

Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2015 <under Japanese GAAP>



November 7, 2014

Company Name: Olympus Corporation
Code Number: 7733
(URL: <http://www.olympus.co.jp/>)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Hiroyuki Sasa, Representative Director, President
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Scheduled date to submit the Quarterly Securities Report: November 7, 2014
Scheduled date to commence dividend payments: –
Presentation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to September 30, 2014)

(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	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Six months ended September 30, 2014	355,013	6.3	38,426	34.8	29,669	75.0	22,331	–
September 30, 2013	333,830	(17.7)	28,503	58.0	16,953	129.3	(7,938)	–

Note: Comprehensive income: Six months ended September 30, 2014: ¥41,465 million [144.0%]
Six months ended September 30, 2013: ¥16,994 million [–%]

	Net income per share	Fully diluted net income per share
	(¥)	(¥)
Six months ended September 30, 2014	65.25	65.24
September 30, 2013	(24.67)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(¥ million)	(¥ million)	%
As of September 30, 2014	1,006,991	372,937	36.8
March 31, 2014	1,027,475	331,284	32.1

Note: Equity as of September 30, 2014: ¥370,986 million March 31, 2014: ¥329,519 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2014	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2015	–	0.00			
Fiscal year ending March 31, 2015 (Forecast)			–	–	–

Note: Revisions of the forecast most recently announced: No

Note: The dividend forecast for the fiscal year ending March 31, 2015 is undecided.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2015

(From April 1, 2014 to March 31, 2015)

(% indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	760,000	6.5	88,000	19.8	70,000	37.5	45,000	230.2	131.49

Note: Revisions of the forecast most recently announced: No

* Notes

- (1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): Yes

[New: —

Excluded: 1 company (Gyrus Medical Inc.)]

Note: For details, please refer to the section of “(1) Changes in Significant Subsidiaries during the Six Months under Review” of “2. Matters Regarding Summary Information (Notes)” on page 5 of the attached material to the quarterly financial results report.

- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- 1) Changes in accounting policies due to revisions to accounting standards, and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: No
- 3) Changes in accounting estimates: No
- 4) Restatement of prior period financial statements after error corrections: No

- (4) Total 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, 2014	342,671,508 shares
As of March 31, 2014	342,671,508 shares

- 2) Total number of treasury shares at the end of the period

As of September 30, 2014	432,473 shares
As of March 31, 2014	431,063 shares

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

Six months ended September 30, 2014	342,239,680 shares
Six months ended September 30, 2013	321,743,680 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly consolidated financial statements are in progress.

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

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 “Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements” on page 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof.

Attached Material

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1. Qualitative Information Regarding Settlement of Accounts for the Six Months

(1) Explanation of Results of Operations

Overall

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	333,830	355,013	21,183	6.3%
Operating income	28,503	38,426	9,923	34.8%
Ordinary income	16,953	29,669	12,716	75.0%
Net income/loss	(7,938)	22,331	30,269	–
Exchange rate (Yen/U.S. dollar)	98.85	103.04	4.19	–
Exchange rate (Yen/Euro)	130.00	138.92	8.92	–

In the global economy in the six months ended September 30, 2014, the U.S. economy was firm on the back of an improving employment situation and expanding corporate earnings. However, in Europe, while there were signs of upturns in some areas, conditions continued to be uncertain reflecting such circumstances as sovereign debt problems and deterioration in Russia's economy, and in China and other emerging countries, the tempo of economic expansion became more gradual. Although the Japanese economy retained a tone of recovery characterized by improvements in the employment situation and others from the effects of various government measures, personal consumption showed a degree of weakness reflecting a pullback in demand following a consumption tax hike implemented in April 2014.

Faced with this business environment, the Olympus Group's overall net sales increased over the six months of the fiscal year under review to ¥355,013 million (up 6.3% year on year), reflecting sales increases in the Medical Systems Business and the Scientific Solutions Business. Operating income was ¥38,426 million (up 34.8% year on year), reflecting income increases in the Medical Systems Business and the Scientific Solutions Business, and a return to profitability in other businesses from the losses they posted in the same period of the previous fiscal year. Ordinary income was ¥29,669 million (up 75.0% year on year) due mainly to the increase in operating income. Net income was ¥22,331 million (compared to a net loss of ¥7,938 million in the same period of the previous fiscal year), mainly due to a recording of income taxes of ¥5,563 million.

Regarding foreign exchange, the yen depreciated against both the U.S. dollar and the euro compared to the same period of the previous fiscal year. The average exchange rate during the period was ¥103.04 against the U.S. dollar (¥98.85 in the same period of the previous fiscal year) and ¥138.92 against the euro (¥130.00 in the same period of the previous fiscal year), which caused net sales and operating income to rise by ¥13,600 million and ¥5,300 million, respectively, year on year.

Effective from the first quarter ended June 30, 2014, the name of the reportable segment previously known as "Life Science and Industrial Systems" has been changed to "Scientific Solutions."

Medical Systems Business

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	229,813	256,768	26,955	11.7%
Operating income	49,213	54,623	5,410	11.0%

Net sales in the Medical Systems Business during the six months ended September 30, 2014 amounted to ¥256,768 million (up 11.7% year on year), while operating income amounted to ¥54,623 million (up 11.0% year on year).

In gastrointestinal endoscope field, sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which are our mainstay products, were both strong. Additionally, the endoscopic ultrasound center “EU-ME2,” which was launched in the previous fiscal year, had growth in sales. In the surgical and therapeutic devices field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, the 3D laparoscopy system and the “THUNDERBEAT” energy device continued to grow. These positive factors resulted in sales growth in the Medical Systems Business.

Operating income in the Medical Systems Business increased due to the increase in sales.

Scientific Solutions Business

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	43,995	46,690	2,695	6.1%
Operating income	547	1,252	705	128.9%

Net sales in the Scientific Solutions Business during the six months ended September 30, 2014 amounted to ¥46,690 million (up 6.1% year on year), while operating income amounted to ¥1,252 million (up 128.9% year on year).

In the life science field, sales of “FLUOVUE FVMPE-RS,” a product in our series of laser scanning microscopes for use in cutting-edge life science research, made a contribution, and in the industrial field, sales grew for products including “IPLEX RX” and “IPLEX RT,” which are industrial videoscopes that have the best imaging quality in the series, and “PipeWIZARD,” an automated inspection system for welded parts of pipelines, leading to higher sales in both fields.

Operating income in the Scientific Solutions Business increased as a result of the increase in sales and progress in cost reductions through such means as the integration of sales offices.

Imaging Systems Business

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	47,045	40,110	(6,935)	(14.7)%
Operating income/loss	(2,711)	(4,596)	(1,885)	—

Net sales in the Imaging Systems Business during the six months ended September 30, 2014 amounted to ¥40,110 million (down 14.7% year on year), while operating loss amounted to ¥4,596 million (compared with an operating loss of ¥2,711 million in the same period of the previous fiscal year).

In the digital single-lens camera field, there were positive developments such as sales growth for the OM-D series, in Europe and the U.S., particularly “OM-D E-M10.” Even so, in response to shrinkage in the compact

camera market as a whole, we limited the number of units sold in this field. Consequently, there was a decline in sales in the Imaging Systems Business overall.

Operating loss increased in this business reflecting the decrease in sales and investment carried out to develop BtoB operations.

Others

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	12,977	11,445	(1,532)	(11.8)%
Operating income/loss	(2,824)	724	3,548	-

Net sales for other businesses during the six months ended September 30, 2014 amounted to ¥11,445 million (down 11.8% year on year) and operating income was ¥724 million (compared with an operating loss of ¥2,824 million in the same period of the previous fiscal year).

In order to allocate management resources to our business domains in a more concentrated manner, we reorganized our non-core business domains and in the previous fiscal year, we withdrew from the biologics business. Although the aforementioned contributed to a decline in net sales for other businesses, we still managed to return to the black and report an operating income.

(2) Explanation of Financial Position

As of the end of the second quarter under review, total assets decreased ¥20,484 million compared to the end of the previous fiscal year to ¥1,006,991 million.

This was primarily as a result of an increase in merchandise and finished goods of ¥9,655 million, and decreases in cash and time deposits of ¥43,438 million, and notes and accounts receivable of ¥11,811 million.

Total liabilities decreased ¥62,137 million compared to the end of the previous fiscal year to ¥634,054 million due mainly to an increase in short-term borrowings of ¥7,058 million, and a decrease in long-term borrowings, less current maturities of ¥62,949 million.

Net assets increased ¥41,653 million compared to the end of the previous fiscal year to ¥372,937 million, primarily due to an increase in retained earnings mainly reflecting ¥22,331 million in net income, and an increase in accumulated other comprehensive income of ¥19,051 million arising from fluctuations in foreign exchange and stock prices.

As a result of the foregoing, equity ratio increased from 32.1% as of the end of the previous fiscal year to 36.8%.

Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2015 and their causes.

“Cash flows from operating activities” increased by ¥29,569 million. Increasing factors mainly included ¥27,935 million in income before provision for income taxes and ¥17,436 million in depreciation and amortization, as opposed to the main decreasing factor of an increase of ¥13,971 million in inventories.

“Cash flows from investing activities” decreased by ¥14,255 million. Decreasing factors mainly included ¥13,730 million in purchase of property, plant and equipment.

“Cash flows from financing activities” decreased by ¥59,670 million. Decreasing factors mainly included ¥67,051 million in repayments of long-term debt.

As a result, cash and cash equivalents at the end of the six months of the fiscal year ending March 31, 2015 was ¥208,612 million, a decrease of ¥42,732 million compared to the end of the previous fiscal year.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements

Regarding the forecast of consolidated financial results for the fiscal year ending March 31, 2015, the forecast for the full year is unchanged from the forecast announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2014, which was released on May 9, 2014.

2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Six Months under Review

Gyrus Medical Inc., a specified subsidiary of the Company, was absorbed in an absorption-type merger with Gyrus ACMI, Inc., a consolidated subsidiary of the Company, as the surviving company, carried out on April 1, 2014, in local time in the U.S. Gyrus Medical Inc. has therefore been excluded from the scope of consolidation effective from the first quarter ended June 30, 2014.

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements

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 second quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections

(Application of accounting standard for retirement benefits, etc.)

Regarding the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012), effective from the first quarter ended June 30, 2014, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits, reviewed its calculation method for projected benefit obligation and current service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the revision to the calculation method for projected benefit obligation and current service costs has been added to or deducted from retained earnings as of April 1, 2014.

As a result, as of April 1, 2014, net defined benefit liability decreased by ¥142 million, and retained earnings increased by ¥89 million.

The effect of this application on profit and loss for the six months ended September 30, 2014 is immaterial.

3. Important Event Regarding Premise of Going Concern

No items to report

4. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
ASSETS		
Current assets		
Cash and time deposits	252,121	208,683
Notes and accounts receivable	132,233	120,422
Merchandise and finished goods	51,613	61,268
Work in process	24,827	28,283
Raw materials and supplies	22,155	24,707
Other current assets	96,949	104,213
Allowance for doubtful accounts	(3,386)	(3,720)
Total current assets	576,512	543,856
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	48,257	47,211
Machinery and equipment, net	9,864	10,289
Tools, furniture and fixtures, net	52,725	55,479
Land	15,561	15,540
Lease assets, net	7,483	8,907
Construction in progress	1,550	3,037
Net property, plant and equipment	135,440	140,463
Intangible assets		
Goodwill	106,850	108,717
Others	66,709	66,454
Total intangible assets	173,559	175,171
Investments and other assets		
Investment securities	56,076	62,384
Other assets	95,851	94,906
Allowance for doubtful accounts	(9,963)	(9,789)
Total investments and other assets	141,964	147,501
Total fixed assets	450,963	463,135
Total assets	1,027,475	1,006,991

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
LIABILITIES		
Current liabilities		
Notes and accounts payable	45,409	44,327
Short-term borrowings	69,017	76,075
Income taxes payable	13,403	11,493
Provision for product warranties	8,937	9,321
Provision for loss on business liquidation	4,683	332
Provision for loss on litigation	11,000	11,000
Other current liabilities	123,857	122,022
Total current liabilities	<u>276,306</u>	<u>274,570</u>
Non-current liabilities		
Long-term bonds, less current maturities	55,000	55,000
Long-term borrowings, less current maturities	291,814	228,865
Net defined benefit liability	27,291	28,174
Other reserves	58	60
Other non-current liabilities	45,722	47,385
Total non-current liabilities	<u>419,885</u>	<u>359,484</u>
Total liabilities	<u>696,191</u>	<u>634,054</u>
NET ASSETS		
Shareholders' equity		
Common stock	124,520	124,520
Capital surplus	131,871	90,940
Retained earnings	81,534	144,886
Treasury stock, at cost	(1,098)	(1,103)
Total shareholders' equity	<u>336,827</u>	<u>359,243</u>
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	11,836	16,670
Net unrealized gains (losses) on hedging derivatives, net of taxes	(1)	(17)
Foreign currency translation adjustments	(13,411)	2,771
Remeasurements of defined benefit plans	(5,732)	(7,681)
Total accumulated other comprehensive income	<u>(7,308)</u>	<u>11,743</u>
Subscription rights to shares	115	264
Minority interests	1,650	1,687
Total net assets	<u>331,284</u>	<u>372,937</u>
Total liabilities and net assets	<u>1,027,475</u>	<u>1,006,991</u>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Net sales	333,830	355,013
Costs of sales	128,963	129,614
Gross profit	204,867	225,399
Selling, general and administrative expenses	176,364	186,973
Operating income	28,503	38,426
Non-operating income		
Interest income	493	437
Dividends income	459	984
Others	1,520	1,052
Total non-operating income	2,472	2,473
Non-operating expenses		
Interest expenses	6,428	4,629
Foreign currency exchange loss	2,204	827
Advanced repayment expenses	1,509	1,117
Others	3,881	4,657
Total non-operating expenses	14,022	11,230
Ordinary income	16,953	29,669
Extraordinary income		
Gain on sales of noncurrent assets	89	–
Gain on sales of investment securities	55	–
Gain on sales of investments in subsidiaries and affiliates	21	–
Total extraordinary income	165	–
Extraordinary losses		
Impairment loss on fixed assets	243	119
Loss on valuation of investment securities	128	346
Loss on sales of investments in subsidiaries and affiliates	187	–
Loss on liquidation of business	154	1,269
Settlement package	256	–
Penalty charges	700	–
Provision for loss on litigation	17,000	–
Total extraordinary losses	18,668	1,734
Income (loss) before provision for income taxes	(1,550)	27,935
Income taxes	5,940	5,563
Income taxes for prior periods	470	–
Income (loss) before minority interests	(7,960)	22,372
Minority interest in income (loss) of consolidated subsidiaries	(22)	41
Net income (loss)	(7,938)	22,331

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

	(Millions of yen)	
	Six months ended September 30, 2013	Six months ended September 30, 2014
Income (loss) before minority interests	(7,960)	22,372
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	5,854	4,834
Net unrealized gains (losses) on hedging derivatives, net of taxes	(12)	(16)
Foreign currency translation adjustments	20,062	16,223
Pension liability adjustment of foreign subsidiaries	(1,028)	–
Remeasurements of defined benefit plans, net of taxes	–	(1,949)
Share of other comprehensive income of associates accounted for using equity method	78	1
Total other comprehensive income	24,954	19,093
Comprehensive income	16,994	41,465
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	16,968	41,382
Comprehensive income attributable to minority interests	26	83

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from operating activities		
Income (loss) before provision for income taxes	(1,550)	27,935
Depreciation and amortization	16,877	17,436
Impairment loss on fixed assets	243	119
Amortization of goodwill	4,650	4,523
Advanced repayment expense	1,509	1,117
Settlement package	256	–
Penalty charges	700	–
Loss on liquidation of business	154	1,269
Increase (decrease) in provision for retirement benefits	784	–
Increase (decrease) in net defined benefit liabilities	–	(27)
Decrease (increase) in prepaid pension cost	(1,114)	–
Decrease (increase) in net defined benefit assets	–	(2,173)
Increase (decrease) in provision for loss on litigation	17,000	–
Interest and dividend income	(952)	(1,421)
Interest expense	6,428	4,629
Increase (decrease) in provision for loss on business liquidation	–	(3,275)
Loss (gain) on sale of investment securities in subsidiaries and affiliates	166	–
Loss (gain) on sales of investment securities	(55)	–
Loss (gain) on valuation of investment securities	128	346
Decrease (increase) in accounts receivable	11,459	13,625
Decrease (increase) in inventories	(3,434)	(13,971)
Increase (decrease) in accounts payable	(2,203)	(1,401)
Increase (decrease) in other payable	(5,257)	2,494
Increase (decrease) in accrued expense	(5,701)	(4,460)
Other	1,325	64
Sub-total	41,413	46,829
Interest and dividend received	952	1,421
Interest payments	(6,668)	(4,753)
Advanced repayment expense paid	(1,509)	(1,117)
Penalty charges paid	(700)	–
Income taxes paid	(4,075)	(12,811)
Net cash provided by operating activities	29,413	29,569

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from investing activities		
Deposits in time deposits	(2,718)	(302)
Withdrawals from time deposits	2,692	993
Purchase of property, plant and equipment	(13,223)	(13,730)
Purchases of intangible assets	(2,101)	(1,754)
Purchases of investment securities	(318)	(16)
Sales and redemption of investment securities	231	376
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	4,521	–
Other	203	178
Net cash used in investing activities	(10,713)	(14,255)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(23,549)	7,272
Proceeds from long-term debt	–	1,448
Repayments of long-term debt	(89,736)	(67,051)
Redemption of bonds	(20,000)	–
Proceeds from issuance of common stock	101,594	–
Proceeds from sales of treasury stock	11,067	–
Purchase of treasury stock	–	(5)
Other	(1,251)	(1,334)
Net cash used in financing activities	(21,875)	(59,670)
Effect of exchange rate changes on cash and cash equivalents	6,393	1,624
Net increase (decrease) in cash and cash equivalents	3,218	(42,732)
Cash and cash equivalents at beginning of period	225,782	251,344
Cash and cash equivalents at end of period	229,000	208,612

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

(Notes on Significant Changes in the Amount of Shareholders' Equity)

No items to report

(Segment Information)

[Segment Information]

I. Six months of the fiscal year ended March 31, 2014 (from April 1, 2013 to September 30, 2013)

1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment					Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Scientific Solutions	Imaging Systems	Others	Total		
Sales							
Sales to outside customers	229,813	43,995	47,045	12,977	333,830	—	333,830
Internal sales or transfer among segments	84	10	4	135	233	(233)	—
Total	229,897	44,005	47,049	13,112	334,063	(233)	333,830
Segment income (loss)	49,213	547	(2,711)	(2,824)	44,225	(15,722)	28,503

Notes:

1. The deduction of ¥15,722 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥15,722 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the Corporate Center (management departments such as the Administrative Department) and Research & Development Center of the parent company.
2. Segment income (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.

2. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report

II. Six months of the fiscal year ending March 31, 2015 (from April 1, 2014 to September 30, 2014)

1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment					Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Scientific Solutions	Imaging Systems	Others	Total		
Sales							
Sales to outside customers	256,768	46,690	40,110	11,445	355,013	—	355,013
Internal sales or transfer among segments	44	29	7	290	370	(370)	—
Total	256,812	46,719	40,117	11,735	355,383	(370)	355,013
Segment income (loss)	54,623	1,252	(4,596)	724	52,003	(13,577)	38,426

Notes:

- The deduction of ¥13,577 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥13,577 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the Corporate Center (management departments such as the Administrative Department) and Research & Development Center of the parent company.
- Segment income (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.
- Effective from the first quarter ended June 30, 2014, the name of the reportable segment previously known as “Life Science and Industrial Systems” has been changed to “Scientific Solutions.” The segment name change has no impact on segment information.
In the segment information for the six months of the fiscal year ended March 31, 2014, the name of the reportable segment after the change is used.

2. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report