Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 <under Japanese GAAP>

May 15, 2013

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 of General Meeting of Shareholders:	June 26, 2013
Scheduled date to submit the Securities Report:	June 26, 2013
Scheduled date to commence dividend payments:	–
Presentation of supplementary material on financial results:	Yes
Holding of 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 Fiscal Year Ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(1) Consolidated Results of Operations (% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
March 31, 2013	743,851	(12.3)	35,077	(1.2)	13,046	(27.0)	8,020	–
March 31, 2012	848,548	0.2	35,518	(7.5)	17,865	(23.0)	(48,985)	–

Note: Comprehensive income: Fiscal year ended March 31, 2013: ¥54,889 million [–%]
Fiscal year ended March 31, 2012: ¥(62,990) million [–%]

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	(¥)	(¥)	%	%	%
March 31, 2013	28.96	–	8.3	1.4	4.7
March 31, 2012	(183.54)	–	(62.3)	1.8	4.2

Note: Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2013: ¥22 million
Fiscal year ended March 31, 2012: ¥144 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2013	960,082	152,407	15.5	494.96
March 31, 2012	966,526	48,028	4.6	167.76

Note: Equity as of March 31, 2013: ¥149,105 million March 31, 2012: ¥44,770 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	(¥ million)	(¥ million)	(¥ million)	(¥ million)
March 31, 2013	25,233	33,455	(42,436)	225,782
March 31, 2012	30,889	(35,735)	(5,761)	198,661

2. Dividends

	Annual dividends per share					Total amount of cash dividends	Payout ratio	Ratio of dividends to net assets
	First quarter	Second quarter	Third quarter	Year-end	Total	(Annual)	(Consolidated)	(Consolidated)
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ million)	%	%
Fiscal year ended March 31, 2012	–	0.00	–	0.00	0.00	0	–	0.0
Fiscal year ended March 31, 2013	–	0.00	–	0.00	0.00	0	0.0	0.0
Fiscal year ending March 31, 2014 (Forecast)	–	0.00	–	0.00	0.00		0.0	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(% 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)	%	(¥)
Six months	335,000	(17.4)	27,000	49.7	17,500	136.7	10,000	24.8	33.20
Full year	700,000	(5.9)	71,000	102.4	48,000	267.9	30,000	274.1	99.59

* Notes

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): Yes
[New: 1 company (Olympus Europa Holdings SE) Excluded: —]

(2) 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: No
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

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2013	305,671,508 shares
As of March 31, 2012	271,283,608 shares

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

As of March 31, 2013	4,425,782 shares
As of March 31, 2012	4,421,878 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2013	276,957,809 shares
Fiscal year ended March 31, 2012	266,893,365 shares

Reference: Summary of Non-Consolidated Financial Results

1. Financial results for the Fiscal Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(1) Non-Consolidated Results of Operations (% indicates changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
March 31, 2013	71,400	(3.6)	(5,870)	–	8,529	–	16,789	–
March 31, 2012	74,033	(14.6)	(11,755)	–	(13,876)	–	(32,933)	–

	Net income per share	Fully diluted net income per share
Fiscal year ended	(¥)	(¥)
March 31, 2013	60.62	–
March 31, 2012	(123.39)	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2013	623,427	93,030	14.9	308.82
March 31, 2012	605,277	23,310	3.9	87.35

Note: Equity as of March 31, 2013: ¥93,030 million March 31, 2012: ¥23,310 million

* Indication regarding execution of audit procedures

This financial results report is not subject to the audit procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this financial results report, the audit procedures to the 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 include predictions about the future based on assumptions, forecasts and plans as of the date of release of these materials. Actual business and other results may differ substantially from the forecasts provided in these materials as a result of risks and uncertainties associated with the global economy, the competitive environment, exchange rate trends and other factors. For information on the forecast of financial results, please refer to page 5.

Attached Material

Contents

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

(Review of Operations)

Analysis of the overall operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Fiscal year ended March 31, 2013	743,851	35,077	13,046	8,020	¥28.96
Fiscal year ended March 31, 2012	848,548	35,518	17,865	(48,985)	(¥183.54)
Increase (Decrease) ratio (%)	(12.3)	(1.2)	(27.0)	–	–

Comparison Table of Average Exchange Rate (Yen)

	Current fiscal year	Previous fiscal year
Against the U.S. dollar	83.10	79.08
Against the euro	107.14	108.98

In the global economy during the fiscal year under review, the situation remained uncertain, mainly because of fiscal uncertainty in Europe and slower growth rates in China and other emerging countries. In the Japanese economy, conditions continued to be difficult owing to persistent downside risks in overseas economies, despite signs of a moderate domestic rebound mainly driven by demand related to recovery from the Great East Japan Earthquake and economic measures taken following a change in government at the end of 2012.

Faced with this business environment, the Olympus Group formulated the “Medium-Term Vision” (medium-term management plan), which has the fiscal year ended March 31, 2013 as its starting year, under the new management team that assumed office on April 20, 2012. Under this new management structure, the Group positioned “rebuilding of the business portfolio and optimal allocation of management resources,” “review of cost structures,” “restoration of financial health” and “restructuring of governance” as its basic strategies. It also steadily implemented initiatives including transferring the Information & Communication Business, entering into a business and capital alliance with Sony Corporation, and submitting a written affirmation on internal control systems in order to remove the designation of the shares of Olympus Corporation as “Securities on Alert.”

Looking at the Olympus Group’s focus business areas, in the Medical Systems Business, the launch of new products in our flagship gastrointestinal endoscope field in Japan and overseas provided substantial boosts to earnings growth. In the Life Science and Industrial Systems Business, we launched new products in laser scanning microscopes and industrial videoscopes. Regarding the Imaging Systems Business, we enhanced the lineup of mirrorless interchangeable-lens cameras and worked to implement cost reductions.

As a result of these measures, the Olympus Group’s overall consolidated net sales decreased despite an increase in the Medical Systems Business, and amounted to ¥743,851 million (down 12.3% year on year). This was due to the sale of the Information & Communication Business and a decrease in sales of the Imaging Systems Business as a result of contraction in the compact camera market. Operating income was ¥35,077 million (down 1.2% year on year), almost the same level as the previous fiscal year, due to a substantial rise in operating income in the Medical Systems Business, despite an increase in operating loss in the Imaging Systems Business. Ordinary income was ¥13,046 million (down 27.0% year on year) mainly due to an increase in non-operating expenses. Net income was ¥8,020 million (compared to a net loss of ¥48,985 million in the previous fiscal year). This reflected the recording of extraordinary income of ¥22,454 million mainly from transfer of business, as opposed to the recording of extraordinary losses of ¥16,358 million including impairment loss on business assets in the Imaging Systems Business in addition to income taxes of ¥10,900 million.

During the fiscal year under review, the Olympus Group invested ¥63,379 million on research and development, and spent ¥28,109 million on capital investments.

Regarding foreign exchange, until December 2012 the yen initially appreciated against both the U.S. dollar and the euro in comparison with the previous fiscal year, but depreciated sharply from December 2012. The average exchange rate during the period was ¥83.10 against the U.S. dollar (¥79.08 in the previous fiscal year) and ¥107.14 against the euro (¥108.98 in the previous fiscal year). This caused net sales and operating income to rise by ¥12,800 million and ¥200 million, respectively, year on year.

Analysis of the performance by segment

(Millions of yen)

	Net sales			Operating income (loss)		
	Previous fiscal year	Current fiscal year	Increase (Decrease) ratio (%)	Previous fiscal year	Current fiscal year	Increase (Decrease) ratio (%)
Medical Systems	349,246	394,724	13.0	68,188	87,069	27.7
Life Science and Industrial Systems	92,432	85,513	(7.5)	5,439	3,527	(35.2)
Imaging Systems	128,561	107,638	(16.3)	(10,760)	(23,073)	—
Information & Communication	229,399	114,243	(50.2)	5,277	1,704	(67.7)
Others	48,910	41,733	(14.7)	(7,992)	(4,870)	—
Subtotal	848,548	743,851	(12.3)	60,152	64,357	7.0
Elimination or Unallocation	—	—	—	(24,634)	(29,280)	—
Consolidated total	848,548	743,851	(12.3)	35,518	35,077	(1.2)

Note: Businesses are segmented by adding similarities of sales market to the business established based on line of products.

Medical Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Increase (Decrease)	Increase (Decrease) ratio
Net sales	349,246	394,724	45,478	13.0%
Operating income	68,188	87,069	18,881	27.7%

Consolidated net sales in the Medical Systems Business amounted to ¥394,724 million (up 13.0% year on year), while operating income amounted to ¥87,069 million (up 27.7% year on year).

In our flagship gastrointestinal endoscope field, in addition to the launch of a new endoscopic videoscope system in Japan and overseas, sales of “EVIS EXERA III” outside Japan and of “EVIS LUCERA ELITE” in Japan both provided substantial boosts to sales growth. In the surgical and therapeutic devices field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, continued to be strong. 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.

Life Science and Industrial Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Increase (Decrease)	Increase (Decrease) ratio
Net sales	92,432	85,513	(6,919)	(7.5)%
Operating income	5,439	3,527	(1,912)	(35.2)%

Consolidated net sales in the Life Science and Industrial Systems Business amounted to ¥85,513 million (down 7.5% year on year), while operating income amounted to ¥3,527 million (down 35.2% year on year).

In the life science field we launched “FV1200” and “FV1200MPE,” which are new products in the “FLUOVIEW” series of laser scanning microscopes for use in advanced life science research, while in the industrial field there were steady sales of an accurate thickness gauge using ultrasound, etc. Even so, due to capital investment constraint resulting from global economic stagnation and postponement in the execution of budgets by public research organizations, there was a decline in sales in the Life Science and Industrial Systems Business as a whole.

Operating income in the Life Science and Industrial Systems Business decreased due to the fall in sales, despite efforts including reform of the production structure and other work to reduce cost of sales.

In the fourth quarter (January to March 2013), both net sales and income increased compared to the same period of the previous fiscal year due to foreign exchange effects and signs of recovery in economic conditions.

Imaging Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Increase (Decrease)	Increase (Decrease) ratio
Net sales	128,561	107,638	(20,923)	(16.3)%
Operating income/loss	(10,760)	(23,073)	(12,313)	–

Consolidated net sales in the Imaging Systems Business amounted to ¥107,638 million (down 16.3% year on year), while operating loss amounted to ¥23,073 million (compared with an operating loss of ¥10,760 million in the previous fiscal year).

Sales of “OLYMPUS OM-D E-M5,” a high-performance mirrorless interchangeable-lens camera equipped with features including an electronic viewfinder and the world’s first 5-axis image stabilization system, grew in Japan and overseas, while “TG-1” and “TG-2,” compact cameras with high image quality equipped with the Company’s own tough quality and F2.0 bright lens, sold well. Nevertheless, there was a sharp contraction in the compact camera market due to the popularity of smartphones, leading to further falls in numbers of units sold and unit prices. Consequently, there was a decline in sales in the Imaging Systems Business overall.

As a result of the decline in sales, operating loss increased in the Imaging Systems Business, despite cost reduction efforts.

Information & Communication Business

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Increase (Decrease)	Increase (Decrease) ratio
Net sales	229,399	114,243	(115,156)	(50.2)%
Operating income	5,277	1,704	(3,573)	(67.7)%

Consolidated net sales for the Information & Communication Business amounted to ¥114,243 million (down 50.2% year on year), while operating income amounted to ¥1,704 million (down 67.7% year on year).

The Company transferred the Information & Communication Business to Japan Industrial Partners, Inc. on

September 28, 2012. As a result, since the Company did not operate this business in and after the third quarter, the net sales and operating income indicated above are cumulative totals from the start of the fiscal year up to the date of the transfer.

Others

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Increase (Decrease)	Increase (Decrease) ratio
Net sales	48,910	41,733	(7,177)	(14.7)%
Operating income/loss	(7,992)	(4,870)	3,122	–

Consolidated net sales for other businesses amounted to ¥41,733 million (down 14.7% year on year) and operating loss was ¥4,870 million (compared with an operating loss of ¥7,992 million in the previous fiscal year).

Due to progress in the disposal of unprofitable businesses, there were declines both in net sales and the amount of operating loss in other businesses.

(Forecast for the Fiscal Year Ending March 31, 2014)

Forecast for the overall business and analysis of its preconditions

Looking ahead, although a trend towards recovery in the global economy as a whole is expected, there is a chance that it may underperform expectations due to downside factors including protracted fiscal uncertainty in Europe and slower economic growth in emerging countries. Regarding the Japanese economy, although conditions remain difficult, there is optimism that economic measures by the new government and continued yen depreciation will contribute to a gradual recovery.

Given this environment, the Olympus Group will continue to powerfully advance its four basic strategies of "rebuilding of the business portfolio and optimal allocation of management resources," "review of cost structures," "restoration of financial health" and "restructuring of governance" under the "Medium-Term Vision" (medium-term management plan), which was formulated in June 2012. In the Imaging Systems Business, which continues to make a loss, the Group will work to improve earnings with minimizing risk as its highest priority.

In the Medical Systems Business, we will work to maintain our overwhelming market share by launching new products in the gastrointestinal endoscope field, while in the surgical business we will expand our product fields in the areas of operating room imaging and energy devices with the aim of achieving further growth. We will work to expand the Life Science and Industrial Systems Business by reforming the revenue structure and launching new products in fields of growth. In the Imaging Systems Business, we will work to improve results by significantly narrowing down our numerical targets for units sold to counter expected contraction in the compact camera market, and focusing investment in the mirrorless interchangeable-lens field, which is expected to grow.

The forecast for consolidated financial results in the fiscal year ending March 31, 2014 is as follows.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Fiscal year ending March 31, 2014	700,000	71,000	48,000	30,000	¥99.59
Fiscal year ended March 31, 2013	743,851	35,077	13,046	8,020	¥28.96
Increase (Decrease) ratio (%)	(5.9)	102.4	267.9	274.1	–

Although net sales is expected to decline due to the transfer of the Information & Communication Business in September 2012, if the impact of the transfer is excluded, net sales is expected to increase on the back of yen depreciation and growth in the Medical Systems Business. On the profit front, foreign exchange effects, as well as income increases in the Medical Systems Business and the Life Science and Industrial Systems Business and the elimination of losses in the Imaging Systems Business, are expected to result in increases in operating income, ordinary income and net income.

Foreign exchange rates for the fiscal year ending March 13, 2014, which are a precondition for the forecast, are expected to be ¥90 per U.S. dollar and ¥120 per euro.

(2) Analysis of Financial Position

(Analysis of the Status of Assets, Liabilities, Net Assets, and Cash Flows in the Current Fiscal Year)

Analysis of assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	Increase (Decrease)	Increase (Decrease) ratio (%)
Total assets	966,526	960,082	(6,444)	(0.7)
Net assets	48,028	152,407	104,379	217.3
Equity ratio	4.6%	15.5%	10.9%	–

As of the end of the fiscal year under review, total assets decreased ¥6,444 million compared to the end of the previous fiscal year to ¥960,082 million. Current assets increased ¥14,479 million due to an increase in cash and time deposits, while fixed assets decreased ¥20,923 million due to factors such as depreciation, amortization of goodwill and sales of investment securities.

Total liabilities decreased ¥110,823 million compared to the end of the previous fiscal year to ¥807,675 million due mainly to decreases in notes and accounts payable of ¥33,058 million, long-term bonds, less current maturities of ¥20,120 million and long-term borrowings, less current maturities of ¥72,351 million.

Net assets increased ¥104,379 million compared to the end of the previous fiscal year to ¥152,407 million, primarily due to an increase in accumulated other comprehensive income of ¥46,537 million arising from fluctuations in foreign exchange and stock prices, as well as respective ¥25,000 million increases in common stock and capital surplus resulting from Sony Corporation's payment for a third party allotment.

As a result of the foregoing, equity ratio increased from 4.6% as of the end of the previous fiscal year to 15.5%.

Analysis of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Increase (Decrease)
Cash flows from operating activities	30,889	25,233	(5,656)
Cash flows from investing activities	(35,735)	33,455	69,190
Cash flows from financing activities	(5,761)	(42,436)	(36,675)
Cash and cash equivalents at end of year	198,661	225,782	27,121

"Cash flows from operating activities" increased by ¥25,233 million mainly due to ¥33,899 million in depreciation and amortization, ¥7,600 million in impairment loss on fixed assets and ¥9,683 million in amortization of goodwill. Decreasing factors mainly included ¥20,503 million in income taxes paid, ¥13,852 million in interest payments and an increase of ¥10,063 million in accounts receivable.

"Cash flows from investing activities" increased by ¥33,455 million. Decreasing factors mainly included ¥24,023 million in purchase of property, plant and equipment, ¥3,942 million in purchases of intangible assets and ¥3,846 million in deposits in time deposits. Increasing factors included net increase from sales of investment in subsidiaries related to changes in scope of consolidation of ¥52,629 million and ¥6,506 million in sales and redemption of investment securities.

"Cash flows from financing activities" decreased by ¥42,436 million mainly due to ¥42,935 million in repayments of long-term debt, ¥20,040 million in redemption of bonds and ¥27,782 million in decrease in short-term borrowings. Increasing factors included ¥49,953 million in proceeds from issuance of common stock.

As a result, cash and cash equivalents at the end of the current fiscal year reached ¥225,782 million, an increase of ¥27,121 million compared to the end of the previous fiscal year.

(Cash Flows Indicators)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Equity ratio (%)	14.1	11.0	4.6	15.5
Market value equity ratio (%)	73.3	60.6	37.4	69.4
Interest-bearing debt to cash flows ratio (years)	8.7	21.3	20.8	22.2
Interest coverage ratio (times)	6.1	2.3	2.2	1.8

Notes: Equity ratio: Shareholders' equity/Total assets
Market value equity ratio: Total market capitalization/Total assets
Interest-bearing debt to cash flows ratio: Interest-bearing debt/Cash flow
Interest coverage ratio: Cash flow/Interest payment

1. Each index was calculated by financial index of Consolidated basis.
2. Total market capitalization is calculated on the basis of the number of issued shares excluding treasury stocks.
3. Cash flows from operating activities are used as "Cash flow" for calculation purposes.
4. Interest-bearing debts include all of those debts reported on the Consolidated balance sheets on which interest is paid.

(3) Basic Strategy for Profit Sharing and Dividend for the Current Fiscal Year and Following Fiscal Year

We set our basic strategy to implement dividends, considering performance while securing continued profit sharing in order to respond to the expectations of our shareholders. Specifically, we will examine the total amount of dividends while taking into consideration the business environment, our financial position and the dividend payout ratio on a consolidated basis.

However, due to the need to take into consideration securing sufficient internal reserves to strengthen the financial base, we have taken the decision not to pay year-end dividends for the fiscal year under review, following on from our decision not to pay interim dividends. Furthermore, we sincerely regret to announce that we plan not to pay dividends in the fiscal year ending March 31, 2014 for the same reason.

(4) Business Risks

The business performances of the Olympus Group may be materially influenced by various factors which may occur in the future. Listed below are principal business risk factors, aside from managerial decisions made by the Olympus Group, which may give rise to changes in Olympus Group's business performances. The Olympus Group is aware of the possibilities of these risks, will strive to prevent them from occurring, and will deal conscientiously and diligently with any risk that may occur.

The future events described below are based on the judgment of the Olympus Group made as of the end of the fiscal year under review.

(Risks Associated with Selling Activities)

(i) In the Medical Systems Business, if healthcare policy is amended in an unforeseeable and material manner as a result of a healthcare system reform or another change occurs in relation to the medical sector, and the Olympus Group finds it difficult to adapt to such an environmental change, or if the Olympus Group is unable to obtain the licenses and approvals in various countries necessary for its business activities in a timely manner, the Olympus Group's ability to secure its earnings may be adversely affected.

(ii) In the life science field of the Life Science and Industrial Systems Business, system provision to research activities funded by national budgets of countries accounts for a high proportion of earnings of the Olympus Group. Therefore, if such national budgets are curtailed in the wake of unfavorable macroeconomic fluctuations, the Olympus Group's ability to secure its earnings may be adversely affected.

(iii) In the digital camera field of the Imaging Systems Business, market conditions are becoming harsher. If the market contracts more sharply than anticipated, the Olympus Group may be unable to adequately counter the resulting sales decline with the restructuring measures it is currently implementing, and this may adversely affect the Olympus Group's ability to secure its earnings.

(Risks Associated with Production/Development Activities)

(i) In the Imaging Systems Business, core production bases center on China. Therefore, depending upon how sharply the Chinese yuan is revalued, operating costs may increase substantially, and the Olympus Group's ability to secure its earnings may be adversely affected. Also, depending upon how serious or unstable the state of affairs including anti-Japanese activities may grow or how badly public safety may deteriorate in China, the Olympus Group's production activities may be adversely affected.

(ii) The Olympus Group relies on certain specific suppliers to consistently develop and produce those products and parts which it cannot develop or produce internally. Hence, if the Group is subjected to constraints on procurement of such products and parts according to the said suppliers' convenience, the Olympus Group's ability to produce and supply them may be adversely affected.

(iii) The Olympus Group and its manufacturing contractors manufacture their products in accordance with exacting quality standards. However, if any product deficiency occurs, not only substantial costs including those of a recall would be incurred but also the market's confidence in the Olympus Group would be undermined, and the Olympus Group's ability to secure its earnings may be adversely affected.

(iv) The Olympus Group is continuing to advance development of products using cutting-edge technologies. However, if technological progress occurs so fast and market changes cannot be predicted adequately, that the Group is unable to develop new products adequately meeting customers' needs in a timely manner, the Olympus Group's ability to secure its earnings may be adversely affected.

(v) The Olympus Group, in conducting R&D and production activities, uses various intellectual property rights, and believes that the Group lawfully owns or is licensed to use such rights. However, if any third party asserts that the Group has unknowingly infringed any of these intellectual property rights and if any litigation occurs, the Olympus Group's ability to secure its earnings may be adversely affected.

(Risks Associated with Stock-Investing Activities)

As stock prices are determined on the basis of market principle, the Olympus Group may not be able to realize anticipated earnings depending upon the movements of the market economy.

(Risks Associated with Business Collaborations and Corporate Acquisitions)

(i) The Olympus Group has built long-term strategic partnerships with advanced enterprises in the industry on technologies and product development. If the Group can no longer maintain such partnerships due to occurrence of a financial or any other business-related problem or change of its goals, the business activities of the Group may be adversely affected.

(ii) The Olympus Group may acquire or take an equity stake in a business enterprise in order to expand its business. If the Group is unable to integrate the acquired business in line with the Group's management strategy or utilize management resources in an efficient manner as to the existing business or the acquired business, the Group's business may be adversely affected or its business performances and financial position may be adversely affected due to impairment of goodwill, loss on business sale or liquidation resulting from business restructuring and the like, or other related expenses.

(Risks Associated with Financing)

Since the Olympus Group carries out financing by borrowing from financial institutions, etc., changes in the environment for the financial markets may have an impact on the Group's financing. Furthermore, if the Group's financing costs rise as a result of such factors as a deterioration in its business performances, this may also have an adverse impact on the Group's financing.

(Risks Associated with Leakage of Information)

The Olympus Group possesses important confidential information regarding such matters as technology, as well as the personal information of its customers and other related parties. In order to prevent external leakages of this information, the Group takes various countermeasures including the establishment of internal regulations, the thorough promotion of employee training, and the strengthening of security systems. Even so, in the case that such information is leaked due to unanticipated circumstances, the Group's business performances and financial position may be adversely affected by such factors as damage to the Group's corporate value, loss of social credibility, and payment of compensation to customers and related parties affected by such information leakage.

(Risks Associated with Past Postponing of Recognition of Losses)

At present, there is a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act, and the verdict in the closing argument of this case is that a fine of ¥1,000 million should be imposed. The Olympus Group's business performances and financial position may be adversely affected depending upon the results of such proceedings. The proceedings are the result of the Company's postponing of recognition of losses on securities investments, etc. since around the 1990s, and the Company's use, by means such as going through multiple funds, of both the fees paid to financial advisors and funds to buy back preferred stock in relation to the acquisition of Gyrus Group PLC, as well as the acquisition funds of three domestic companies (Altis Co., Ltd., NEWS CHEF, Inc. and Humalabo Co., Ltd.), partly to resolve unrealized losses on investment securities by such postponing of the recognition of these losses. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. 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 in the future for a similar reason, which may adversely affect the Group's business performances and financial position. The main lawsuits at the time of disclosure of this financial results report are as follows.

(i) On July 23, 2012, Terumo Corporation, a shareholder of the Company, filed a lawsuit against the Company to seek compensation for damages of ¥6,612 million and 5% per annum interest on this amount for the period from August 22, 2005 up to the payment of the principal.

(ii) On June 28, 2012, in addition to the Teachers' Retirement System of the State of Illinois, a total of 49 companies (of which one company withdrew its claim before the complaint was received), including overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company (the date the Company received the complaint was November 12, 2012), to seek compensation for damages of ¥19,138 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal. (Following this, as a result of a petition to change the claim on March 15, 2013, the amount of compensation sought was changed to ¥20,851 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.)

(iii) On December 13, 2012, in addition to California Public Employees' Retirement System, a total of 68 companies (of which two companies withdrew their claims after the complaint was sent), including overseas investors that are shareholders of the Company, filed a lawsuit against the Company (the date the Company received the complaint was March 29, 2013), to seek compensation for damages of ¥5,892 million (which was reduced to ¥5,875 million following the above-mentioned withdrawals) and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal.

With respect to a portion of the financing received from correspondent financial institutions (long-term borrowings of ¥320,000 million), the failure to meet the deadline for submission of a quarterly securities report under the Financial Instruments and Exchange Act (within 45 days of the end of the quarter) for the second quarter of the fiscal year ended March 31, 2012, in addition to misstatements in financial statements, etc. due to the above-mentioned postponing of the recognition of losses, constituted infringements of representation and warranty clauses as well as commitment clauses. However, on August 29, 2012, the Company held consultations with the correspondent financial institutions and concluded agreements with them to amend the relevant clauses on the basis of the consultations, and the infringements were cancelled as a result.

(Risks Associated with Internal Control System, etc.)

The Company is working to improve and develop its internal control system, etc. in response to the designation of its shares as "Securities on Alert" by the Tokyo Stock Exchange (TSE) on January 21, 2012. If three years pass after the designation and the TSE recognizes that problems remain with the Company's internal control system, etc., or if the TSE recognizes that there are unlikely to be improvements in the Company's internal control system, etc. even with the TSE's requests for submission of a written affirmation on said system, the Company's shares may be delisted, and this may have an adverse impact on the Olympus Group's business performances and financial position. Furthermore, although the Company will work to minimize risk by such means as continually reviewing its systems even if the designation of its shares as "Securities on Alert" is removed, if there are future problems such as violations of laws and regulations, the Company's business performance may be adversely affected.

(Other Comprehensive Risks)

Through its domestic and overseas subsidiaries and affiliates, etc., the Company operates its various businesses globally, including the Medical Systems Business, which is in a regulated business category. These regulated businesses may be the subject of various investigations, as needed, by domestic and overseas authorities, and may have consultations with or report to authorities with respect to compliance with laws and regulations (for example in response to the examination regarding compliance with antimonopoly laws and pharmaceutical affairs laws or in voluntary disclosure to the U.S. Department of Justice regarding compliance with the Foreign Corrupt Practices Act). As such, the Company's ability to secure its earnings may be adversely affected depending upon the results of such investigations and consultations. In addition, if any natural disaster, disease, war, or terrorist attack occurs, or if interest rates rise or exchange rates fluctuate beyond its expectations, the Olympus Group's ability to secure its earnings may be adversely affected.

2. Status of the Corporate Group

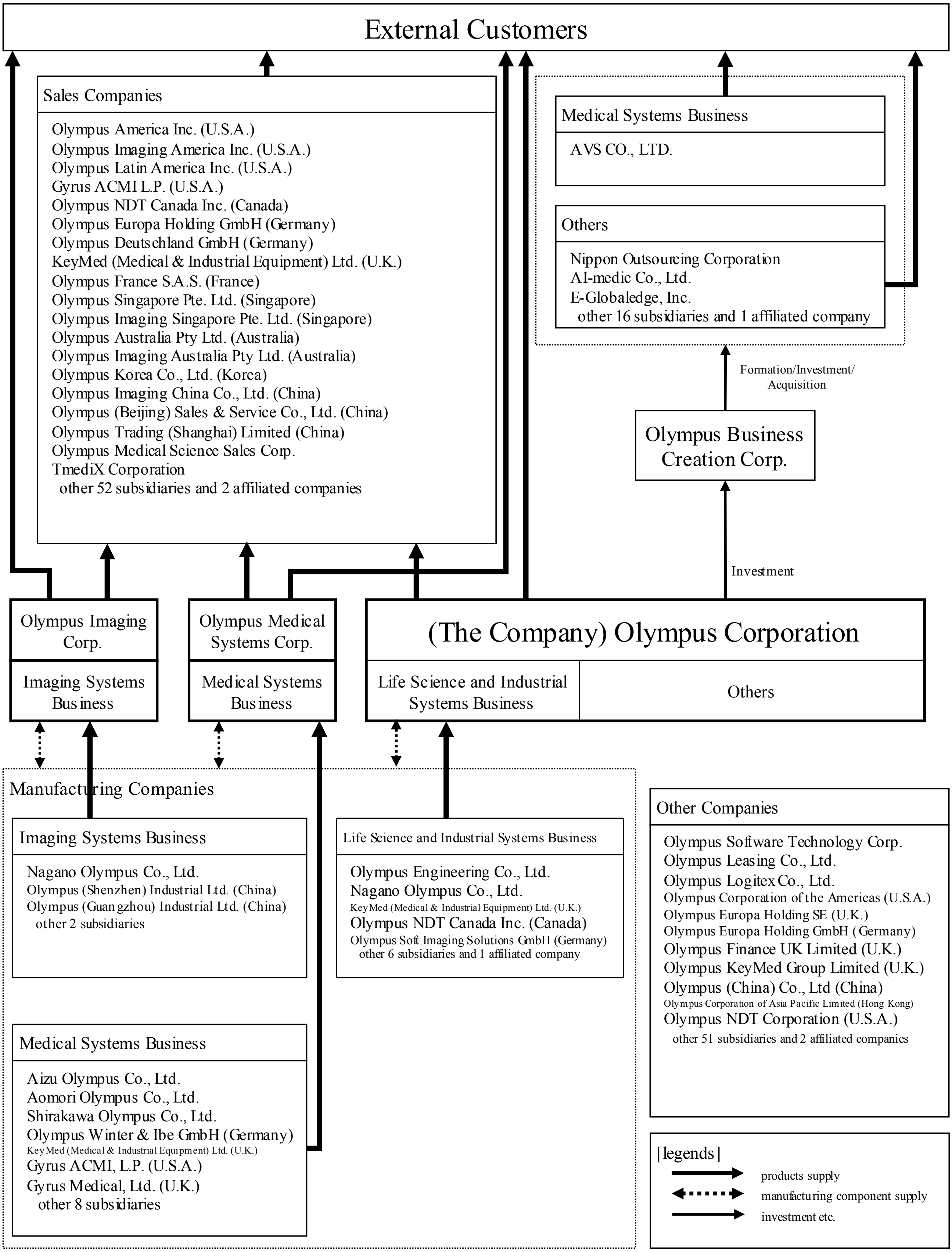
The Company and its 174 subsidiaries and 5 affiliated companies are engaged mainly in the manufacture and sales of products in Medical Systems, Life Science and Industrial Systems, Imaging Systems, and Others. There are also holding companies and Financial Investment, etc. related to each business.

Regarding the Information & Communication Business previously operated by the corporate group, on September 28, 2012, the Company succeeded the Information & Communication Business of ITX Corporation (now Impress Development K.K.) to the newly established ITX Corporation, which is the successor in an absorption-type company split, and sold the newly established ITX Corporation to IJ Holdings Inc. As a result, the Olympus Group is no longer engaged in the Information & Communication Business.

Described below are business of the corporate group, roles of each business and relations to business segments.

Segmentation	Main products and business	Principal consolidated subsidiaries
Medical Systems	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, Ultrasound endoscopes	(Consolidated subsidiaries) Olympus Medical Systems Corp., Olympus Medical Science Sales Corp., Aizu Olympus Co., Ltd., Aomori Olympus Co., Ltd., Shirakawa Olympus Co., Ltd., Olympus America Inc., Olympus Europa Holding GmbH, KeyMed (Medical & Industrial Equipment) Ltd., Gyrus ACMI, Inc., Olympus Winter & Ibe GmbH, Olympus (Beijing) Sales & Service Co., Ltd., Olympus Korea Co., Ltd., Olympus Singapore Pte. Ltd.
Life Science and Industrial Systems	Biological microscopes, Industrial microscopes, Industrial endoscopes, Non-destructive testing equipment	Olympus Corporation (Consolidated subsidiaries) Olympus Medical Science Sales Corp., Nagano Olympus Co., Ltd., Olympus America Inc., Olympus NDT Canada Inc., Olympus NDT Corporation, Olympus Europa Holding GmbH, Olympus Soft Imaging Solutions GmbH, KeyMed (Medical & Industrial Equipment) Ltd., Olympus (China) Co., Ltd., Olympus Singapore Pte. Ltd.
Imaging Systems	Digital cameras, Voice recorders	(Consolidated subsidiaries) Olympus Imaging Corp., Nagano Olympus Co., Ltd., Olympus Imaging America Inc., Olympus Europa Holding GmbH, Olympus Hong Kong and China Limited, Olympus Korea Co., Ltd., Olympus Imaging China Co., Ltd., Olympus (Shenzhen) Industrial Ltd., Olympus Imaging Singapore Pte. Ltd.
Others	Biomedical materials, System development etc.	Olympus Corporation (Consolidated subsidiaries) Olympus Terumo Biomaterials Corp., Olympus Systems Co., Ltd., Ai-medic Co., Ltd., Nippon Outsourcing Corporation, E-Globaledge Corporation
Common	Holding companies, Financial investment	Olympus Corporation (Consolidated subsidiaries) Olympus Leasing Co., Ltd., Olympus Business Creation Corp., Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus Europa Holding GmbH, Olympus KeyMed Group Limited, Olympus Corporation of Asia Pacific Limited, Olympus Finance UK Limited

The outline chart of our group described in the preceding clause is as follows;



3. Operating Policy

(1) Basic Management Policy

The Olympus Group refers to the concept of assimilating, as members, with society, sharing values with other members of society, and making people's lives healthy and happy by proposing new values through business activities as "Social IN," and identifies the concept as the leading motive underlying all our activities.

Based on the "Social IN" concept, using the core Opto-Digital Technology the Company has developed since its foundation as a resource, the Company aims to be a value-creating enterprise capable of continuing to create the new value that is truly needed by society and providing such value in a timely manner. The Company believes that doing so will help to improve the satisfaction of all its stakeholders, such as its customers, its shareholders, its business partners, its employees, the regions in which it operates, and society as a whole.

(2) Target Management Benchmarks

In the "Medium-Term Vision" (medium-term management plan) which started in the fiscal year ended March 31, 2013, the Company specified that it will monitor the effectiveness of the plan's implementation in accordance with the four targets in the table below. The targets consist of numerical targets the Company intends to achieve in the fiscal year ending March 31, 2017.

Benchmark	Target
(i) Return on Invested Capital (ROIC) (*)	At least 10%
(ii) Operating ratio	At least 10%
(iii) Free cash flow	At least ¥70,000 million
(iv) Equity ratio	At least 30%

* A benchmark that measures the amount of return generated by capital invested by an enterprise (IC, or Invested Capital). The Company calculates this based on the following formula:

ROIC = Return (net operating income after tax) / IC (Shareholders' equity + Interest-bearing debt)

(3) Medium/Long-Term Management Strategy and Issues That Olympus Group Should Address

In the Medium-Term Vision, the Company has established three new operating policies, "Return to the Starting Point," "One Olympus," and "Profitable Growth." We will implement the following basic strategies based on these operating policies.

(i) Rebuilding of the business portfolio and optimal allocation of management resources
After positioning its business domains as "Medical Systems," "Life Science and Industrial Systems" and "Imaging Systems," the Company will strategically channel management resources with an emphasis on the "Medical Systems" business. In tandem, the Company will look at other business domains by scrutinizing their relation to its three domains and reexamining the optimal measures to enhance their business value. Based on this, the Company will be decisive in selling, downsizing, liquidating or withdrawing from businesses and subsidiaries whose continuation as businesses in the Olympus Group the Company judges to be inadvisable from the perspective of profitability, future viability, and other such considerations.

(ii) Review of cost structures
In order to improve group-wide profitability, the Company will work to achieve cost reductions and substantial cuts in selling, general and administrative expenses. As specific measures, the Company will redouble its efforts with regard to personnel optimization, cost reductions through restructuring of production sites and reinforcing of procurement capabilities, and the acceleration of initiatives for group-wide cuts in selling, general and administrative expenses.

(iii) Restoration of financial health

The Company will work to restore its financial health while also maximizing shareholder value. By steadily implementing the business strategy of each business, the Company will secure stable business earnings and work to build up shareholders' equity. The Company will also maximize the cash flow yielded by its businesses and reduce its interest-bearing debt. In addition, the Company will work to streamline its assets through prompt sales of idle properties and reductions in inventories. By these means, the Company will achieve a prompt improvement in its equity ratio as well as management stability.

(iv) Restructuring of governance

The Company will promote management in which there is a clear division between management execution and supervision. In tandem, the Company will work to engender a high level of ethical values, reform compliance awareness and strengthen its compliance promotion framework. By these means, the Company will make a concerted, group-wide effort to restructure its governance.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
ASSETS		
Current assets		
Cash and time deposits	200,088	229,610
Notes and accounts receivable	150,594	125,231
Lease receivables and lease investment assets	18,888	21,777
Merchandise and finished goods	61,963	59,740
Work in process	19,191	20,827
Raw materials and supplies	21,339	18,740
Deferred income taxes	23,574	25,087
Other current assets	34,019	43,322
Allowance for doubtful accounts	(3,098)	(3,297)
Total current assets	526,558	541,037
Fixed assets		
Property, plant and equipment		
Buildings and structures	129,654	127,908
Accumulated depreciation	(73,729)	(77,136)
Buildings and structures, net	55,925	50,772
Machinery and equipment	53,483	54,340
Accumulated depreciation	(42,948)	(44,283)
Machinery and equipment, net	10,535	10,057
Tools, furniture and fixtures	157,712	175,488
Accumulated depreciation	(119,132)	(129,705)
Tools, furniture and fixtures, net	38,580	45,783
Land	15,931	15,172
Lease assets	9,402	11,523
Accumulated depreciation	(3,696)	(5,358)
Lease assets, net	5,706	6,165
Construction in progress	1,131	1,853
Net property, plant and equipment	127,808	129,802
Intangible assets		
Goodwill	124,465	106,346
Others	72,680	68,260
Total intangible assets	197,145	174,606
Investments and other assets		
Investment securities	51,318	48,614
Long-term loans receivable	3,108	1,040
Deferred income taxes	8,167	9,418
Other assets	60,318	64,026
Allowance for doubtful accounts	(7,896)	(8,461)
Total investments and other assets	115,015	114,637
Total fixed assets	439,968	419,045
Total assets	966,526	960,082

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
LIABILITIES		
Current liabilities		
Notes and accounts payable	75,330	42,272
Short-term borrowings	92,075	102,510
Current maturities of bonds	20,040	35,000
Other payable	36,947	31,221
Accrued expenses	62,613	67,676
Income taxes payable	8,228	12,622
Provision for product warranties	7,336	7,513
Other reserves	18	–
Other current liabilities	17,806	18,046
Total current liabilities	320,393	316,860
Non-current liabilities		
Long-term bonds, less current maturities	90,080	55,000
Long-term borrowings, less current maturities	440,231	367,880
Deferred income taxes	29,456	28,381
Severance and retirement allowance	23,922	27,594
Severance and retirement allowance for directors and audit & supervisory board members	140	142
Provision for loss on business liquidation	3,205	145
Other non-current liabilities	11,071	11,673
Total non-current liabilities	598,105	490,815
Total liabilities	918,498	807,675
NET ASSETS		
Shareholders' equity		
Common stock	48,332	73,332
Capital surplus	54,788	79,788
Retained earnings	60,197	68,000
Treasury stock, at cost	(11,249)	(11,255)
Total shareholders' equity	152,067	209,865
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,128	6,295
Net unrealized gains (losses) on hedging derivatives, net of taxes	(1,268)	20
Foreign currency translation adjustments	(102,067)	(58,029)
Pension liability adjustment of foreign subsidiaries	(7,090)	(9,046)
Total accumulated other comprehensive income	(107,297)	(60,760)
Minority interests	3,258	3,302
Total net assets	48,028	152,407
Total liabilities and net assets	966,526	960,082

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	848,548	743,851
Costs of sales	464,743	365,653
Gross profit	383,805	378,198
Selling, general and administrative expenses	348,287	343,121
Operating income	35,518	35,077
Non-operating income		
Interest income	931	1,049
Dividends income	803	794
Royalty income	40	797
Foreign currency exchange gain	162	–
Reversal of provision for loss on business liquidation	–	1,348
Gain on sales of investment securities	1,994	2,103
Net income of investment in affiliated companies carried on the equity method	144	22
Others	3,318	3,442
Total non-operating income	7,392	9,555
Non-operating expenses		
Interest expenses	14,026	13,942
Foreign currency exchange loss	–	1,954
Amendment fee	–	3,392
Others	11,019	12,298
Total non-operating expenses	25,045	31,586
Ordinary income	17,865	13,046
Extraordinary income		
Gain on sales of investments in subsidiaries and affiliates	–	20,601
Gain on sales of noncurrent assets	–	1,316
Gain on sales of investment securities	322	537
Total extraordinary income	322	22,454
Extraordinary losses		
Impairment loss on fixed assets	15,839	7,600
Loss on sales of investments in subsidiaries and affiliates	38	575
Loss on sales of investment securities	14	1,760
Loss on valuation of investment securities	2,014	722
Amortization of goodwill	1,179	–
Loss on restructuring of business	3,392	2,947
Provision for loss on business liquidation	3,205	–
Expense related to retrospective adjustment	2,001	–
Early extra retirement payments	–	1,336
Soil improvement cost	–	187
Settlement package	–	1,231
Total extraordinary losses	27,682	16,358

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income (loss) before provision for income taxes	(9,495)	19,142
Income taxes, current	16,293	15,838
Income taxes, deferred	22,989	(4,938)
Total	39,282	10,900
Income (loss) before minority interests	(48,777)	8,242
Minority interest in income of consolidated subsidiaries	208	222
Net income (loss)	(48,985)	8,020

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income (loss) before minority interests	(48,777)	8,242
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	(3,396)	3,165
Net unrealized gains (losses) on hedging derivatives, net of taxes	(510)	1,288
Foreign currency translation adjustments	(6,858)	44,145
Pension liability adjustment of foreign subsidiaries	(3,447)	(1,956)
Share of other comprehensive income of associates accounted for using equity method	(2)	5
Total other comprehensive income	(14,213)	46,647
Comprehensive income	(62,990)	54,889
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(63,203)	54,556
Comprehensive income attributable to minority interests	213	333

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Shareholders' equity		
Common stock		
Balance at the beginning of the year	48,332	48,332
Changes during the year		
Issuance of common stock	–	25,000
Net changes during the year	–	25,000
Balance at the end of the year	48,332	73,332
Capital surplus		
Balance at the beginning of the year	54,788	54,788
Changes during the year		
Issuance of common stock	–	25,000
Net changes during the year	–	25,000
Balance at the end of the year	54,788	79,788
Retained earnings		
Balance at the beginning of the year	113,532	60,197
Changes during the year		
Cash dividends paid	(4,004)	–
Net income (loss)	(48,985)	8,020
Change of scope of consolidation	(346)	(217)
Net changes during the year	(53,335)	7,803
Balance at the end of the year	60,197	68,000
Treasury stock, at cost		
Balance at the beginning of the year	(11,097)	(11,249)
Changes during the year		
Acquisition of treasury stock	(152)	(6)
Net changes during the year	(152)	(6)
Balance at the end of the year	(11,249)	(11,255)
Total shareholders' equity		
Balance at the beginning of the year	205,555	152,067
Changes during the year		
Issuance of common stock	–	50,000
Cash dividends paid	(4,004)	–
Net income (loss)	(48,985)	8,020
Change of scope of consolidation	(346)	(217)
Acquisition of treasury stock	(152)	(6)
Net changes during the year	(53,487)	57,798
Balance at the end of the year	152,067	209,865

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes		
Balance at the beginning of the year	6,524	3,128
Changes during the year		
Net changes in items other than shareholders' equity	(3,396)	3,167
Net changes during the year	(3,396)	3,167
Balance at the end of the year	3,128	6,295
Net unrealized gains (losses) on hedging derivatives, net of taxes		
Balance at the beginning of the year	(758)	(1,268)
Changes during the year		
Net changes in items other than shareholders' equity	(510)	1,288
Net changes during the year	(510)	1,288
Balance at the end of the year	(1,268)	20
Foreign currency translation adjustments		
Balance at the beginning of the year	(95,201)	(102,067)
Changes during the year		
Net changes in items other than shareholders' equity	(6,866)	44,038
Net changes during the year	(6,866)	44,038
Balance at the end of the year	(102,067)	(58,029)
Pension liability adjustment of foreign subsidiaries		
Balance at the beginning of the year	(3,643)	(7,090)
Changes during the year		
Net changes in items other than shareholders' equity	(3,447)	(1,956)
Net changes during the year	(3,447)	(1,956)
Balance at the end of the year	(7,090)	(9,046)
Total accumulated other comprehensive income		
Balance at the beginning of the year	(93,078)	(107,297)
Changes during the year		
Net changes in items other than shareholders' equity	(14,219)	46,537
Net changes during the year	(14,219)	46,537
Balance at the end of the year	(107,297)	(60,760)
Minority interests		
Balance at the beginning of the year	3,102	3,258
Changes during the year		
Net changes in items other than shareholders' equity	156	44
Net changes during the year	156	44
Balance at the end of the year	3,258	3,302

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Total net assets		
Balance at the beginning of the year	115,579	48,028
Changes during the year		
Issuance of common stock	–	50,000
Cash dividends paid	(4,004)	–
Net income (loss)	(48,985)	8,020
Change of scope of consolidation	(346)	(217)
Acquisition of treasury stock	(152)	(6)
Net changes in items other than shareholders’ equity	(14,063)	46,581
Net changes during the year	(67,551)	104,379
Balance at the end of the year	48,028	152,407

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Cash flows from operating activities		
Income (loss) before provision for income taxes	(9,495)	19,142
Depreciation and amortization	33,787	33,899
Impairment loss on fixed assets	15,839	7,600
Amortization of goodwill	12,283	9,683
Amendment fee	–	3,392
Settlement package	–	1,231
Early extra retirement payments	–	1,336
Increase (decrease) in severance and retirement allowance	1,445	794
Decrease (increase) in prepaid pension cost	2,051	4,018
Increase (decrease) in provision for product warranties	(716)	(419)
Interest and dividend income	(1,734)	(1,843)
Interest expense	14,026	13,942
Net loss (gain) of investment in affiliated companies carried equity method	(144)	(22)
Increase (decrease) in provision for loss on business liquidation	3,205	(3,060)
Loss (gain) on sale of investment securities in subsidiaries and affiliates	38	(20,026)
Loss (gain) on valuation of investment securities	2,014	722
Decrease (increase) in accounts receivable	(11,681)	(10,063)
Decrease (increase) in inventories	(9,742)	1,048
Increase (decrease) in accounts payable	6,792	6,707
Increase (decrease) in other payable	260	3,217
Increase (decrease) in accrued expense	3,719	1,458
Decrease (increase) in fixed lease receivables	2,145	(6,969)
Other	(1,120)	(2,083)
Sub-total	62,972	63,704
Interest and dividend received	1,836	1,843
Interest payments	(13,990)	(13,852)
Amendment fee paid	–	(3,392)
Settlement package paid	–	(1,231)
Early extra retirement payments paid	–	(1,336)
Income taxes paid	(19,929)	(20,503)
Net cash provided by operating activities	30,889	25,233

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Cash flows from investing activities		
Deposits in time deposits	(2,007)	(3,846)
Withdrawals from time deposits	3,719	2,913
Purchase of property, plant and equipment	(22,761)	(24,023)
Purchases of intangible assets	(12,483)	(3,942)
Purchases of investment securities	(1,076)	(373)
Sales and redemption of investment securities	4,155	6,506
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(6,584)	–
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	27	52,629
Payments for acquisition of new consolidated subsidiaries	(624)	–
Payments for loans receivable	(1)	(2,053)
Proceeds from loans receivable	2,408	3,885
Other	(508)	1,759
Net cash provided by (used in) investing activities	(35,735)	33,455
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,722	(27,782)
Proceeds from long-term debt	60,244	–
Repayments of long-term debt	(63,197)	(42,935)
Redemption of bonds	(240)	(20,040)
Proceeds from issuance of common stock	–	49,953
Purchase of treasury stock	(152)	(4)
Dividends paid	(4,004)	–
Dividends paid to minority shareholders	(22)	(75)
Other	(1,112)	(1,553)
Net cash used in financing activities	(5,761)	(42,436)
Effect of exchange rate changes on cash and cash equivalents	(1,220)	10,701
Net increase (decrease) in cash and cash equivalents	(11,827)	26,953
Cash and cash equivalents at beginning of year	210,385	198,661
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	103	168
Cash and cash equivalents at end of year	198,661	225,782

(5) Notes Regarding Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

(Important Items That Form the Basis for Preparing the Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 167

Olympus Europa Holding SE and 2 other companies are newly established subsidiaries during the fiscal year ended March 31, 2013.

Olympus New Co GmbH has been included into consolidation through equity participation carried out during the fiscal year.

Camic Co., Ltd. and 3 other companies have been switched from non-consolidated subsidiaries not accounted for under the equity method to consolidated subsidiaries due to increase in materiality.

ITX Corporation, Net Protections, Inc. and 11 other companies have been excluded from consolidated subsidiaries due to sale of shares during the fiscal year.

NEWS CHEF Inc. and 2 other companies have been excluded from consolidated subsidiaries due to decrease in materiality.

Celon AG Medical Instruments and 6 other companies have been excluded from consolidated subsidiaries due to merger with other consolidated subsidiaries during the fiscal year.

Algram Engineering Company Ltd. and 9 other companies have been excluded from consolidated subsidiaries due to liquidation during the fiscal year.

(2) Name of non-consolidated subsidiaries

Non-consolidated subsidiaries are as follows:

Olympus-Supportmate Corp.

NEWS CHEF Inc. and 5 other companies

Reason of excluding from the scope of consolidation

The 7 non-consolidated subsidiaries are all small and not material when measured by the impact of total amounts of assets, net sales, net income, and retained earnings (based on the Company’s ownership percentage) of those companies on consolidated financial statements. They have therefore been excluded from the scope of consolidation.

2. Application of the equity method

(1) Affiliated companies accounted for under the equity method: 3

Adachi Co., Ltd.

Olympus Opto Systems India Private Limited

Olympus Cytori Inc.

(2) Olympus-Supportmate Corp. and 6 other non-consolidated subsidiaries and 2 affiliated companies have not been accounted for under the equity method because the impact of all those companies on consolidated net income and retained earnings is not material.

(Additional Information)

1. 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 been launched and remain underway. The consolidated financial statements may be corrected if any further important information comes to light in such investigations in the future.

As a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act, and on March 26, 2013, the verdict in the closing argument of this case is that a fine of ¥1.0 billion should be imposed. Also as a result of inappropriate financial reporting by the Company, holders of its shares, etc. 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 in the future for a similar reason.

The effect of these events on the financial results of the Company is not clear since it is difficult to estimate its financial impact at this stage.

2. Filing of lawsuit against the Company

The Company had a lawsuit filed against it. The overview of the lawsuit is as follows.

(1) Date of filing

July 23, 2012

(2) Name, address and representative of plaintiff

1) Name: Terumo Corporation

2) Address: 44-1, Hatagaya 2-chome, Shibuya-ku, Tokyo

3) Representative: Yutaro Shintaku, Representative Director

(3) Details of the lawsuit and amount of claim

The Company issued 6,811,000 shares, amounting to a total of ¥14,998 million, to Terumo Corporation through third party allotment, in accordance with the securities registration statement submitted on August 4, 2005.

Terumo Corporation claims, owing to the Company's past postponing of the recognition of losses, that false statements on important matters were contained in the securities registration statement when such third party allotment was made. Consequently, the lawsuit was filed to seek compensation for damage of ¥6,612 million, in accordance with Article 18, Paragraph 1 and Paragraph 2 of the former Securities and Exchange Act and Article 19 of the said Act, which are applied by replacing the terms pursuant to the provision of Article 23-2 of the said Act.

The amount of compensation for damage claimed consists of ¥6,612 million and 5% per annum interest on this amount for the period from August 22, 2005 up to the payment of the principal.

(4) Future outlook

The Company has appointed a lawyer as its counsel for this lawsuit and is seeking dismissal of the claim. The lawsuit's effect on the financial results of the Company is not clear since it is difficult to estimate its financial impact at this stage.

(Consolidated Statements of Income)

1 Major items and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 - March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 - March 31, 2013)
Advertising and promotion expenses	42,612	39,946
Salaries and allowance	106,401	104,079
Bonuses	21,721	21,699
Severance and retirement expenses	9,263	11,517
Amortization of goodwill	11,103	9,683
Experiment and research expenses	33,113	28,410
Depreciation	23,423	23,070

2 Total amount of research and development expenses included in general and administrative expenses and production cost

(Millions of yen)

Fiscal year ended March 31, 2012 (April 1, 2011 - March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 - March 31, 2013)
61,356	63,379

3 Impairment losses

Impairment losses are accounted for the following asset groups.

Fiscal year ended March 31, 2012 (April 1, 2011 - March 31, 2012)

(Millions of yen)

Application	Type	Location	Impairment loss
Imaging systems business assets	Land Buildings and structures Tools, furniture and fixtures Machinery and equipment Right of using facilities Patent right Software, etc. Long-term prepaid expenses	Tokyo, Guangdong Province, China, etc.	3,008 4,051 1,265 1,404 122 284 865 594
Other business assets	Land Buildings and structures Tools, furniture and fixtures Machinery and equipment Lease assets Software, etc. Long-term prepaid expenses	Nagano Prefecture, etc.	345 222 325 285 8 50 1,977
Life science and industrial systems business assets	Patent right	—	301
Information & communication business assets	Buildings and structures Tools, furniture and fixtures Software	Tokyo	52 6 12
Idle assets	Buildings and structures Tools, furniture and fixtures Machinery and equipment Leasehold right Software, etc.	Nagano Prefecture, Singapore, etc.	358 1 9 5 290
Total			15,839

Business assets are grouped mainly by segment.

Pertaining to business assets, because recoverability is not recognized over the estimated future cash flow period due to changes in the business environment, their book value is reduced to the recoverable amount. The recoverable amount is measured according to the value in use. When the value in use is negative based on future cash flow, the recoverable value is considered to be zero (0) for the purposes of calculations.

For idle assets, because market value is substantially lower than book value, book value is reduced to recoverable value. The recoverable value of these asset groups is measured using fair value less cost to sell and is evaluated using a method that deducts estimated sales expenses from estimated sales price.

Fiscal year ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(Millions of yen)

Application	Type	Location	Impairment loss
Imaging systems business assets	Land	Tokyo, Guangdong Province, China, etc.	200
	Buildings and structures		1,236
	Tools, furniture and fixtures		713
	Machinery and equipment		573
	Construction in progress		66
	Right of using facilities		47
	Patent right		102
	Software, etc.		364
	Long-term prepaid expenses		432
Other business assets	Land	Massachusetts, etc., America	10
	Buildings and structures		579
	Tools, furniture and fixtures		8
	Machinery and equipment		328
	Construction in progress		3
	Lease assets		24
	Goodwill		16
	Patent right		19
	Software, etc.		11
	Technology-related assets		1,031
	Marketing right		348
Assets scheduled for disposal	Software	Tokyo	1,490
Total			7,600

Business assets are grouped mainly by segment according to business type, assets scheduled for disposal are grouped as assets to be disposed of by abandonment, sale etc., and idle assets are presented individually.

Pertaining to business assets, because recoverability is not recognized over the estimated future cash flow period due to changes in the business environment, their book value is reduced to the recoverable amount. The recoverable amount is measured according to the value in use or the realizable value (fair value less costs to sell), whichever is the higher amount. Assessment of the realizable value is based on valuations by real estate appraisers and assessment of the value in use is based on future cash flows.

Within assets scheduled for disposal, a decision has been made to discontinue an in-house system for operational efficiency improvement. As a result, the book value of these assets is considered to be zero (0) .

(Consolidated Statements of Changes in Net Assets)

Fiscal year ended March 31, 2012 (April 1, 2011 - March 31, 2012)

Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the year (shares)	Increase in number of shares during the year (shares)	Decrease in number of shares during the year (shares)	Number of shares at the end of the year (shares)
Issued shares				
Common stock	271,283,608	—	—	271,283,608
Total	271,283,608	—	—	271,283,608
Treasury stock				
common stock (Note)	4,348,948	72,930	—	4,421,878
Total	4,348,948	72,930	—	4,421,878

Note: The increase of 72,930 in shares of common shares of treasury stock included an increase of 22,000 shares as a result of purchasing shares from objecting shareholders related to the share exchange when ITX Corporation became a wholly owned subsidiary, an increase of 40,000 shares as a result of purchasing shares from objecting shareholders related to the absorption-type company split with Olympus Imaging Corporation, and an increase of 10,930 shares as a result of the purchase of shares constituting less than one unit.

Fiscal year ended March 31, 2013 (April 1, 2012 - March 31, 2013)

Class and total number of issued shares and Class and number of treasury shares

	Number of shares at the beginning of the year (shares)	Increase in number of shares during the year (shares)	Decrease in number of shares during the year (shares)	Number of shares at the end of the year (shares)
Issued shares				
Common stock	271,283,608	34,387,900	—	305,671,508
Total	271,283,608	34,387,900	—	305,671,508
Treasury stock				
common stock (Note)	4,421,878	3,904	—	4,425,782
Total	4,421,878	3,904	—	4,425,872

Notes :1. The increase of 34,387,900 shares in issued shares of common stock was a result of the issuance of shares through third-party allotment.

2. The 3,904 shares of common stock added to treasury stock was a result of the purchase of shares constituting less than one unit.

(Segment Information)

1. Segment Information

   1. Overview of reportable segments

The reportable segments of the Olympus Group are components of the Company whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Olympus Group has established business divisions at the Company, Olympus Medical Systems Corporation, Olympus Imaging Corporation, and ITX Corporation. Each business division formulates comprehensive strategies for Japan and abroad with respect to products and services handled and deploys business activities.

Accordingly, being composed of segments, based on these business divisions, that are categorized according to products and services, the Olympus Group has the following five reportable segments: Medical Systems Business, Life Science and Industrial Systems Business, Imaging Systems Business, Information & Communication Business, and Others.

The “Medical Systems Business” manufactures and sells medical endoscopes, surgical endoscopes, endo-therapy devices and other products. The “Life Science and Industrial Systems Business” manufactures and sells biological microscopes, industrial microscopes, industrial endoscopes, non-destructive testing equipment and other products. The “Imaging Systems Business” manufactures and sells digital cameras, voice recorders and other products. The “Information & Communication Business” sells mobile terminals including mobile handsets. The “Others” business manufactures and sells biomedical materials, conducts system development and other business activities.

On September 28, 2012, the Olympus Group had the Information & Communication Business of ITX Corporation, which was previously classified as the Information & Communication Business segment, succeeded by the newly established ITX Corporation, which is the successor to the old ITX Corporation in an absorption-type company split, and sold the new company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc., thus excluding it from the scope of consolidation.

   2. Method of calculating amounts of net sales, income/loss, assets, liabilities and other items

The accounting methods for the reportable business segments are generally the same as the methods described in “Important Items That Form the Basis for Preparing the Consolidated Financial Statements.” Profits of reportable segments are values on an operating income base. The internal sales or transfer among segments are based on actual market prices.

3 Information regarding net sales, income/loss, assets, liabilities, and other items by reportable segment

The fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total		
Sales								
Sales to outside customers	349,246	92,432	128,561	229,399	48,910	848,548	–	848,548
Internal sales or transfer among segments	158	16	84	–	142	400	(400)	–
Total	349,404	92,448	128,645	229,399	49,052	848,948	(400)	848,548
Segment profit (loss)	68,188	5,439	(10,760)	5,277	(7,992)	60,152	(24,634)	35,518
Segment assets	462,317	79,251	88,928	98,842	73,207	802,545	163,981	966,526
Other items								
Depreciation cost	17,935	3,606	4,696	1,029	1,891	29,157	4,630	33,787
Amortization of goodwill	6,695	664	–	2,890	2,034	12,283	–	12,283
Increase in property, plant and equipment and intangible assets	15,588	4,292	5,211	666	5,735	31,492	6,469	37,961

Notes:

1. The adjustments are as follows:

(1) The deduction of ¥400 million in internal sales or transfer among segments is elimination of transactions among segments.

(2) The deduction of ¥24,634 million listed as an adjustment to segment profit includes unallocatable expenses of ¥24,634 million not allocated to any reportable segment. These unallocatable expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

(3) The ¥163,981 million listed as an adjustment of segment assets mainly consists of unallocatable assets not allocated to any reportable segment.

(4) The ¥4,630 million listed as a segment depreciation cost mainly consists of depreciation cost relating to unallocatable assets not allocated to any reportable segment.

(5) The ¥6,469 million listed as an increase in segment property, plant and equipment and intangible assets mainly consists of increase in property, plant and equipment and intangible assets relating to unallocatable assets not allocated to any reportable segment.

2. Segment profits are adjusted to agree with operating income on the consolidated financial statements.

The fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication (Note 3)	Others	Total		
Sales								
Sales to outside customers	394,724	85,513	107,638	114,243	41,733	743,851	–	743,851
Internal sales or transfer among segments	159	10	37	–	252	458	(458)	–
Total	394,883	85,523	107,675	114,243	41,985	744,309	(458)	743,851
Segment profit (loss)	87,069	3,527	(23,073)	1,704	(4,870)	64,357	(29,280)	35,077
Segment assets	505,302	89,995	81,740	–	62,364	739,401	220,681	960,082
Other items								
Depreciation cost	20,270	4,420	2,591	283	1,827	29,391	4,508	33,899
Amortization of goodwill	7,032	770	–	1,504	377	9,683	–	9,683
Increase in property, plant and equipment and intangible assets	17,147	3,429	3,076	231	1,826	25,709	2,400	28,109

Notes:

1. The adjustments are as follows:

(1) The deduction of ¥458 million in internal sales or transfer among segments is elimination of transactions among segments.

(2) The deduction of ¥29,280 million listed as an adjustment to segment profit includes unallocatable expenses of ¥29,280 million not allocated to any reportable segment. These unallocatable expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

(3) The ¥220,681 million listed as an adjustment of segment assets mainly consists of unallocatable assets not allocated to any reportable segment.

(4) The ¥4,508 million listed as a segment depreciation cost mainly consists of depreciation cost relating to unallocatable assets not allocated to any reportable segment.

(5) The ¥2,400 million listed as an increase in segment property, plant and equipment and intangible assets mainly consists of increase in property, plant and equipment and intangible assets relating to unallocatable assets not allocated to any reportable segment.

2. Segment profits are adjusted to agree with operating income on the consolidated financial statements.
3. Information & Communication Business segment was divested by share transfer on September 28, 2012.

2. Related Information

The fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

1. Information by product and service

Since similar information is disclosed in segment information, information by product and service has been omitted.

2. Information by region

(i) Net Sales

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
398,237	165,263	156,149	107,304	21,595	848,548

Notes:

1. Net sales are based on the location of the customer, and are classified by country or region.
2. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada
(2) Europe: Germany, UK, France, etc.
(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.
(4) Others: Central and South America, Africa, etc.

(ii) Property, plant and equipment

(Millions of yen)

Japan	America	Europe	Asia	Total
62,816	29,114	22,968	12,910	127,808

Notes:

1. Countries and regions are segmented by geographical proximity.
2. Major countries and regions other than Japan are as follows:

(1) America: USA, Canada, Mexico, and Brazil
(2) Europe: Germany, UK, France, etc.
(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

3. Information by major customer

Since there is no major external customer that accounts for 10% or more of the net sales in the consolidated statements of income, information by major customer has been omitted.

The fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

1. Information by product and service

   Since similar information is disclosed in segment information, information by product and service has been omitted.

2. Information by region

   (i) Net Sales

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
287,025	177,233	157,179	102,395	20,019	743,851

Notes: 1. Net sales are based on the location of the customer, and are classified by country or region.
2. Major countries and regions other than Japan are as follows:
(1) North America: USA, Canada
(2) Europe: Germany, UK, France, etc.
(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.
(4) Others: Central and South America, Africa, etc.

   (ii) Property, plant and equipment

(Millions of yen)

Japan	America	Europe	Asia	Total
53,952	35,948	25,842	14,060	129,802

Notes: 1. Countries and regions are segmented by geographical proximity.
2. Major countries and regions other than Japan are as follows:
(1) America: USA, Canada, Mexico, and Brazil
(2) Europe: Germany, UK, France, etc.
(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

3. Information by major customer

   Since there is no major external customer that accounts for 10% or more of the net sales in the consolidated statements of income, information by major customer has been omitted.

3. Information regarding impairment loss on fixed assets by reportable segment

The fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Unallocation or Elimination	Total
Impairment loss	–	301	11,593	70	3,212	663	15,839

The fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Unallocation or Elimination	Total
Impairment loss	–	–	3,733	–	2,377	1,490	7,600

4. Information regarding amortization of goodwill and unamortized balance by reportable segment

The fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total
Unamortized balance	95,753	4,148	–	23,258	1,306	124,465

Note: Amortization of goodwill is not described because similar information is disclosed in segment information.

The fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total
Unamortized balance	101,534	3,919	–	–	893	106,346

Note: Amortization of goodwill is not described because similar information is disclosed in segment information.

(Per-Share Data)

	Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)
Net assets per share	¥167.76	¥494.96
Net income (loss) per share	¥(183.54)	¥28.96

Notes: 1. Fully diluted net income per share for the fiscal year ended March 31, 2013 is not described because there were no residual securities that have dilutive effects. Fully diluted net income per share for the fiscal year ended March 31, 2012 is not described because there was a net loss per share although there were residual securities.

2. The basis for calculating net income (loss) per share is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)
Net income (loss)	(48,985)	8,020
Amount not attributable to common shareholder	–	–
Net income (loss) concerning common stock	(48,985)	8,020
Average number of shares during the year	266,893,365 shares	276,957,809 shares
Outline of the residual securities excluded from the calculation of the fully diluted net income per share because they have no dilutive effects	There are share options as residual securities held by consolidated subsidiaries.	Same as left

(Important Subsequent Event)

(Establishment of significant joint venture)

Based on a business partnership agreement concluded with Sony Corporation ("Sony") on September 28, 2012, the Company established Sony Olympus Medical Solutions Inc. as a joint medical business venture with Sony on April 16, 2013, after obtaining all necessary authorizations from government and supervisory authorities in Japan and various other countries.

1. Purpose of establishment

The purpose of Sony Olympus Medical Solutions Inc. is to align Sony's cutting-edge electronics technologies in areas such as digital imaging with the Company's manufacturing and R&D expertise in the area of medical products including lenses and optical products in order to provide high-quality medical care, thus contributing to medical advancement worldwide.

2. Outline of established company

(1) Trade name	Sony Olympus Medical Solutions Inc.
(2) Location	Hachioji, Tokyo
(3) Business lines	Manufacture and sale of medical and other instruments
(4) Stated Capital	50.0 million yen
(5) Acquisition price	24.5 million yen
(6) Ratio of shares held following acquisition	Sony: 51.0%; the Company: 49.0%