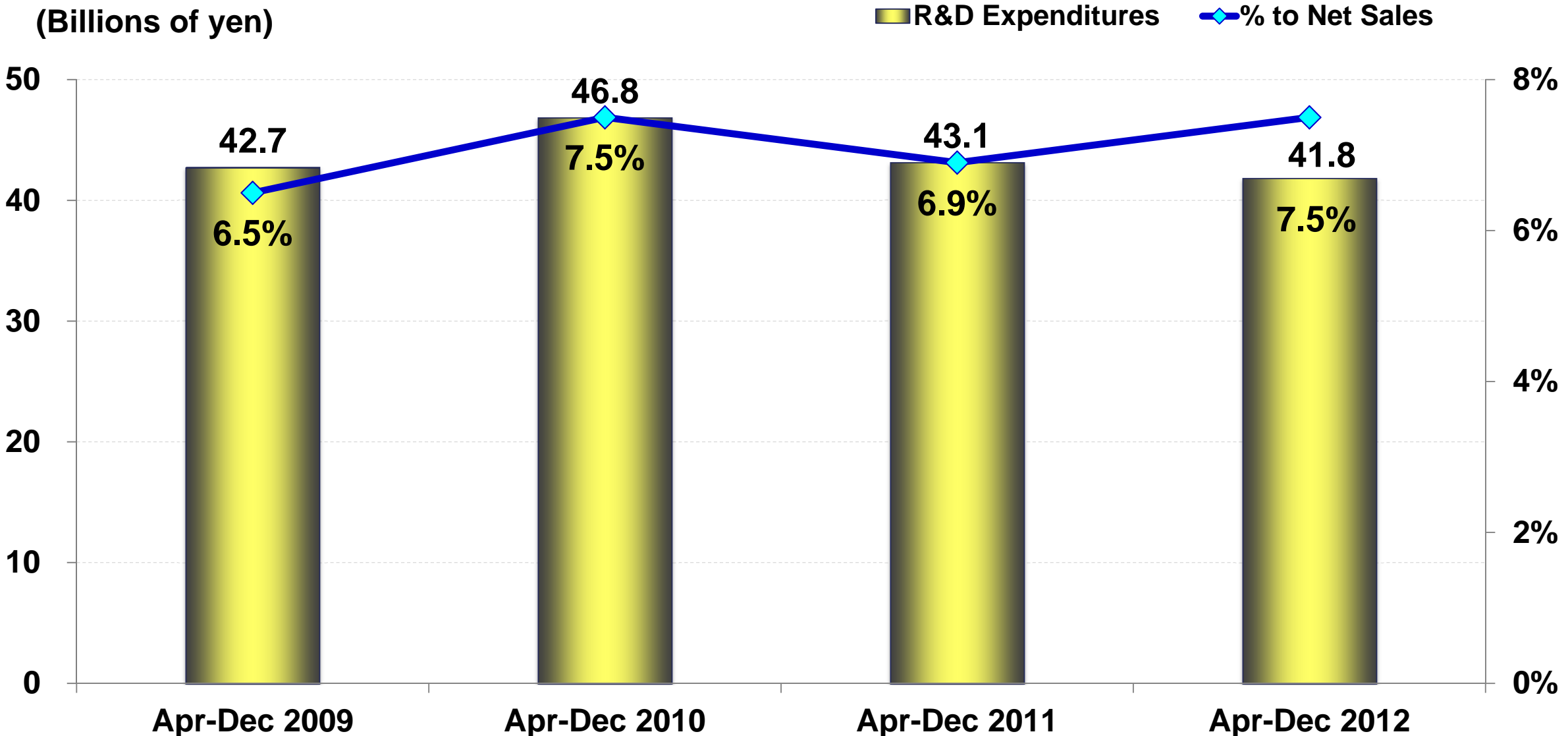
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# Supplementary Materials

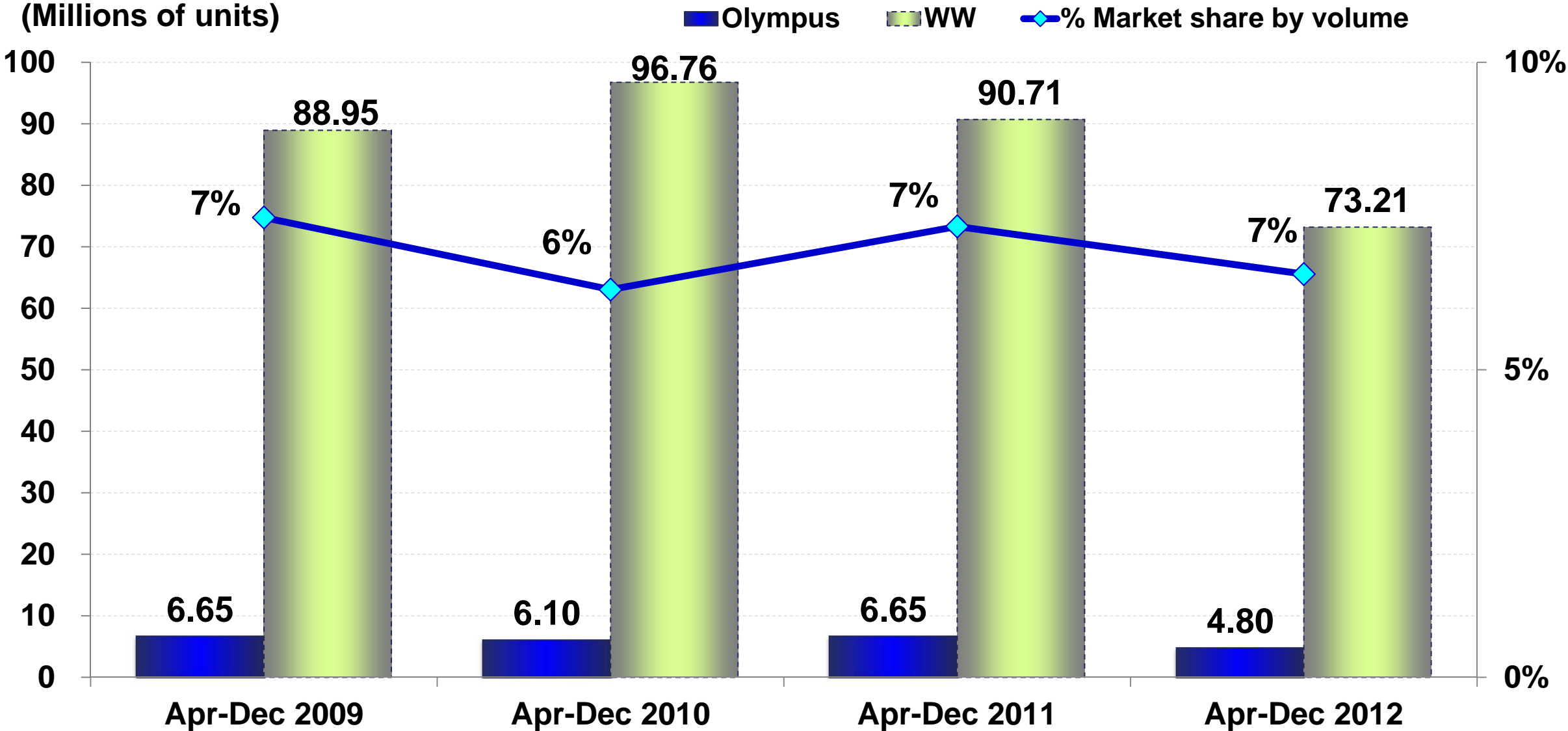
# Depreciation and Amortization, Capital Expenditures



# R&D Expenditures



# Digital Cameras



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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.