

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 “Summary of
Non-Consolidated Financial Statements for the Interim Period Ended September 30, 2006”

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 “Summary of Non-Consolidated Financial Statements for the Interim Period Ended September 30, 2006” dated November 7, 2006, 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)

Summary of Non-Consolidated Financial Statements for the Interim Period Ended September 30, 2006



November 7, 2006

Company Name: Olympus Corporation
Code Number: 7733
(URL: <http://www.olympus.co.jp/>)
Stock Exchange Listing: Tokyo Stock Exchange, Osaka Securities Exchange
Prefecture where Head Office is located: Tokyo
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Hironobu Kawamata, General Manager, Accounting Division
Phone: 03-3340-2111

Date of Board of Directors meeting for approval of interim financial results: November 7, 2006
Date to commence dividend payments: December 8, 2006
Adoption of share unit system: Yes (1 unit = 1,000 shares)

1. Non-Consolidated Financial Results for the Interim Period Ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

(1) Non-Consolidated Results of Operations (All amounts have been rounded down to the nearest million yen)

	Net sales		Operating loss		Ordinary income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%
Interim period ended September 30, 2006	50,366	13.4	(1,292)	-	8,028	89.5
September 30, 2005	44,415	-	(3,780)	-	4,237	-
Fiscal year ended March 31, 2006	93,284		(5,255)		6,294	

	Net income		Net income per share
	(¥ million)	%	(¥)
Interim period ended September 30, 2006	7,066	44.3	26.13
September 30, 2005	4,896	-	18.41
Fiscal year ended March 31, 2006	2,414		8.63

- Notes: 1. Average number of shares during the period:
Interim period ended September 30, 2006: 270,404,809 shares Interim period ended September 30, 2005: 265,954,526 shares
Fiscal year ended March 31, 2006: 268,199,835 shares
2. Changes in accounting procedures: No
3. For net sales, operating loss, ordinary income, and net income, % indicates changes from the previous interim period.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	%	(¥)
As of September 30, 2006	390,462	118,581	30.4	438.57
September 30, 2005	359,726	115,654	32.2	427.59
As of March 31, 2006	393,928	115,972	29.4	428.85

- Notes: 1. Total number of issued shares at the end of the period:
As of September 30, 2006: 270,382,277 shares As of September 30, 2005: 270,478,013 shares
As of March 31, 2006: 270,427,074 shares
2. Total number of treasury shares at the end of the period:
As of September 30, 2006: 901,331 shares As of September 30, 2005: 805,595 shares
As of March 31, 2006: 856,534 shares

**2. Forecast of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2007
(From April 1, 2006 to March 31, 2007)**

	Net sales	Ordinary income	Net income
	(¥ million)	(¥ million)	(¥ million)
Full year	105,000	3,000	8,000

(Reference) Forecasted net income per share (full year): ¥29.59 (based on the forecasted average number of shares during the period)

3. Dividends

- Cash dividends

	Cash dividends per share (¥)		
	Interim	Year-end	Annual
Fiscal year ended March 31, 2006	7.50	14.50	22.00
Fiscal year ending March 31, 2007 (actual results)	11.00	-	22.00
Fiscal year ending March 31, 2007 (forecast)	-	11.00	

* The above projected performance figures include expectations based on the presumption, forecast, and plan over the future, as of the date this material was released. The actual performance may differ significantly from the forecast values due to risks or uncertain factors of the world economy, competitive situation, exchange rate fluctuations, etc.

10. Interim Non-Consolidated Financial Statements**(1) Interim Non-Consolidated Balance Sheets**

(Millions of yen)

Fiscal Term Account Item	Previous interim period (as of September 30, 2005)		Current interim period (as of September 30, 2006)		Previous fiscal year (as of March 31, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Current Assets	<u>116,040</u>	<u>32.3</u>	<u>123,030</u>	<u>31.5</u>	<u>131,941</u>	<u>33.5</u>
Cash and time deposits	<u>65,431</u>		<u>73,012</u>		<u>82,447</u>	
Notes receivable	1,301		403		1,366	
Accounts receivable	16,963		20,593		19,091	
Inventories	9,033		9,595		9,477	
Corporate tax receivable	–		–		2,026	
Deferred income taxes	5,573		6,304		7,329	
Others	17,768		13,151		10,220	
Allowance for doubtful accounts	(31)		(30)		(19)	
Fixed Assets	<u>243,685</u>	<u>67.7</u>	<u>267,431</u>	<u>68.5</u>	<u>261,986</u>	<u>66.5</u>
Property, plant and equipment	30,032	<u>8.3</u>	29,640	<u>7.6</u>	30,017	<u>7.6</u>
Buildings	11,396		10,273		10,693	
Machinery and equipment	3,627		3,489		3,761	
Land	9,220		9,223		9,223	
Others	5,787		6,653		6,338	
Intangible fixed assets	8,146	<u>2.3</u>	11,309	<u>2.9</u>	10,097	<u>2.6</u>
Investments and other assets	<u>205,507</u>	<u>57.1</u>	<u>226,481</u>	<u>58.0</u>	<u>221,871</u>	<u>56.3</u>
Investment securities	<u>49,486</u>		<u>65,818</u>		<u>62,708</u>	
Stocks of subsidiaries and affiliates	116,119		<u>130,058</u>		128,217	
Investments in capital of subsidiaries and affiliates	15,305		14,987		15,409	
Long-term loan receivable	1,303		1,755		2,144	
Prepaid pension cost	2,332		2,447		1,742	
Deferred income taxes	<u>1,183</u>		–		–	
<u>Investments in affiliates</u>	<u>16,822</u>		<u>7,969</u>		<u>8,824</u>	
Others	2,955		3,447		2,827	
Allowance for doubtful accounts	(2)		(3)		(3)	
Total Assets	<u>359,726</u>	<u>100</u>	<u>390,462</u>	<u>100</u>	<u>393,928</u>	<u>100</u>

(Millions of yen)

Fiscal Term Account Item	Previous interim period (as of September 30, 2005)		Current interim period (as of September 30, 2006)		Previous fiscal year (as of March 31, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
Current Liabilities	82,487	<u>22.9</u>	107,388	<u>27.5</u>	121,587	<u>30.9</u>
Notes payable	534		729		570	
Accounts payable	10,824		7,912		10,641	
Short-term borrowings	1,305		1,305		1,305	
Current maturities of bonds	15,000		10,000		25,000	
Accounts payable—other	14,066		5,599		6,800	
Accrued expenses	11,552		13,846		13,852	
Income taxes payable	—		3,495		366	
Warranty reserve	68		72		65	
Deposits received	28,842		64,245		62,733	
Others	294		183		253	
Long-term Liabilities	161,584	<u>44.9</u>	164,492	<u>42.1</u>	156,368	<u>39.7</u>
Long-term bonds, less current maturities	105,000		105,000		95,000	
Long-term borrowings, less current maturities	55,000		55,000		55,000	
Long-term deposits received, less current maturities	695		706		700	
Deferred tax liabilities	—		<u>3,191</u>		<u>4,435</u>	
Severance and retirement allowance for directors and corporate auditors	467		—		638	
Reserve for loss on liabilities for guarantee	422		594		594	
Total Liabilities	244,072	<u>67.8</u>	271,880	<u>69.6</u>	277,955	<u>70.6</u>
Common stock	48,331	<u>13.4</u>	—	—	48,331	<u>12.3</u>
Capital surplus	73,049	<u>20.3</u>	—	—	73,049	<u>18.5</u>
Capital reserve	73,027		—	—	73,027	
Other capital surplus	22		—	—	22	
Disposal of treasury stock	22		—	—	22	
Retained earnings	<u>(11,714)</u>	<u>(3.2)</u>	—	—	<u>(16,224)</u>	<u>(4.1)</u>
Legal reserve	6,626		—	—	6,626	
Voluntary reserve	91,287		—	—	91,287	
<u>Undisposed loss</u>	<u>(109,627)</u>		—	—	<u>(114,138)</u>	
Net unrealized holding gain on securities	<u>7,720</u>	<u>2.2</u>	—	—	<u>12,700</u>	<u>3.2</u>
Treasury stock, at cost	(1,733)	<u>(0.5)</u>	—	—	(1,884)	<u>(0.5)</u>
Total Shareholders' Equity	<u>115,654</u>	<u>32.2</u>	—	—	<u>115,972</u>	<u>29.4</u>
Total Liabilities and Shareholders' Equity	<u>359,726</u>	100	—	—	<u>393,928</u>	100

(Millions of yen)

Fiscal Term Account Item	Previous interim period (as of September 30, 2005)		Current interim period (as of September 30, 2006)		Previous fiscal year (as of March 31, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
Net Assets	-	-	<u>106,170</u>	<u>27.2</u>	-	-
Common stock	-	-	48,331	<u>12.4</u>	-	-
Capital surplus	-	-	73,049	<u>18.7</u>	-	-
Capital reserve	-		73,027		-	
Other capital surplus	-		22		-	
Retained earnings	-	-	<u>(13,179)</u>	<u>(3.4)</u>	-	-
Legal reserve	-		6,626		-	
Other retained earnings	-		<u>(19,805)</u>		-	
Reserve for product development	-		4,000		-	
Reserve for special depreciation	-		1,373		-	
Reserve for advanced depreciation	-		2,344		-	
General reserve	-		79,068		-	
Retained earnings carried forward	-		<u>(106,592)</u>		-	
Treasury stock, at cost	-	-	(2,031)	<u>(0.5)</u>	-	-
Valuation and translation adjustments	-	-	<u>12,411</u>	<u>3.2</u>	-	-
Net unrealized holding gains on securities	-	-	<u>12,454</u>		-	-
Deferred losses on hedges	-	-	(42)		-	-
Total net assets	-	-	<u>118,581</u>	<u>30.4</u>	-	-
Total Liabilities and Net Assets	-	-	<u>390,462</u>	100	-	-

(2) Interim Non-Consolidated Statements of Income

(Millions of yen)

Fiscal Term Account Item	Previous interim period (April 1, 2005 – September 30, 2005)		Current interim period (April 1, 2006 – September 30, 2006)		Previous fiscal year (April 1, 2005 – March 31, 2006)	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
		%		%		%
Net sales	44,415	100	50,366	100	93,284	100
Cost of sales	23,324	52.5	26,737	53.1	48,190	51.7
Gross profit	21,090	47.5	23,629	46.9	45,093	48.3
Selling, general and administrative expenses	24,871	56.0	24,921	49.5	50,348	53.9
Operating loss	(3,780)	(8.5)	(1,292)	(2.6)	(5,255)	(5.6)
Non-operating income	9,990	22.5	11,351	22.5	15,451	16.6
Interest and dividends income	8,879		10,805		14,368	
Others	1,110		546		1,082	
Non-operating expenses	<u>1,971</u>	<u>4.4</u>	<u>2,030</u>	<u>4.0</u>	<u>3,900</u>	<u>4.2</u>
Interest expenses	1,179		1,108		2,464	
Others	<u>792</u>		<u>922</u>		<u>1,436</u>	
Ordinary income	<u>4,237</u>	<u>9.5</u>	<u>8,028</u>	<u>15.9</u>	<u>6,294</u>	<u>6.8</u>
Extraordinary gains	<u>979</u>	<u>2.2</u>	=	=	=	=
Gain on valuation of investments in affiliates	<u>979</u>		=		=	
Extraordinary losses	<u>1,437</u>	<u>3.2</u>	<u>1,182</u>	<u>2.3</u>	<u>4,328</u>	<u>4.7</u>
Loss on revaluation of investments in securities	<u>478</u>		134		<u>977</u>	
Provision of allowance for investment loss	–		–		1,262	
Loss on sales of beneficial interest in trust	958		–		958	
Provision of reserve for loss on liabilities for guarantee	–		–		172	
Loss on valuation of stocks of subsidiaries and affiliates	=		<u>262</u>		=	
Loss on valuation of investments in affiliates	=		<u>785</u>		<u>958</u>	
Income before provision for income taxes	<u>3,779</u>	<u>8.5</u>	<u>6,846</u>	<u>13.6</u>	<u>1,965</u>	<u>2.1</u>
Provision for income taxes						
Current	47	0.1	(933)	(1.9)	270	0.3
Prior periods	–		733	1.5	–	
Deferred	(1,163)	(2.6)	(20)	(0.0)	(718)	(0.8)
Net income	<u>4,896</u>	<u>11.0</u>	<u>7,066</u>	<u>14.0</u>	<u>2,414</u>	<u>2.6</u>
Deficit brought forward from the previous fiscal year	<u>(114,524)</u>		–		<u>(114,524)</u>	
Interim dividends	–		–		2,028	
Undisposed loss	<u>(109,627)</u>		–		<u>(114,138)</u>	

(3) Interim Non-Consolidated Statement of Changes in Shareholders' Equity

Current interim period (April 1, 2006 - September 30, 2006)

(Millions of yen)

Item	Shareholders' Equity						
	Common stock	Capital Surplus		Retained Earnings		Treasury stock, at cost	Total shareholders' equity
		Capital reserve	Other capital surplus	Legal reserve	Other retained earnings (Note 1)		
Balance as of March 31, 2006	48,331	73,027	22	6,626	<u>(22,850)</u>	(1,884)	<u>103,271</u>
Dividends from surplus (Note 2)					(3,921)		(3,921)
Bonus to directors (Note 2)					(100)		(100)
Net income					<u>7,066</u>		<u>7,066</u>
Acquisition of treasury stock						(147)	(147)
Total change during the interim period	-	-	-	-	<u>3,045</u>	(147)	<u>2,898</u>
Balance as of September 30, 2006	48,331	73,027	22	6,626	<u>(19,805)</u>	(2,031)	<u>106,170</u>

(Millions of yen)

Item	Valuation and translation adjustments			Total net assets
	Net unrealized holding gains on securities	Deferred losses on hedges	Total valuation and translation adjustments	
Balance as of March 31, 2006	<u>12,700</u>	-	<u>12,700</u>	<u>115,972</u>
Dividends from surplus (Note 2)				(3,921)
Bonus to directors (Note 2)				(100)
Net income				<u>7,066</u>
Acquisition of treasury stock				(147)
Net changes of items other than shareholders' equity during the interim period	<u>(246)</u>	(42)	<u>(289)</u>	<u>(289)</u>
Total change during the interim period	<u>(246)</u>	(42)	<u>(289)</u>	<u>2,609</u>
Balance as of September 30, 2006	<u>12,454</u>	(42)	<u>12,411</u>	<u>118,581</u>

Note 1: Breakdown of other retained earnings

Item	Reserve for interim dividends	Reserve for product development	Reserve for special depreciation	Reserve for advanced depreciation	Other reserves	Retained earnings carried forward	Total
Balance as of March 31, 2006	4,700	4,000	1,037	2,481	79,068	<u>(114,138)</u>	<u>(22,850)</u>
Dividends from surplus (Note 2)						(3,921)	(3,921)
Bonus to directors (Note 2)						(100)	(100)
Net income						<u>7,066</u>	<u>7,066</u>
Transfers between sub-items of other retained earnings	(4,700)	–	336	(137)	–	4,500	–
Total change during the interim period	(4,700)	–	336	(137)	–	<u>7,546</u>	<u>3,045</u>
Balance as of September 30, 2006	–	4,000	1,373	2,344	79,068	<u>(106,592)</u>	<u>(19,805)</u>

Note 2: These are retained earnings appropriation items at the general shareholders' meeting in June, 2006.

As dividends were already paid in accordance with the procedures based on the resolution by the general shareholders' meeting and the Board of Directors, the amount of retained earnings carried forward was determined after subtracting the dividends.

Basis of Presenting the Interim Non-Consolidated Financial Statements

1. Asset valuation principles and methods

- | | |
|--|---|
| (1) Securities | |
| (a) Held-to-maturity securities | Amortized cost method |
| (b) Stock of subsidiaries and affiliates | Cost method based on the moving-average method |
| (c) Other securities | |
| Items with market value | Market value method based on fair market value on the interim account settlement date (the net unrealized gains and losses on these securities are reported as a separate component of net assets and the cost of sales is calculated by the moving-average method) |
| Items without market value | Cost method based on the moving-average method
Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Securities and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement. |
| (2) Claims and liabilities from derivatives transactions | |
| | Market value method |
| (3) Inventories | |
| (a) Finished goods and work in process | Lower of cost (first-in first-out) or market method |
| (b) Materials | Cost (first-in first-out) method |

2. Depreciation and amortization method for fixed assets

- | | |
|---|---|
| (1) Property, plant and equipment | Declining balance method |
| (a) Conveyance equipment, tools, furniture and fixtures | Based on useful lives as per the Corporate Tax Law |
| (b) Other property, plant and equipment | Based on useful lives prescribed by the Company determined in accordance with estimated functional useful years |
| (2) Intangible fixed assets | Straight-line method |
| | Based on useful lives as per the Corporate Tax Law
Software for internal use is reported using the usable period within the Company (3 years). |

3. Treatment method for deferred assets

- | | |
|-----------------------|--|
| Bond issuance expense | Total expense recorded at the time of occurrence |
|-----------------------|--|

4. Accounting principles for allowances and reserves

(1) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivables-trade and loans, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(2) Warranty reserve

Due to the accounting of after service cost expected within the guarantee period with respect to products sold, the reserve for product guarantees is accounted using prescribed standards based on actually incurred past after service cost.

(3) Severance and retirement allowance

To provide for severance and retirement benefit payments to employees, the cost recognized as occurring at the end of the current interim period based on the estimated amounts of severance and retirement liabilities and pension assets as of the end of the current fiscal year.

Pertaining to past service liabilities, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.

Pertaining to the actuarial difference, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such actuarial difference is accounted as an expense starting from the following fiscal year.

(4) Reserve for loss on liabilities for guarantee

To provide for losses on liabilities for guarantee to affiliates, the amount of loss expected to be borne is accounted considering the financial conditions of the guaranteed party.

(5) Allowance for investment loss

To provide for losses on investments in affiliates, the amount necessary is accounted taking into consideration the amount of decrease in the real value of the company concerned and the estimated future recovery, etc.

5. Treatment method for lease transactions

Financing lease transactions that do not transfer titles to lessees are treated in the same manner as operating lease transactions.

6. Hedge accounting methods

(1) Hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated accounts receivable under foreign exchange forward contracts is accounted by translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, requirements for special treatment are satisfied, therefore a special treatment is used.

(2) Hedging instruments and hedged items

Hedging instruments	Foreign exchange forward contracts, currency option contracts, interest rate swap contracts
Hedged items	Forecasted transactions for foreign currency-denominated accounts receivable, borrowings

(3) Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

(4) Hedging effect evaluation method

The effect is evaluated by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

7. Other important items that form the basis of presenting the interim non-consolidated financial statements

(1) Treatment of income taxes

The amounts of income taxes payments and deferred income taxes for the current interim period have been calculated on the assumption that the provisions and reversals of reserve for advanced depreciation and reserve for special depreciation are expected to be recorded in the current fiscal year.

(2) Treatment of consumption taxes

Treated using a tax exclusive method.

(3) Application of a consolidated tax payment system

A consolidated tax payment system is adopted from the current interim period.

Changes in the Basis of Presenting the Interim Non-Consolidated Financial Statements

1. Accounting standard for bonuses to directors

Effective from the current interim period, the “Accounting Standard for Directors’ Bonus” (Financial Accounting Standard No. 4, issued by the Accounting Standards Board of Japan on November 29, 2005) has been adopted.

However, as it is difficult to rationally estimate the amounts of bonuses to directors during the current interim period, Paragraph 14 of the above accounting standard has been adopted, and accordingly, these expenses have not been accounted for.

2. Accounting standard for net assets on balance sheet

Effective from the current interim period, the Company has adopted the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standard No. 5, issued by the Accounting Standards Board of Japan on December 9, 2005) and the “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard Implementation Guidance No. 8, issued by the Accounting Standards Board of Japan on December 9, 2005).

The amount corresponding to the former “Shareholders’ equity” was ¥118,624 million. The effect on the total of the “Net assets” section on the interim non-consolidated balance sheet is minimal.

Pursuant to the revision to the Ordinance on Semi-annual Financial Statements, the “Net assets” section on the interim non-consolidated balance sheets for the current interim period was prepared in compliance with the revised Ordinance on Semi-annual Financial Statements.

Additional Information

Future conditions

Following the Company’s announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) have begun. The interim non-consolidated financial statements may be amended if any further important information comes to light in such investigations on or after the day following the filing date of the amendment report for the

Semiannual Securities Report. Furthermore, as a result of inappropriate financial reporting by the Company, parties such as holders of its American Depositary Receipts (ADRs) have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company for a similar reason.

Investments in affiliates

As the Company incurred large losses from securities investments, derivative transactions, etc. from the 1990's, with the intention of postponing the recognition of the losses, the Company segregated the hidden losses to a number of non-consolidated receiver funds that were to serve as assignee of financial assets, derivative transactions, etc. (collectively, the "Receiver Funds") beginning with the fiscal year ended March 2000. Investments in the Receiver Funds are presented in bulk as "Investments in affiliates" in the interim non-consolidated balance sheets. This is because the operating assets of the Receiver Funds are, unlike usual investments by the Company, managed in an integrated manner in a series of transactional schemes to segregate and settle the losses. As stated in the section of reason for filing in the amendment report for the Semiannual Securities Report, some board members were aware of the circumstances surrounding the past transactions to segregate and settle the hidden losses. However, as a result of the matters pointed out in the Investigation Report by the Third Party Committee and the Company's internal investigation, it has come to light that the legal form and main platform of asset management of each Receiver Fund, and information on the details of operating assets, appraised value, etc. of each Receiver Fund during the period from the loss segregation to the liquidation of each Receiver Fund, were not fully maintained at the Company. Therefore, the Company prepared the amendment report by obtaining accounting information from outside persons related with the loss segregation and settlement scheme.

Notes**Interim Non-Consolidated Balance Sheets**

	(Millions of yen)		
	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
1. Accumulated depreciation for property, plant and equipment	52,328	53,211	52,105
2. Discounted bills of exchange for export	5,977	7,790	6,436
3. Liabilities for guarantees	79,312	76,402	71,945
(including quasi-guarantees)	78,441	75,423	70,964

4. Notes at maturity on the final day of the interim period

Regarding the accounting treatment of notes at maturity on the final day of the interim period, although the final day of the current interim period was a holiday for financial institutions, the notes were treated as though settlement occurred on the day of maturity.

The amounts of notes at maturity on the final day of the interim period are as follows:

Notes receivable	¥56 million
Notes payable	¥43 million

5. The ¥1,840 million allowance for investment loss for the current interim period and the previous fiscal year appears as a deduction from the stocks of subsidiaries and affiliates.**6. Investments in affiliates**Previous interim period

Investments in Receiver Funds are regarded as equity investments in substance and are thus presented in bulk as “Investments in affiliates.”

¥16,822 million of investments in affiliates is the amount invested in Receiver Funds in substance after deducting ¥117,313 million of expected loss. These assets include a deposit of ¥35,000 million pledged as collateral at LGT Bank in Liechtenstein Ltd for ¥30,000 million of long-term borrowings from the same bank held by Central Forest Corporation.

Current interim period

Investments in Receiver Funds are regarded as equity investments in substance and are thus presented in bulk as “Investments in affiliates.”

¥7,969 million of investments in affiliates is the amount invested in Receiver Funds in substance after deducting ¥108,568 million of expected loss. These assets include a deposit of ¥35,000 million pledged as collateral at LGT Bank in Liechtenstein Ltd for ¥30,000 million of long-term borrowings from the same bank held by Central Forest Corporation.

Previous fiscal year

Investments in Receiver Funds are regarded as equity investments in substance and are thus presented in bulk as “Investments in affiliates.”

¥8,824 million of investments in affiliates is the amount invested in Receiver Funds in substance after deducting ¥107,103 million of expected loss. These assets include a deposit of ¥35,000 million pledged as collateral at LGT Bank in Liechtenstein Ltd for ¥30,000 million of long-term borrowings from the same bank held by Central Forest Corporation.

Interim Non-Consolidated Statements on Income

	(Millions of yen)		
	Previous interim period	Current interim period	Previous fiscal year
1. Research and development expenses included in general and administrative expenses and production cost	8,270	9,387	17,900

2. Gain on valuation of investments in affiliatesPrevious interim period

Gain on valuation of investments in affiliates is due to management of investment fund assets.

3. Loss on valuation of investments in affiliatesCurrent interim period

Loss on valuation of investments in affiliates is the amount by which investment fund assets decreased due to interest expenses and commission fees paid.

Previous fiscal year

Loss on valuation of investments in affiliates is the amount by which investment fund assets decreased due to interest expenses and commission fees paid.

Interim Non-Consolidated Statement of Changes in Shareholders' Equity

Matters regarding treasury stock

Class of shares	End of the previous fiscal year	Increase	Decrease	(Shares)
				End of the current interim period
Common stock	856,534	44,797	-	901,331

Reason for Change

The increase in treasury stock during the current interim period is due to the purchase of shares not constituting a full unit.

Lease Transactions

Description is omitted as the disclosure of this matter is made through EDINET.

Securities

Stocks of subsidiaries and affiliates with market value

(Millions of yen)

	Previous interim period (as of September 30, 2005)			Current interim period (as of September 30, 2006)			Previous fiscal year (as of March 31, 2006)		
	Interim non- consolidated balance sheet amount	Market value	Difference	Interim non- consolidated balance sheet amount	Market value	Difference	Non- consolidated balance sheet amount	Market value	Difference
Stocks of subsidiaries	33,915	73,904	39,989	39,076	45,763	6,687	39,076	70,280	31,203

(Before Correction)

Summary of Non-Consolidated Financial Statements for the Interim Period Ended September 30, 2006



November 7, 2006

Company Name: Olympus Corporation
Code Number: 7733
(URL: <http://www.olympus.co.jp/>)
Stock Exchange Listing: Tokyo Stock Exchange, Osaka Securities Exchange
Prefecture where Head Office is located: Tokyo
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Hironobu Kawamata, General Manager, Accounting Division
Phone: 03-3340-2111

Date of Board of Directors meeting for approval of interim financial results: November 7, 2006
Date to commence dividend payments: December 8, 2006
Adoption of share unit system: Yes (1 unit = 1,000 shares)

1. Non-Consolidated Financial Results for the Interim Period Ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

(1) Non-Consolidated Results of Operations (All amounts have been rounded down to the nearest million yen)

	Net sales		Operating loss		Ordinary income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%
Interim period ended						
September 30, 2006	50,366	13.4	(1,292)	-	<u>7,863</u>	<u>88.5</u>
September 30, 2005	44,415	<u>(78.9)</u>	(3,780)	-	<u>4,171</u>	<u>16.1</u>
Fiscal year ended						
March 31, 2006	93,284		(5,255)		<u>5,642</u>	

	Net income		Net income per share
	(¥ million)	%	(¥)
Interim period ended			
September 30, 2006	<u>7,949</u>	<u>96.2</u>	<u>29.40</u>
September 30, 2005	<u>4,051</u>	<u>7.7</u>	<u>15.23</u>
Fiscal year ended			
March 31, 2006	<u>2,920</u>		<u>10.52</u>

Notes: 1. Average number of shares during the period:

Interim period ended September 30, 2006: 270,404,809 shares Interim period ended September 30, 2005: 265,954,526 shares
Fiscal year ended March 31, 2006: 268,199,835 shares

2. Changes in accounting procedures: No

3. For net sales, operating loss, ordinary income, and net income, % indicates changes from the previous interim period.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	%	(¥)
As of				
September 30, 2006	<u>510,320</u>	<u>238,213</u>	<u>46.7</u>	<u>881.03</u>
September 30, 2005	<u>477,059</u>	<u>232,986</u>	<u>48.8</u>	<u>861.39</u>
As of				
March 31, 2006	<u>512,057</u>	<u>234,220</u>	<u>45.7</u>	<u>865.74</u>

Notes: 1. Total number of issued shares at the end of the period:

As of September 30, 2006: 270,382,277 shares As of September 30, 2005: 270,478,013 shares
As of March 31, 2006: 270,427,074 shares

2. Total number of treasury shares at the end of the period:

As of September 30, 2006: 901,331 shares As of September 30, 2005: 805,595 shares
As of March 31, 2006: 856,534 shares

**2. Forecast of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2007
(From April 1, 2006 to March 31, 2007)**

	Net sales	Ordinary income	Net income
	(¥ million)	(¥ million)	(¥ million)
Full year	105,000	3,000	8,000

(Reference) Forecasted net income per share (full year): ¥29.59 (based on the forecasted average number of shares during the period)

3. Dividends

- Cash dividends

	Cash dividends per share (¥)		
	Interim	Year-end	Annual
Fiscal year ended March 31, 2006	7.50	14.50	22.00
Fiscal year ending March 31, 2007 (actual results)	11.00	-	22.00
Fiscal year ending March 31, 2007 (forecast)	-	11.00	

* The above projected performance figures include expectations based on the presumption, forecast, and plan over the future, as of the date this material was released. The actual performance may differ significantly from the forecast values due to risks or uncertain factors of the world economy, competitive situation, exchange rate fluctuations, etc.

10. Interim Non-Consolidated Financial Statements**(1) Interim Non-Consolidated Balance Sheets**

(Millions of yen)

Fiscal Term Account Item	Previous interim period (as of September 30, 2005)		Current interim period (as of September 30, 2006)		Previous fiscal year (as of March 31, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Current Assets	<u>151,040</u>	<u>31.7</u>	<u>158,030</u>	<u>31.0</u>	<u>166,941</u>	<u>32.6</u>
Cash and time deposits	<u>100,431</u>		<u>108,012</u>		<u>117,447</u>	
Notes receivable	1,301		403		1,366	
Accounts receivable	16,963		20,593		19,091	
Inventories	9,033		9,595		9,477	
Corporate tax receivable	–		–		2,026	
Deferred income taxes	5,573		6,304		7,329	
Others	17,768		13,151		10,220	
Allowance for doubtful accounts	(31)		(30)		(19)	
Fixed Assets	<u>326,018</u>	<u>68.3</u>	<u>352,289</u>	<u>69.0</u>	<u>345,115</u>	<u>67.4</u>
Property, plant and equipment	30,032	<u>6.3</u>	29,640	<u>5.8</u>	30,017	<u>5.9</u>
Buildings	11,396		10,273		10,693	
Machinery and equipment	3,627		3,489		3,761	
Land	9,220		9,223		9,223	
Others	5,787		6,653		6,338	
Intangible fixed assets	8,146	<u>1.7</u>	11,309	<u>2.2</u>	10,097	<u>2.0</u>
Investments and other assets	<u>287,840</u>	<u>60.3</u>	<u>311,339</u>	<u>61.0</u>	<u>305,000</u>	<u>59.5</u>
Investment securities	<u>148,822</u>		<u>141,620</u>		<u>137,665</u>	
Stocks of subsidiaries and affiliates	116,119		<u>130,320</u>		128,217	
<u>Other investment securities of subsidiaries and affiliates</u>	=		<u>16,762</u>		<u>16,997</u>	
Investments in capital of subsidiaries and affiliates	15,305		14,987		15,409	
Long-term loan receivable	1,303		1,755		2,144	
Prepaid pension cost	2,332		2,447		1,742	
Deferred income taxes	<u>1,002</u>		–		–	
Others	2,955		3,447		2,827	
Allowance for doubtful accounts	(2)		(3)		(3)	
Total Assets	<u>477,059</u>	<u>100</u>	<u>510,320</u>	<u>100</u>	<u>512,057</u>	<u>100</u>

(Millions of yen)

Fiscal Term Account Item	Previous interim period (as of September 30, 2005)		Current interim period (as of September 30, 2006)		Previous fiscal year (as of March 31, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Current Liabilities	82,487	17.3	107,388	21.0	121,587	23.8
Notes payable	534		729		570	
Accounts payable	10,824		7,912		10,641	
Short-term borrowings	1,305		1,305		1,305	
Current maturities of bonds	15,000		10,000		25,000	
Accounts payable—other	14,066		5,599		6,800	
Accrued expenses	11,552		13,846		13,852	
Income taxes payable	—		3,495		366	
Warranty reserve	68		72		65	
Deposits received	28,842		64,245		62,733	
Others	294		183		253	
Long-term Liabilities	161,584	33.9	164,717	32.3	156,249	30.5
Long-term bonds, less current maturities	105,000		105,000		95,000	
Long-term borrowings, less current maturities	55,000		55,000		55,000	
Long-term deposits received, less current maturities	695		706		700	
Deferred tax liabilities	—		<u>3,417</u>		<u>4,316</u>	
Severance and retirement allowance for directors and corporate auditors	467		—		638	
Reserve for loss on liabilities for guarantee	422		594		594	
Total Liabilities	244,072	51.2	272,106	53.3	277,837	54.3
Common stock	48,331	10.1	—	—	48,331	9.4
Capital surplus	73,049	15.3	—	—	73,049	14.3
Capital reserve	73,027		—	—	73,027	
Other capital surplus	22		—	—	22	
Disposal of treasury stock	22		—	—	22	
Retained earnings	105,355	22.1	—	—	102,195	20.0
Legal reserve	6,626		—	—	6,626	
Voluntary reserve	91,287		—	—	91,287	
<u>Unappropriated retained earnings</u>	<u>7,441</u>		—	—	<u>4,281</u>	
Net unrealized holding gain on securities	7,984	1.7	—	—	12,528	2.4
Treasury stock, at cost	(1,733)	(0.4)	—	—	(1,884)	(0.4)
Total Shareholders' Equity	232,986	48.8	—	—	234,220	45.7
Total Liabilities and Shareholders' Equity	477,059	100	—	—	512,057	100

(Millions of yen)

Fiscal Term Account Item	Previous interim period (as of September 30, 2005)		Current interim period (as of September 30, 2006)		Previous fiscal year (as of March 31, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
Net Assets	-	-	<u>225,473</u>	<u>44.2</u>	-	-
Common stock	-	-	48,331	<u>9.5</u>	-	-
Capital surplus	-	-	73,049	<u>14.3</u>	-	-
Capital reserve	-		73,027		-	
Other capital surplus	-		22		-	
Retained earnings	-	-	<u>106,124</u>	<u>20.8</u>	-	-
Legal reserve	-		6,626		-	
Other retained earnings	-		<u>99,498</u>		-	
Reserve for product development	-		4,000		-	
Reserve for special depreciation	-		1,373		-	
Reserve for advanced depreciation	-		2,344		-	
General reserve	-		79,068		-	
Retained earnings carried forward	-		<u>12,711</u>		-	
Treasury stock, at cost	-	-	(2,031)	<u>(0.4)</u>	-	-
Valuation and translation adjustments	-	-	<u>12,740</u>	<u>2.5</u>	-	-
Net unrealized holding gains on securities	-	-	<u>12,783</u>		-	-
Deferred losses on hedges	-	-	(42)		-	-
Total net assets	-	-	<u>238,213</u>	<u>46.7</u>	-	-
Total Liabilities and Net Assets	-	-	<u>510,320</u>	<u>100</u>	-	-

(2) Interim Non-Consolidated Statements of Income

(Millions of yen)

Fiscal Term Account Item	Previous interim period (April 1, 2005 – September 30, 2005)		Current interim period (April 1, 2006 – September 30, 2006)		Previous fiscal year (April 1, 2005 – March 31, 2006)	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
		%		%		%
Net sales	44,415	100	50,366	100	93,284	100
Cost of sales	23,324	52.5	26,737	53.1	48,190	51.7
Gross profit	21,090	47.5	23,629	46.9	45,093	48.3
Selling, general and administrative expenses	24,871	56.0	24,921	49.5	50,348	53.9
Operating loss	(3,780)	(8.5)	(1,292)	(2.6)	(5,255)	(5.6)
Non-operating income	9,990	22.5	11,351	22.5	15,451	16.6
Interest and dividends income	8,879		10,805		14,368	
Others	1,110		546		1,082	
Non-operating expenses	<u>2,037</u>	<u>4.6</u>	<u>2,195</u>	<u>4.3</u>	<u>4,552</u>	<u>5.0</u>
Interest expenses	1,179		1,108		2,464	
Others	<u>857</u>		<u>1,086</u>		<u>2,088</u>	
Ordinary income	<u>4,171</u>	<u>9.4</u>	<u>7,863</u>	<u>15.6</u>	<u>5,642</u>	<u>6.0</u>
Extraordinary losses	<u>1,237</u>	<u>2.8</u>	<u>134</u>	<u>0.3</u>	<u>3,170</u>	<u>3.4</u>
Loss on revaluation of investments in securities	<u>278</u>		134		<u>777</u>	
Provision of allowance for investment loss	–		–		1,262	
Loss on sales of beneficial interest in trust	958		–		958	
Provision of reserve for loss on liabilities for guarantee	–		–		172	
Income before provision for income taxes	<u>2,934</u>	<u>6.6</u>	<u>7,729</u>	<u>15.3</u>	<u>2,472</u>	<u>2.6</u>
Provision for income taxes						
Current	47	0.1	(933)	(1.9)	270	0.3
Prior periods	–		733	1.5	–	
Deferred	(1,163)	(2.6)	(20)	(0.0)	(718)	(0.8)
Net income	<u>4,051</u>	<u>9.1</u>	<u>7,949</u>	<u>15.8</u>	<u>2,920</u>	<u>3.1</u>
<u>Unappropriated retained earnings brought forward</u>	<u>3,389</u>		–		<u>3,389</u>	
Interim dividends	–		–		2,028	
<u>Unappropriated retained earnings</u>	<u>7,441</u>		–		<u>4,281</u>	

(3) Interim Non-Consolidated Statement of Changes in Shareholders' Equity

Current interim period (April 1, 2006 - September 30, 2006)

(Millions of yen)

Item	Shareholders' Equity						
	Common stock	Capital Surplus		Retained Earnings		Treasury stock, at cost	Total shareholders' equity
		Capital reserve	Other capital surplus	Legal reserve	Other retained earnings (Note 1)		
Balance as of March 31, 2006	48,331	73,027	22	6,626	<u>95,569</u>	(1,884)	<u>221,692</u>
Dividends from surplus (Note 2)					(3,921)		(3,921)
Bonus to directors (Note 2)					(100)		(100)
Net income					<u>7,949</u>		<u>7,949</u>
Acquisition of treasury stock						(147)	(147)
Total change during the interim period	–	–	–	–	<u>3,928</u>	(147)	<u>3,781</u>
Balance as of September 30, 2006	48,331	73,027	22	6,626	<u>99,498</u>	(2,031)	<u>225,473</u>

(Millions of yen)

Item	Valuation and translation adjustments			Total net assets
	Net unrealized holding gains on securities	Deferred losses on hedges	Total valuation and translation adjustments	
Balance as of March 31, 2006	<u>12,528</u>	–	<u>12,528</u>	<u>234,220</u>
Dividends from surplus (Note 2)				(3,921)
Bonus to directors (Note 2)				(100)
Net income				<u>7,949</u>
Acquisition of treasury stock				(147)
Net changes of items other than shareholders' equity during the interim period	<u>255</u>	(42)	<u>212</u>	<u>212</u>
Total change during the interim period	<u>255</u>	(42)	<u>212</u>	<u>3,993</u>
Balance as of September 30, 2006	<u>12,783</u>	(42)	<u>12,740</u>	<u>238,213</u>

Note 1: Breakdown of other retained earnings

(Millions of yen)

Item	Reserve for interim dividends	Reserve for product development	Reserve for special depreciation	Reserve for advanced depreciation	Other reserves	Retained earnings carried forward	Total
Balance as of March 31, 2006	4,700	4,000	1,037	2,481	79,068	<u>4,281</u>	<u>95,569</u>
Dividends from surplus (Note 2)						(3,921)	(3,921)
Bonus to directors (Note 2)						(100)	(100)
Net income						<u>7,949</u>	<u>7,949</u>
Transfers between sub-items of other retained earnings	(4,700)	–	336	(137)	–	4,500	–
Total change during the interim period	(4,700)	–	336	(137)	–	<u>8,429</u>	<u>3,928</u>
Balance as of September 30, 2006	–	4,000	1,373	2,344	79,068	<u>12,711</u>	<u>99,498</u>

Note 2: These are retained earnings appropriation items at the general shareholders' meeting in June, 2006.

Basis of Presenting the Interim Non-Consolidated Financial Statements

1. Asset valuation principles and methods

(1) Securities

- | | |
|--|---|
| (a) Held-to-maturity securities | Amortized cost method |
| (b) Stock of subsidiaries and affiliates | Cost method based on the moving-average method |
| (c) Other securities | |
| Items with market value | Market value method based on fair market value on the interim account settlement date (the net unrealized gains and losses on these securities are reported as a separate component of net assets and the cost of sales is calculated by the moving-average method) |
| Items without market value | Cost method based on the moving-average method
Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Securities and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement. |

(2) Claims and liabilities from derivatives transactions

Market value method

(3) Inventories

- | | |
|--|---|
| (a) Finished goods and work in process | Lower of cost (first-in first-out) or market method |
| (b) Materials | Cost (first-in first-out) method |

2. Depreciation and amortization method for fixed assets

(1) Property, plant and equipment

Declining balance method

- | | |
|---|---|
| (a) Conveyance equipment, tools, furniture and fixtures | Based on useful lives as per the Corporate Tax Law |
| (b) Other property, plant and equipment | Based on useful lives prescribed by the Company determined in accordance with estimated functional useful years |

(2) Intangible fixed assets

Straight-line method

Based on useful lives as per the Corporate Tax Law
Software for internal use is reported using the usable period within the Company (3 years).

3. Treatment method for deferred assets

- | | |
|-----------------------|--|
| Bond issuance expense | Total expense recorded at the time of occurrence |
|-----------------------|--|

4. Accounting principles for allowances and reserves

(1) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivables-trade and loans, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(2) Warranty reserve

Due to the accounting of after service cost expected within the guarantee period with respect to products sold, the reserve for product guarantees is accounted using prescribed standards based on actually incurred past after service cost.

(3) Severance and retirement allowance

To provide for severance and retirement benefit payments to employees, the cost recognized as occurring at the end of the current interim period based on the estimated amounts of severance and retirement liabilities and pension assets as of the end of the current fiscal year.

Pertaining to past service liabilities, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.

Pertaining to the actuarial difference, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such actuarial difference is accounted as an expense starting from the following fiscal year.

(4) Reserve for loss on liabilities for guarantee

To provide for losses on liabilities for guarantee to affiliates, the amount of loss expected to be borne is accounted considering the financial conditions of the guaranteed party.

(5) Allowance for investment loss

To provide for losses on investments in affiliates, the amount necessary is accounted taking into consideration the amount of decrease in the real value of the company concerned and the estimated future recovery, etc.

5. Treatment method for lease transactions

Financing lease transactions that do not transfer titles to lessees are treated in the same manner as operating lease transactions.

6. Hedge accounting methods

(1) Hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated accounts receivable under foreign exchange forward contracts is accounted by translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, requirements for special treatment are satisfied, therefore a special treatment is used.

(2) Hedging instruments and hedged items

Hedging instruments	Foreign exchange forward contracts, currency option contracts, interest rate swap contracts
Hedged items	Forecasted transactions for foreign currency-denominated accounts receivable, borrowings

(3) Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

(4) Hedging effect evaluation method

The effect is evaluated by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

7. Other important items that form the basis of presenting the interim non-consolidated financial statements

(1) Treatment of income taxes

The amounts of income taxes payments and deferred income taxes for the current interim period have been calculated on the assumption that the provisions and reversals of reserve for advanced depreciation and reserve for special depreciation are expected to be recorded in the current fiscal year.

(2) Treatment of consumption taxes

Treated using a tax exclusive method.

(3) Application of a consolidated tax payment system

A consolidated tax payment system is adopted from the current interim period.

Changes in the Basis of Presenting the Interim Non-Consolidated Financial Statements

1. Accounting standard for bonuses to directors

Effective from the current interim period, the “Accounting Standard for Directors’ Bonus” (Financial Accounting Standard No. 4, issued by the Accounting Standards Board of Japan on November 29, 2005) has been adopted.

However, as it is difficult to rationally estimate the amounts of bonuses to directors during the current interim period, Paragraph 14 of the above accounting standard has been adopted, and accordingly, these expenses have not been accounted for.

2. Accounting standard for net assets on balance sheet

Effective from the current interim period, the Company has adopted the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standard No. 5, issued by the Accounting Standards Board of Japan on December 9, 2005) and the “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard Implementation Guidance No. 8, issued by the Accounting Standards Board of Japan on December 9, 2005).

The amount corresponding to the former “Shareholders’ equity” was ¥238,256 million. The effect on the total of the “Net assets” section on the interim non-consolidated balance sheet is minimal.

Pursuant to the revision to the Ordinance on Semi-annual Financial Statements, the “Net assets” section on the interim non-consolidated balance sheets for the current interim period was prepared in compliance with the revised Ordinance on Semi-annual Financial Statements.

Notes**Interim Non-Consolidated Balance Sheets**

	(Millions of yen)		
	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
1. Accumulated depreciation for property, plant and equipment	52,328	53,211	52,105
2. Discounted bills of exchange for export	5,977	7,790	6,436
3. Liabilities for guarantees	79,312	76,402	71,945
(including quasi-guarantees)	78,441	75,423	70,964

4. Notes at maturity on the final day of the interim period

Regarding the accounting treatment of notes at maturity on the final day of the interim period, although the final day of the current interim period was a holiday for financial institutions, the notes were treated as though settlement occurred on the day of maturity.

The amounts of notes at maturity on the final day of the interim period are as follows:

Notes receivable	¥56 million
Notes payable	¥43 million

5. The ¥1,840 million allowance for investment loss for the current interim period and the previous fiscal year appears as a deduction from the stocks of subsidiaries and affiliates.**Interim Non-Consolidated Statements on Income**

	(Millions of yen)		
	Previous interim period	Current interim period	Previous fiscal year
1. Research and development expenses included in general and administrative expenses and production cost	8,270	9,387	17,900

Interim Non-Consolidated Statement of Changes in Shareholders' Equity

Matters regarding treasury stock

				(Shares)
Class of shares	End of the previous fiscal year	Increase	Decrease	End of the current interim period
Common stock	856,534	44,797	-	901,331

Reason for Change

The increase in treasury stock during the current interim period is due to the purchase of shares not constituting a full unit.

Lease Transactions

Description is omitted as the disclosure of this matter is made through EDINET.

Securities

Stocks of subsidiaries and affiliates with market value

(Millions of yen)

	Previous interim period (as of September 30, 2005)			Current interim period (as of September 30, 2006)			Previous fiscal year (as of March 31, 2006)		
	Interim non- consolidated balance sheet amount	Market value	Difference	Interim non- consolidated balance sheet amount	Market value	Difference	Non- consolidated balance sheet amount	Market value	Difference
Stocks of subsidiaries	33,915	73,904	39,989	39,076	45,763	6,687	39,076	70,280	31,203