

December 15, 2011

News Release

Company: Olympus Corporation  
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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

In regard to the deferral of recognition of past losses of Olympus Corporation (the “Company”) announced in the press release “Notice Concerning Past Activities Regarding Deferral in Posting of Losses” dated November 8, 2011, the Company has proceeded with operations to correct past financial statements based on the matters indicated in the investigation report (the “Investigation Report”) received from the Third Party Committee (Chairman: Tatsuo Kainaka, attorney-at-law) dated December 6, 2011.

The Company hereby announces that it has made the accounting corrections as outlined below and it has filed the amendments to the past securities reports to the Kanto Local Finance Bureau on December 14, 2011.

The Company is still making accounting corrections in regard to the past financial results (kessan tanshin) and the financial results (kessan tanshin) for the first quarter of the fiscal year ending March 2012, and these will be made public as soon as the accounting corrections are completed.

1. Content of Corrections

(1) Background/Outline of Corrections

Since the Company incurred large losses from securities investments and derivative transactions, etc., from the 1990’s, the Company had deferred recognition of the losses since the fiscal year ended March 2000 by assigning them at their contractual value (book value) to a number of non-consolidated receiver funds (such receiver funds together the “Receiver Funds”) whereby the Company had segregated the hidden losses from being subject to consolidated accounting. On that occasion, in order to ensure that the Receiver Funds could buy those financial assets at their contractual value (book value), the Company caused the banks to make loans to the Receiver Funds pledged by deposits, etc., of the Company as collateral, and the Company established business investment funds and contributed capital in them in order that the business investment funds could make capital contribution to the Receiver Funds (hereinafter, the deposits, etc., used for funding to the Receiver Funds and capital contributed to the business investment funds, the “Designated Assets”). In this way, the Company had segregated the hidden losses to the SPC Funds, but in substance the Company bore the same losses by funding to the Receiver Funds through the Designated Assets.

After that, the Designated Assets were recovered at their original book value after 2007 through repayment of loans by the Receiver Funds after circulating the acquisition funds for the three domestic subsidiaries (Altis Co., Ltd., HumaLabo Co., Ltd., and News Chef Inc.), the fees paid to the financial advisors for the acquisition of Gyrus Group PLC, and the funds for repurchase of preferred shares back to the Receiver Funds.

Then, the Receiver Funds were liquidated and a part of the losses borne substantially by the Company through the Designated Assets was capitalized as goodwill of the abovementioned three domestic subsidiaries and Gyrus Group PLC, a part of which was cancelled by amortization of goodwill and recognition of impairment losses.

A couple of board members were aware of the background to this loss segregation and loss cancellation transactions, but they were skillfully hidden and could not be acknowledged by the Company until now. Now, as a result of the matters pointed out in the Investigation Report and the Company’s internal investigation, the above facts have come to light, and therefore the Company has decided to make corrections to recognize the hidden losses, etc., of the financial

assets, etc., segregated from the consolidated financial statements for the purpose of deferral of recognition of the losses as losses of the Company for the past fiscal years.

(2) Accounting Corrections

As set out in the above (1), the Company segregated the hidden losses to the Receiver Funds but in substance bore them. In addition, since board members of the Company independently acted as the person responsible for the Receiver Funds and the Company made loans to the Receiver Funds, it has been determined that the Company substantially controlled the Receiver Funds and the following accounting corrections were made:

- By consolidating the Receiver Funds, the borrowings and hidden losses of the Receiver Funds that had not previously been included on the consolidated financial statements shall be reflected on the consolidated financial statements;
- A part of the Designated Assets of the Company that had been recognized on the consolidated balance sheet shall be eliminated, and in exchange the operating assets of the Receiver Funds that had been moved off the books shall be reflected on the consolidated financial statements;
- Since the acquisition funds for the three domestic subsidiaries, the fees paid to the financial advisers for the acquisition of Gyrus Group PLC, and the funds for repurchase of the preferred shares, all of which were circulated back to the Receiver Funds to cover the hidden losses, were recognized as goodwill on the consolidated balance sheet, the goodwill was cancelled as well as the amortization expense of the goodwill and the impairment losses were also cancelled; and
- Since the operating assets of the Receiver Funds were, unlike usual investments, managed in an integrated manner in a series of transactional scheme to segregate and settle the losses (the "Loss Deferment Scheme"), they shall be stated in bulk as "fund investment assets" on the consolidated balance sheet.

(3) Affected Amount from Corrections

In the Investigation Report and materials published by the Company, there have been statements as to the affected amount on the financial statements of the Company by the segregation and settlement of losses, but as a result of the examination of the operations to correct the financial statements of the past fiscal years, it has become as set out below:

On the consolidated balance sheet, at the commencement of the term of the amendments to the past securities reports (April 1, 2006), the Company has reduced the losses of JPY 118,352 million from the consolidated retained earnings at the commencement of the same term due to the consolidation of the losses borne by the Receiver Funds; and

In addition, a part of the losses of the Receiver Funds deducted from the consolidated retained earnings at the commencement of the term noted above has been capitalized as goodwill at the time of acquisitions of the three domestic subsidiaries and Gyrus Group PLC, and then has been eliminated due to the amortization of the goodwill and others. As a result, JPY56,907 million has been deducted from the amount before correction of the consolidated retained earnings at the end of the term of the amendments to the past securities reports (March 31, 2011).

While the Company has filed the amendments to the past securities reports from the fiscal year ended March 2007, the corrections were made retroactive to the fiscal year ended March 2001 but no situation of liabilities in excess of assets has been found.

2. Amendments to the Securities Reports Filed on December 14

(1) Annual Securities Reports

- (i) Annual Securities Report for the fiscal year ended March 2007 (FY 139<sup>th</sup>)
- (ii) Annual Securities Report for the fiscal year ended March 2008 (FY 140<sup>th</sup>)
- (iii) Annual Securities Report for the fiscal year ended March 2009 (FY 141<sup>st</sup>)
- (iv) Annual Securities Report for the fiscal year ended March 2010 (FY 142<sup>nd</sup>)
- (v) Annual Securities Report for the fiscal year ended March 2011 (FY 143<sup>rd</sup>)

(2) Quarterly Securities Reports

- (i) Quarterly Securities Report for the third quarter of the fiscal year ended March 2009 (FY 141<sup>st</sup>)
- (ii) Quarterly Securities Report for the first quarter of the fiscal year ended March 2010 (FY 142<sup>nd</sup>)
- (iii) Quarterly Securities Report for the second quarter of the fiscal year ended March 2010 (FY 142<sup>nd</sup>)
- (iv) Quarterly Securities Report for the third quarter of the fiscal year ended March 2010 (FY 142<sup>nd</sup>)
- (v) Quarterly Securities Report for the first quarter of the fiscal year ended March 2011 (FY 143<sup>rd</sup>)
- (vi) Quarterly Securities Report for the second quarter of the fiscal year ended March 2011 (FY 143<sup>rd</sup>)
- (vii) Quarterly Securities Report for the third quarter of the fiscal year ended March 2011 (FY 143<sup>rd</sup>)
- (viii) Quarterly Securities Report for the first quarter of the fiscal year ending March 2012 (FY 144<sup>th</sup>)

3. Financial Results (Kessan Tanshin) Expected to be Corrected

- (i) Financial Results (Kessan Tanshin) for the fiscal year ended March 2007
- (ii) Financial Results (Kessan Tanshin) for the fiscal year ended March 2008
- (iii) Financial Results (Kessan Tanshin) for the third quarter of the fiscal year ended March 2009
- (iv) Financial Results (Kessan Tanshin) for the fiscal year ended March 2009
- (v) Financial Results (Kessan Tanshin) for the first quarter of the fiscal year ended March 2010
- (vi) Financial Results (Kessan Tanshin) for the second quarter of the fiscal year ended March 2010
- (vii) Financial Results (Kessan Tanshin) for the third quarter of the fiscal year ended March 2010
- (viii) Financial Results (Kessan Tanshin) for the fiscal year ended March 2010
- (ix) Financial Results (Kessan Tanshin) for the first quarter of the fiscal year ended March 2011
- (x) Financial Results (Kessan Tanshin) for the second quarter of the fiscal year ended March 2011
- (xi) Financial Results (Kessan Tanshin) for the third quarter of the fiscal year ended March 2011
- (xii) Financial Results (Kessan Tanshin) for the fiscal year ended March 2011
- (xiii) Financial Results (Kessan Tanshin) for the fiscal year ending March 2012

\*While the Company has made accounting corrections mainly by receiving accounting information from outside persons related with the Loss Deferment Scheme since information on the details of operating assets, appraised value, etc., of the Receiver Funds was not fully maintained at the Company, , the operating assets of certain Receiver Funds could not be identified. As a result, no corrections to the financial results (kessan tanshin) for the interim terms of the fiscal years ended March 2007 and March 2008, and those for the first and second quarters of the fiscal year ended March 2009 have been made.

4. Details of Affected Amount from Correction

(1) Consolidated Profit and Loss Statement

[Before Correction]

(Millions Yen)

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Net Sales	1,061,786	1,128,875	980,803	883,086	847,105
Operating Income	98,729	112,623	34,587	60,149	35,360
Ordinary Income	76,226	93,085	18,390	45,115	22,148
Income Before Tax Adjustments	73,580	94,612	(91,301)	86,204	22,759
Net Income	47,799	57,969	(114,810)	47,763	7,381

[Details of Correction]

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Reversal of Goodwill Amortization (Sales/Administration Expense)	0	178	7,894	810	2,770
Correction to Other Operating Income/Loss	0	25	241	201	250
<b>Effect on Operating Income (i)</b>	<b>0</b>	<b>203</b>	<b>8,135</b>	<b>1,011</b>	<b>3,020</b>
Correction of Equity Method Income/Loss	1,723	1,542	0	0	0
Elimination of Fund Income/Loss	397	2,458	(1,274)	0	(3,105)
Correction to Other Non-Operating Income/Loss	0	25	427	(52)	1,153
<b>Effect on Non-Operating Income/Loss (ii)</b>	<b>2,120</b>	<b>4,025</b>	<b>(847)</b>	<b>(52)</b>	<b>(1,952)</b>
Elimination of Impairment Loss of Goodwill	0	0	71,200	1,270	0
Fund Related Loss	(2,113)	(6,941)	(1,755)	(499)	(327)
Provision of Allowance for Doubtful Accounts (Fund related)	0	0	(4,763)	0	(2,448)
Correction to Loss on Revaluation of Investment Securities	(694)	(719)	(394)	3,037	0
Amortization of Goodwill	0	0	0	0	(631)
Correction to Other Special Income/Loss	0	0	(657)	(269)	(482)
<b>Effect on Income before Tax Adjustments (iii)</b>	<b>(2,807)</b>	<b>(7,660)</b>	<b>63,631</b>	<b>3,539</b>	<b>(3,888)</b>
Correction Related to Tax (iv)	(150)	12	(6,656)	265	(694)
Correction to Minority Interest (v)	0	77	(13)	0	0
<b>Effect on Net Income (i)+(ii)+(iii)+(iv)+(v)</b>	<b>(837)</b>	<b>(3,344)</b>	<b>64,249</b>	<b>4,764</b>	<b>(3,515)</b>

[After Correction]

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Net Sales	1,061,786	1,128,875	980,803	883,086	847,105
Operating Income	98,729	112,826	42,722	61,160	38,379
Ordinary Income	78,346	97,312	25,679	46,075	23,215
Income Before Tax Adjustments	72,893	91,179	Δ 20,383	90,703	19,938
Net Income	46,962	54,625	Δ 50,561	52,527	3,866

\* Explanation of Terms

Overall Explanation:	
<p>1. The amount of loss segregated to multiple funds outside the scope of consolidation were covered by acquisition funds of the three domestic subsidiaries and fees paid to FA in connection with the acquisition of Gyrus together with the funds for purchase of preferred shares (flow back funds). Therefore, the method of correction of the inappropriate accounting dispositions is to recognize loss that was segregated off the books by consolidating the funds retroactively and to cancel the goodwill that was booked as an asset through expenditure of the flow back funds.</p> <p>2. In the consolidated profit and loss statement, the amortization expense and impairment loss of goodwill are cancelled and the profit and loss of the funds is newly recognized by consolidation of the Receiver Funds and the additional impairment loss is recognized.</p>	
Reversal of Goodwill Amortization (Sales/Administration Expense)	Among the amount recognized as amortization of goodwill, the amount of amortization expense related to the above eliminated goodwill becomes unnecessary.
Correction to Other Operating Income/Loss	In conjunction with the retroactive disposition for reduction in value of fixed assets undertaken, the portion of the reduction in value concerning the amortization expense already recognized is returned.
Elimination of Equity Method Income/Loss	The equity method disposition relating to the shares of the three domestic subsidiaries held by the funds is corrected.
Elimination of Fund Income/Loss	In conjunction with consolidation of the funds, the income/loss, etc., of management of the funds is converted to fund related income/loss. Also, since the formerly recognized redemption income/loss of the funds is deemed to be intra-company transactions and is subject to elimination of intra-company transactions (eliminated).
Elimination of Impairment Loss of Goodwill	The goodwill used as cover-up funds and booked as an asset is eliminated, and thus the related amortization of goodwill (special loss disposition) becomes unnecessary.
Fund Related Loss	Since the funds that were off the books have retroactively been consolidated, the interests paid in connection with borrowings of the funds, and fees, etc., paid in relation to fund management are recognized as losses.
Provision of Allowance for Doubtful Accounts (Fund related)	The amount expected to be uncollectible and recognized as long-term income due among the fees paid in connection with the fund management
Correction to Loss on Revaluation of Investment Securities	In regard to the three domestic subsidiaries used in the Loss Deferment Scheme, an impairment loss is recognized at the time of acquisition of the shares and the disposition of loss of value formerly undertaken is reversed.
Correction Related to Tax	Primarily a tax adjustment relating to the FA fees included in the acquisition cost of Gyrus

(2) Consolidated Balance Sheet  
[Before Correction]

(Millions Yen)

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Investment Securities	216,636	193,843	127,144	140,271	59,342
Goodwill	78,718	299,800	180,540	194,065	175,472
Other Assets	796,445	868,649	803,180	824,618	829,772
Total Assets	1,091,800	1,358,349	1,106,318	1,152,227	1,063,593
Total Liabilities	746,929	990,473	937,535	935,336	896,757
Net Assets	344,871	367,876	168,784	216,891	166,836
Retained Earnings Included	191,122	237,817	110,407	168,238	170,439

[Details of Correction]

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Correction of Designated Assets in Connection with Consolidation of Funds	(111,640)	(99,837)	(64,555)	(61,823)	0
<b>Effect on Investment Securities</b>	<b>(111,640)</b>	<b>(99,837)</b>	<b>(64,555)</b>	<b>(61,823)</b>	<b>0</b>
<b>Recognition of Managed Assets of Fund</b>	<b>57,505</b>	<b>67,816</b>	<b>8,458</b>	<b>65,880</b>	<b>0</b>
Incorporation of Moneys into Funds (Goodwill Correction)	0	(72,219)	(90,989)	(51,506)	(49,164)
Reversal of Goodwill Amortization/Impairment Loss	0	178	80,701	2,342	7,548
Recognition of Goodwill Amortization	0	0	0	0	(806)
<b>Effect on Goodwill</b>	<b>0</b>	<b>(72,041)</b>	<b>(10,288)</b>	<b>(49,164)</b>	<b>(42,422)</b>
<b>Effect on Other Assets</b>	<b>0</b>	<b>(2,668)</b>	<b>(2,267)</b>	<b>(7,354)</b>	<b>(6,775)</b>
Increase/Decrease in other Liabilities	784	(18,134)	(10,775)	6,062	6,824
Recognition of Fund Related Borrowings	30,000	0	0	0	0
<b>Effect on Total Liabilities</b>	<b>30,784</b>	<b>(18,134)</b>	<b>(10,775)</b>	<b>6,062</b>	<b>6,824</b>
Securities Valuation Difference	(730)	(986)	(854)	(1,081)	0
Exchange Conversion Adjustment Account	0	0	1,261	840	5,649
Others	0	77	0	0	127
Adjustment to Surplus at Commencement of Term	(118,352)	(119,189)	(122,533)	(58,283)	(53,519)
Net Income Adjustment Amount	(837)	(3,344)	64,249	4,764	(3,515)
<b>Effect on Net Assets</b>	<b>(119,919)</b>	<b>(123,596)</b>	<b>(57,877)</b>	<b>(53,760)</b>	<b>(51,385)</b>

[After Correction]

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Investment Securities	104,996	94,006	62,589	78,448	59,342
Managed Assets of Fund	57,505	67,816	8,458	65,880	0
Goodwill	78,718	227,759	170,252	144,900	133,050
Other Assets	761,446	827,591	796,954	815,300	826,768
Total Assets	1,002,665	1,217,172	1,038,253	1,104,528	1,019,160
Fund Related Borrowings	30,000	0	0	0	0
Total Liabilities	777,714	972,891	927,346	941,397	903,581
Net Assets	224,951	244,281	110,907	163,131	115,579
Retained Earnings Included	71,933	115,285	52,124	114,719	113,532

\* Explanation of Terms

Overall Explanation: In the consolidated balance sheet, primarily (i) elimination of intra-company transactions in respect of Designated Assets, (ii) cancellation of goodwill, (iii) recognition of managed assets of funds, and (iv) recognition of fund related borrowings are undertaken.	
Correction of Designated Assets in Connection with Consolidation of Funds	In regard to funds used in segregation of losses, since consolidation is undertaken in consideration of a relationship of substantial control, the investment account is subject to elimination of intra-company transactions.
Recognition of Managed Assets of Funds	Since the consolidated funds were managed in a block under a connected scheme in connection with the transactions to segregate and extinguish losses, the assets held by the funds are recognized in bulk.
Incorporation of Moneys into Funds (Goodwill Correction)	Among the acquisition funds and fees related to the acquisition booked as goodwill, the portion used as funds to cancel losses, with respect to which posting of goodwill is eliminated, are recognized as managed assets of the funds by incorporating moneys into the funds.
Reversal of Goodwill Amortization/Impairment Loss	For goodwill for which recognition is cancelled, the amortization/disposition of loss of value of goodwill implemented in the past years is eliminated.
Other Increase/Decrease of Assets	Primarily recognition of impairment loss of fixed assets.
Other Increase/Decrease of Liabilities	Primarily recognition of tax obligations in connection with correction relating to transfers of securities. Derecognition of obligations recognized at the time of booking fees for acquisitions.
Recognition of Fund Related Borrowings	Recognize borrowings procured by the fund using deposits of the Company as collateral.
Adjustment to Surplus at Commencement of Term	Recognize the expected amount of loss from consolidation of the funds at the commencement of the correction term (April 1, 2006) and accumulate affected amount of income/loss in conjunction with the subsequent correction.
Net Income Adjustment Amount	Affected amount of profit/loss in conjunction with the corrections

## (3) Consolidated Cash Flow Calculation Sheet

[Before Correction]

(Millions Yen)

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Balance of Cash and Cash Equivalents at Commencement of Term	159,307	174,802	119,842	132,720	203,013
Cash Flow from Business Activities	108,400	89,006	41,628	76,245	32,917
Cash Flow from Investment Activities	(96,481)	(304,303)	(20,728)	(20,967)	16,555
Cash Flow from Financial Activities	2,192	164,401	(3,751)	17,355	(37,359)
Cash and Cash Equivalents Conversion Difference	1,298	(4,405)	(4,435)	(2,905)	(5,931)
Amount of Increase/Decrease of Cash and Cash Equivalents	15,409	(55,301)	12,714	69,728	6,182
Increase/Decrease in Cash and Cash Equivalents Due to Change in Scope of Consolidation	86	341	164	565	1,190
Balance of Cash and Cash Equivalents at End of Term	174,802	119,842	132,720	203,013	210,385

[Details of Correction]

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Balance of Cash and Cash Equivalents at Commencement of Term	(5,000)	0	0	0	0
Amount of Fund Related Expenses Paid	0	(802)	0	0	0
Fund Moneys Expended	0	0	(4,763)	0	(2,448)
<b>Effect on Cash Flow from Business Activities</b>	<b>0</b>	<b>(802)</b>	<b>(4,763)</b>	<b>0</b>	<b>(2,448)</b>
<Effect of Cancellation of Company's Handling>	0	0	0	0	0
Deposit of Fixed Deposits	35,000	0	(35,000)	0	0
Income from Sale and Redemption of Investment Securities	0	49	(36,850)	0	(63,105)
Expenditures due to Acquisition of Subsidiary Shares In Conjunction with Change to Scope of Consolidation	0	29,607	0	0	0
Expenditures due to Acquisition of Subsidiary Shares	0	18,347	19,012	57,921	0
<Effect of Current Corrections>	0	0	0	0	0
Conversion to Cash of Fund Assets	0	30,000	76,614	0	65,553
Transfer of Moneys to Fund	0	(47,804)	(19,012)	(57,921)	0
<b>Effect on Cash Flow from Investment Activities</b>	<b>35,000</b>	<b>30,199</b>	<b>4,764</b>	<b>0</b>	<b>2,448</b>
Expenditures for Repayment of Long-term Debt	0	(30,000)	0	0	0
<b>Effect on Cash Flow from Financial Activities</b>	<b>0</b>	<b>(30,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>



[After Correction]

	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011
Balance of Cash and Cash Equivalents at Commencement of Term	124,307	174,802	119,842	132,720	203,013
Cash Flow from Business Activities	108,400	88,204	36,864	76,245	30,469
Cash flow from Investment Activities	(61,481)	(274,104)	(15,964)	(20,967)	19,003
Cash Flow from Financial Activities	2,192	134,401	(3,751)	17,355	(37,359)
Cash and Cash Equivalents Conversion Difference	1,298	(4,405)	(4,435)	(2,905)	(5,931)
Amount of Increase/Decrease Cash and Cash Equivalents	50,409	(55,904)	12,714	69,728	6,182
Increase/Decrease of Cash and Cash Equivalents Due to Change to Scope of Consolidation	86	944	164	565	1,190
Balance of Cash and Cash Equivalents at End of Term	174,802	119,842	132,720	203,013	210,385

\* Explanation of Terms

Overall Explanation:	
<p>1. Since the managed assets of the Receiver Funds are, contrary to the usual investment, managed in a block under the Loss Deferment Scheme, in connection with the bulk indication undertaken as “managed assets of the funds” on the consolidated balance sheet, the deposits in financial institutions held by the Receiver Funds are excluded from the scope of funds.</p> <p>2. In regard to the scope of funds, for the purpose of indicating the fund transactions with the Receiver Funds, the deposits in financial institutions held by the Receiver Funds are not included in the scope of funds but are included in managed assets of the funds. Also, since the bank deposits on which security interests have been established for the purpose of providing funds to the Receiver Funds are bound to that, they are not included in the scope of funds.</p> <p>In the consolidated cash flow calculation sheet, the lending and borrowing transactions with the Receiver Funds of (i) flow back funds and (ii) collection, etc., of the moneys from the funds, show a connected flow of funds in the Loss Deferment Scheme.</p>	
Balance of Cash and Cash Equivalents at Commencement of Term	Before correction, fixed deposits for which the maturity date was within three months were treated as funds, but after correction, the fixed deposits established as Designated Assets are handled as a part of the fund assets and are excluded from the scope of funds as of the commencement of the fiscal year ended March 2007.
Amount of Fund Related Expenses Paid	Recognition of expenditures for disposition of unrealized losses, etc., at the time of liquidation of certain Receiver Funds.
Fund Moneys Expended	Recognition of moneys paid to outside persons cooperating with the Loss Deferment Scheme.
Deposit of Fixed Deposits	As set out in the section of the balance of cash and cash equivalents at the commencement of the term, this was excluded from the scope of funds as of the commencement of the fiscal year ended March 2007 and thus the disposition by the Company prior to correction is cancelled.
Income from Sale and Redemption of Investment Securities	Before correction, the income from liquidation of the Receiver Funds was recognized, but we thought that after correction it is collection of flow back moneys from the Funds and recognized the conversion to cash of the fund assets.
Expenditures due to Acquisition of	The handling prior to correction of flow back funds paid at the time of acquisition of

Subsidiary Shares	shares of the three domestic subsidiaries used in the Loss Deferral Scheme is cancelled and after correction recognized as a transfer of moneys to the Receiver Funds.
Expenditure for Acquisition of Subsidiary Shares in Conjunction with Change to Scope of Consolidation	The handling prior to correction of flow back funds paid at the time of additional acquisition of shares of the three domestic subsidiaries used in the Loss Deferral Scheme and at the time of acquisition of the Gyrus preferred shares is cancelled and after correction is recognized as moneys transferred to the funds.
Conversion to Cash of Fund Assets	Recognition of flow back funds collected from the funds.
Transfer of Moneys to Fund	Recognition of expenditure of moneys that are the source of the flow back funds.

## 5. Audit Report

In regard to the amendments to the securities reports and quarterly reports filed this time, the ones for the fiscal year ended March 2009 and prior to the fiscal year ended March 2009 were audited by KPMG Azsa LLC and a qualified appropriateness opinion was received from the firm, and the ones after the fiscal year ended March 2009 were audited by Ernst & Young ShinNihon LLC and an unqualified appropriateness opinion was received from the firm.

END

<Reference> Outline of Past Years Corrections

(Corrected) Securities Reports

(Millions Yen)

(consolidated)		Before Correction (B)	After Correction (A)	Affected Amount (A) – (B)	Affected Percentage (%) ((A) – (B))/(B)
FY Ended March 2007 (139 <sup>th</sup> FY)	Net Sales	1,061,786	1,061,786	0	0%
	Operating Income	98,729	98,729	0	0%
	Ordinary Income	76,226	78,346	2,120	3%
	Net Income	47,799	46,962	( 837)	(2)%
	Total Assets	1,091,800	1,002,665	(89,135)	(8)%
	Net Assets	344,871	224,951	(119,920)	(35)%
FY Ended March 2008 (140 <sup>th</sup> FY)	Net Sales	1,128,875	1,128,875	0	0%
	Operating Income	112,623	112,826	203	0%
	Ordinary Income	93,085	97,312	4,227	5%
	Net Income	57,969	54,625	(3,344)	(6)%
	Total Assets	1,358,349	1,217,172	(141,177)	(10)%
	Net Assets	367,876	244,281	(123,595)	(34)%
FY Ended March 2009 (141 <sup>st</sup> FY)	Net Sales	980,803	980,803	0	0%
	Operating Income	34,587	42,722	8,135	24%
	Ordinary Income	18,390	25,679	7,289	40%
	Net Income	(114,810)	(50,561)	64,249	—
	Total Assets	1,106,318	1,038,253	(68,065)	(6)%
	Net Assets	168,784	110,907	(57,877)	(34)%
FY Ended March 2010 (142 <sup>nd</sup> FY)	Net Sales	883,086	883,086	0	0%
	Operating Income	60,149	61,160	1,011	2%
	Ordinary Income	45,115	46,075	960	2%
	Net Income	47,763	52,527	4,764	10%
	Total Assets	1,152,227	1,104,528	( 47,699)	(4)%
	Net Assets	216,891	163,131	(53,760)	(25)%
FY Ended March 2011 (143 <sup>rd</sup> FY)	Net Sales	847,105	847,105	0	0%
	Operating Income	35,360	38,379	3,019	9%
	Ordinary Income	22,148	23,215	1,067	5%
	Net Income	7,381	3,866	(3,515)	(48)%
	Total Assets	1,063,593	1,019,160	(44,433)	(4)%
	Net Assets	166,836	115,579	(51,257)	(31)%

## (Corrected) Securities Reports

(Millions Yen)

(non-consolidated)		Before Correction (B)	After Correction (A)	Affected Amount (A) – (B)	Affected Percentage (%) ((A) – (B))/(B)
FY Ended March 2007 (139 <sup>th</sup> FY)	Net Sales	106,079	106,079	0	0%
	Operating Income	(4,723)	(4,723)	0	0%
	Ordinary Income	7,502	7,899	397	5%
	Net Income	8,036	5,907	(2,129)	(26)%
	Total Assets	572,678	451,429	(121,249)	(21)%
	Net Assets	236,136	115,083	(121,053)	(51)%
FY Ended March 2008 (140 <sup>th</sup> FY)	Net Sales	113,871	113,871	0	0%
	Operating Income	(5,515)	(5,515)	0	0%
	Ordinary Income	38,264	37,517	(747)	(2)%
	Net Income	41,308	31,163	(10,145)	(25)%
	Total Assets	788,853	639,752	(149,101)	(19)%
	Net Assets	244,568	113,149	(131,419)	(54)%
FY Ended March 2009 (141 <sup>st</sup> FY)	Net Sales	105,115	105,115	0	0%
	Operating Income	(12,345)	(12,345)	0	0%
	Ordinary Income	5,556	5,701	145	3%
	Net Income	(136,227)	(63,545)	72,682	—
	Total Assets	627,610	572,078	(55,532)	(9)%
	Net Assets	93,999	35,132	(58,867)	(63)%
FY Ended March 2010 (142 <sup>nd</sup> FY)	Net Sales	86,977	86,977	0	0%
	Operating Income	(7,673)	(7,673)	0	0%
	Ordinary Income	27,196	26,846	(350)	(1)%
	Net Income	26,705	29,133	2,428	9%
	Total Assets	697,485	646,605	(50,880)	(7)%
	Net Assets	132,244	75,579	(56,665)	(43)%
FY Ended March 2011 (143 <sup>rd</sup> FY)	Net Sales	86,737	86,737	0	0%
	Operating Income	(8,917)	(8,917)	0	0%
	Ordinary Income	2,394	(230)	(2,624)	—
	Net Income	12,142	6,357	(5,785)	(48)%
	Total Assets	677,081	617,213	(59,868)	(9)%
	Net Assets	125,407	64,038	(61,369)	(49)%

## (Corrected) Quarterly Securities Reports

(Millions Yen)

		Before Correction (B)	After Correction (A)	Affected Amount (A) – (B)	Affected Percentage (%) ((A) – (B))/(B)
FY Ended March 2009 (141 <sup>st</sup> FY) Third Quarter	Net Sales	754,185	754,185	0	0%
	Operating Income	29,945	36,958	7,013	23%
	Ordinary Income	19,864	26,030	6,166	31%
	Net Income	(27,672)	(35,303)	(7,631)	—
	Total Assets	1,195,106	1,056,719	(138,387)	(12)%
	Net Assets	241,281	111,766	(129,515)	(54)%
FY Ended March 2010 (142 <sup>nd</sup> FY) First Quarter	Net Sales	205,169	205,169	0	0%
	Operating Income	11,360	11,625	265	2%
	Ordinary Income	6,985	7,175	190	3%
	Net Income	1,806	1,871	65	4%
	Total Assets	1,104,785	1,036,486	(68,299)	(6)%
	Net Assets	185,941	127,438	(58,503)	(31)%
FY Ended March 2010 (142 <sup>nd</sup> FY) Second Quarter	Net Sales	435,421	435,421	0	0%
	Operating Income	28,518	28,695	177	0%
	Ordinary Income	18,494	18,441	(53)	(0)%
	Net Income	36,193	38,399	2,206	6%
	Total Assets	1,137,600	1,069,841	(67,759)	(6)%
	Net Assets	204,298	146,810	(57,488)	(28)%
FY Ended March 2010 (142 <sup>nd</sup> FY) Third Quarter	Net Sales	651,937	651,937	0	0%
	Operating Income	45,046	45,834	788	2%
	Ordinary Income	33,135	33,611	476	1%
	Net Income	43,685	46,294	2,609	6%
	Total Assets	1,128,901	1,062,692	(66,209)	(6)%
	Net Assets	214,952	158,239	(56,713)	(26)%
FY Ended March 2011 (143 <sup>rd</sup> FY) First Quarter	Net Sales	206,006	206,006	0	0%
	Operating Income	11,154	11,944	790	7%
	Ordinary Income	9,029	10,010	981	11%
	Net Income	1,501	(49)	(1,550)	—
	Total Assets	1,097,071	1,049,066	(48,005)	(4)%
	Net Assets	185,922	132,397	(53,525)	(29)%

## (Corrected) Quarterly Securities Reports

(Millions Yen)

		Before Correction (B)	After Correction (A)	Affected Amount (A) – (B)	Affected Percentage (%) ((A) – (B))/(B)
FY Ended March 2011 (143 <sup>rd</sup> FY) Second Quarter	Net Sales	417,327	417,327	0	0%
	Operating Income	20,831	22,380	1,549	7%
	Ordinary Income	19,137	19,263	126	1%
	Net Income	7,046	3,806	(3,240)	(46)%
	Total Assets	1,063,177	1,017,186	(45,991)	(4)%
	Net Assets	180,482	128,244	(52,238)	(29)%
FY Ended March 2011 (143 <sup>rd</sup> FY) Third Quarter	Net Sales	624,013	624,013	0	0%
	Operating Income	29,754	32,039	2,285	8%
	Ordinary Income	26,076	26,881	805	3%
	Net Income	8,677	5,844	(2,833)	(33)%
	Total Assets	1,049,382	1,004,939	(44,443)	(4)%
	Net Assets	160,173	109,477	(50,696)	(32)%
FY Ended March 2012 (144 <sup>th</sup> FY) First Quarter	Net Sales	198,572	198,572	0	0%
	Operating Income	4,464	5,243	779	17%
	Ordinary Income	67	851	784	1170%
	Net Income	(2,154)	(1,423)	731	—
	Total Assets	1,097,490	1,054,918	(42,572)	(4)%
	Net Assets	151,147	101,751	(49,396)	(33)%