

May 12, 2009  
Olympus Corporation

## **Notification with Respect to Recording of Extraordinary Loss and Revision of Business Results Forecasts**

Olympus Corporation (the "Company") will record an extraordinary loss in the fiscal year ended March 31, 2009 ("FY2009") and has revised its business results forecasts for FY2009, which the Company previously disclosed on February 6, 2009. In connection with the foregoing, we would like to provide notice of the following:

### **1. Recording of Extraordinary Loss**

#### **(1) Recording of Loss on Valuation of Investment Securities in Subsidiaries and Affiliates**

The Company will record an extraordinary loss in its non-consolidated and consolidated accounts for the fourth quarter of FY2009, as a result of the conservative approach adopted by the Company when evaluating its investment securities in subsidiaries and affiliates. The Company will record a loss on valuation of investment securities in subsidiaries and affiliates amounting to 80.3 billion yen (cumulative total of 117.1 billion yen for the fiscal year) in its non-consolidated accounts, and a one-time amortization of goodwill related to subsidiaries amounting to 55.6 billion yen (cumulative total for the fiscal year of 76.2 billion yen), which resulted from the application of impairment accounting, in its consolidated accounts.

The one-time amortization of goodwill represents the amount required to amortize the amount of goodwill arising from the Company recording a loss on valuation of investment securities in subsidiaries and affiliates in its non-consolidated accounts in connection with shares of certain consolidated subsidiaries held by the Company.

#### **(2) Recording of Loss on Prior Period Adjustment**

Because the amount to be expended in connection with the Company's equity participation in Gyrus Group Limited and other investments has been finalized and the allocation of funds for the acquisition cost is complete, the provisional accounting treatment for such expenditures has been determined. The Company will record, as an extraordinary loss, 15.5 billion yen for loss on prior period adjustment (a cumulative total of 15.5 billion yen for the fiscal year) in its non-consolidated accounts for FY2009, and 15.5 billion yen for loss on prior period adjustment (a cumulative total of 15.5 billion yen for the fiscal year) in its consolidated accounts for FY2009.

#### **(3) In addition to the amounts to be recorded as extraordinary loss set forth above, in FY2009, the Company has recorded a total of 13.1 billion yen in loss on valuations of investment securities in its non-consolidated accounts, as a result of which it will record a cumulative total for non-consolidated extraordinary loss of 145.8 billion yen for FY2009. Moreover, the Company has recorded a total of 18.7 billion yen in loss on valuations of investment securities and other matters in its consolidated accounts, as a result of which it will record a cumulative total for consolidated extraordinary loss of 110.4 billion yen for FY2009.**

## 2. Revision of the Business Results Forecasts

- (1) Revision of the Consolidated Business Results Forecasts for FY2009  
(April 1, 2008 – March 31, 2009)

(millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previously Announced Forecasts (A)	980,000	25,000	8,000	(45,000)	(¥168.41)
Current Revised Forecast (B)	980,803	34,587	18,390	(114,810)	(¥428.83)
Difference (B-A)	803	9,587	10,390	(69,810)	–
Difference (%)	0.1	38.3	129.9	–	–

- (2) Reasons for the Revision

Cost reduction initiatives and other emergency measures implemented by the Company in response to the rapid deterioration of the market environment have resulted in operating income and ordinary income exceeding the previously forecasted results which were disclosed on February 6, 2009. However, factors such as the recording of an extraordinary loss described above have resulted in net income failing to reach the anticipated levels set forth in the Company's previously announced business results forecasts.

End of Document