Consolidated Financial Results
for the Fiscal Year Ended March 31, 2014
<under Japanese GAAP>

May 9, 2014

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Hiroyuki Sasa, Representative Director, President
Contact: Masahide Aramoto, General Manager, Accounting Department
Phone: 03-3340-2111

Scheduled date of General Meeting of Shareholders:	June 26, 2014
Scheduled date to submit the Securities Report:	June 26, 2014
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, 2014 (From April 1, 2013 to March 31, 2014)

(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, 2014	713,286	(4.1)	73,445	109.4	50,913	290.3	13,627	69.9
March 31, 2013	743,851	(12.3)	35,077	(1.2)	13,046	(27.0)	8,020	–

Note: Comprehensive income: Fiscal year ended March 31, 2014: ¥64,996 million [21.4%]
Fiscal year ended March 31, 2013: ¥53,534 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, 2014	41.05	41.04	5.7	5.1	10.3
March 31, 2013	28.96	–	8.3	1.4	4.7

Note: Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2014: ¥(1,457) million
Fiscal year ended March 31, 2013: ¥22 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2014	1,027,475	331,284	32.1	962.83
March 31, 2013	960,239	151,907	15.5	493.30

Note: Equity as of March 31, 2014: ¥329,519 million March 31, 2013: ¥148,605 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, 2014	72,388	(20,273)	(39,693)	251,344
March 31, 2013	25,233	33,455	(42,436)	225,782

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, 2013	–	0.00	–	0.00	0.00	0	–	0.0
Fiscal year ended March 31, 2014	–	0.00	–	0.00	0.00	0	0.0	0.0
Fiscal year ending March 31, 2015 (Forecast)	–	–	–	–	–		–	

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Six months	360,000	7.8	35,000	22.8	25,000	47.5	13,000	–	37.98
Full year	760,000	6.5	88,000	19.8	70,000	37.5	45,000	230.2	131.49

* Notes

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): No

(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: Yes
2) Changes in accounting policies due to other reasons: No
3) Changes in accounting estimates: No
4) Restatement of prior period financial statements after error corrections: No

Note: For details, please refer to “(5) Notes Regarding Consolidated Financial Statements (Changes in Accounting Policies)”on page 25 of the attached material.

(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, 2014	342,671,508 shares
As of March 31, 2013	305,671,508 shares

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

As of March 31, 2014	431,063 shares
As of March 31, 2013	4,425,782 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2014	331,992,635 shares
Fiscal year ended March 31, 2013	276,957,809 shares

Reference: Summary of Non-Consolidated Financial Results

1. Financial results for the Fiscal Year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(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, 2014	82,556	15.6	2,453	–	19,577	129.5	13,888	(17.3)
March 31, 2013	71,400	(3.6)	(5,870)	–	8,529	–	16,789	–

	Net income per share	Fully diluted net income per share
Fiscal year ended	(¥)	(¥)
March 31, 2014	41.83	41.83
March 31, 2013	60.62	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2014	686,606	225,895	32.9	659.71
March 31, 2013	623,427	93,030	14.9	308.82

Note: Equity as of March 31, 2014: ¥225,780 million March 31, 2013: ¥93,030 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, 2014	713,286	73,445	50,913	13,627	¥41.05
Fiscal year ended March 31, 2013	743,851	35,077	13,046	8,020	¥28.96
Increase (Decrease) ratio (%)	(4.1)	109.4	290.3	69.9	41.7

Comparison Table of Average Exchange Rate (Yen)

	Current fiscal year	Previous fiscal year
Against the U.S. dollar	100.24	83.10
Against the euro	134.37	107.14

In the global economy during the fiscal year under review, there was moderate recovery overall, mainly in the U.S. However, difficulties continued to be experienced in certain regions such as slowdown of economic growth in the emerging economies, notably China, and continuing economic sluggishness in Europe due to debt problems. In the Japanese economy, recovery continued on the back of yen depreciation and an improving employment situation while consumer spending and capital investment also increased, partly due to a rush in demand before the consumption tax hike.

Faced with this business environment, the Olympus Group continued throughout the fiscal year to steadily implement initiatives including removing the designation of the shares of Olympus Corporation as "Securities on Alert" by the Tokyo Stock Exchange, strengthening the financial base by increasing capital, and reorganization of our non-core business domains based on the basic strategies of the Medium-Term Vision (medium-term management plan) which started in the fiscal year ended March 31, 2013; namely, "rebuilding of the business portfolio and optimal allocation of management resources," "review of cost structures," "restoration of financial health" and "restructuring of governance."

Looking at the Olympus Group's focus business areas, in the Medical Systems Business, sales of new products in our flagship gastrointestinal endoscope field grew substantially in Japan and overseas, and we strove to strengthen our sales system to achieve further growth in the surgical field. In the Life Science and Industrial Systems Business, we launched new products in various fields such as laser scanning microscopes and industrial videoscopes and achieved sales growth. Regarding the Imaging Systems Business, we strengthened profitability by expanding the range of higher-priced models of mirrorless interchangeable-lens cameras and worked to normalize inventory levels and implement cost reductions.

As a result of these measures, the Olympus Group's overall consolidated net sales decreased despite increases in the Medical Systems Business and Life Science and Industrial Systems Business, and amounted to ¥713,286 million (down 4.1% year on year), reflecting the sale of the Information & Communication Business. Operating income was ¥73,445 million (up 109.4% year on year), due to the significant contraction of operating loss in the Imaging Systems Business, in addition to increases in the Medical Systems Business and Life Science and Industrial Systems Business. Ordinary income was ¥50,913 million (up 290.3% year on year) mainly owing to an increase in operating income. Net income was ¥13,627 million (up 69.9% year on year). This reflected the recording of extraordinary losses of ¥35,642 million mainly from provision for loss on litigation and loss on liquidation of business.

During the fiscal year under review, the Olympus Group invested ¥66,796 million on research and development, and spent ¥37,810 million on capital investments.

Regarding foreign exchange, the yen depreciated significantly against both the U.S. dollar and the euro compared to the previous fiscal year. The average exchange rate during the period was ¥100.24 against the U.S. dollar (¥83.10 in the previous fiscal year) and ¥134.37 against the euro (¥107.14 in the previous fiscal year), which caused net sales and operating income to rise by ¥95,500 million and ¥25,900 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	394,724	492,296	24.7	87,069	112,735	29.5
Life Science and Industrial Systems	85,513	98,510	15.2	3,527	4,935	39.9
Imaging Systems	107,638	96,111	(10.7)	(23,073)	(9,182)	–
Information & Communication	114,243	–	(100.0)	1,704	–	(100.0)
Others	41,733	26,369	(36.8)	(4,870)	(5,356)	–
Subtotal	743,851	713,286	(4.1)	64,357	103,132	60.2
Elimination or Unallocation	–	–	–	(29,280)	(29,687)	–
Consolidated total	743,851	713,286	(4.1)	35,077	73,445	109.4

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, 2013	Fiscal year ended March 31, 2014	Increase (Decrease)	Increase (Decrease) ratio
Net sales	394,724	492,296	97,572	24.7%
Operating income	87,069	112,735	25,666	29.5%

Consolidated net sales in the Medical Systems Business amounted to ¥492,296 million (up 24.7% year on year), while operating income amounted to ¥112,735 million (up 29.5% year on year).

In our flagship gastrointestinal endoscope field, sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which were launched in the previous fiscal year, were both strong. In the surgical and therapeutic devices field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, continued to grow. These positive factors resulted in sales growth in the Medical Systems Business.

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

Life Science and Industrial Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Increase (Decrease)	Increase (Decrease) ratio
Net sales	85,513	98,510	12,997	15.2%
Operating income	3,527	4,935	1,408	39.9%

Consolidated net sales in the Life Science and Industrial Systems Business amounted to ¥98,510 million (up 15.2% year on year), while operating income amounted to ¥4,935 million (up 39.9% year on year).

In the life science field, sales of products including “FLUOVIEW FVMPE-RS,” a new product in our series of laser scanning microscopes for use in cutting-edge life science research, were strong, and in the industrial field, sales grew for products such as “IPLEX RX” and “IPLEX RT,” which are new products in industrial videoscopes that have the best imaging quality in the series and the “OmniScan SX” series of compact and lightweight ultrasonic phased array flaw detectors, leading to higher sales in both fields.

Operating income in the Life Science and Industrial Systems Business increased because of the increase in sales.

Imaging Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Increase (Decrease)	Increase (Decrease) ratio
Net sales	107,638	96,111	(11,527)	(10.7)%
Operating income/loss	(23,073)	(9,182)	13,891	–

Consolidated net sales in the Imaging Systems Business amounted to ¥96,111 million (down 10.7% year on year), while operating loss amounted to ¥9,182 million (compared with an operating loss of ¥23,073 million in the previous fiscal year).

In the digital single-lens camera field, we launched “OM-D E-M1,” our flagship model of mirrorless single-lens camera that offers image quality comparable to full-size single-lens cameras, and “OM-D E-M10,” a mirrorless single-lens camera that condenses leading edge technology into an ultra-slim, stylish body. As a result, our sales were higher year on year. Meanwhile, in response to shrinkage in the compact camera market as a whole, we limited the number of units sold in this field. Consequently, there was a decline in sales in the Imaging Systems Business overall.

We reduced operating loss in this business by arranging cost structures in line with the business scale and striving to cut costs.

Others

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Increase (Decrease)	Increase (Decrease) ratio
Net sales	41,733	26,369	(15,364)	(36.8)%
Operating income/loss	(4,870)	(5,356)	(486)	–

Consolidated net sales for other businesses amounted to ¥ 26,369 million (down 36.8% year on year) and operating loss was ¥5,356 million (compared with an operating loss of ¥4,870 million in the previous fiscal year).

In order to allocate management resources to our business domains in a more concentrated manner, we reorganized our non-core business domains, which also included profitable businesses. As a result, sales declined and operating loss increased in other businesses.

(Forecast for the Fiscal Year Ending March 31, 2015)

Forecast for the overall business and analysis of its preconditions

Looking ahead, although a moderate recovery trend in the global economy mainly in the U.S. is continuing and the ongoing weak economic activity in Europe appears to have hit bottom, the risk of economic downturn still remains due to such factors as the slowing growth in the emerging economies. In the Japanese economy, despite it showing a trend of recovery on the back of yen depreciation and an improving employment situation, the outlook remains uncertain due to concerns such as the effect of the consumption tax hike.

Given this environment, the Olympus Group will steadily implement the "Medium-Term Vision" (medium-term management plan), which was formulated in June 2012. In addition to soundly achieving the Medium-Term Vision, we also aim to make long-term strategic investment in the three main businesses for future growth, particularly in the Medical Systems Business, and to accelerate growth and strengthen our business base.

In the Medical Systems Business, we will achieve aggressive business expansion by such means as further strengthening the sales system in the surgical business and expanding sales of the energy device "THUNDERBEAT," which is a strategic product. Meanwhile, in the Scientific Solutions Business, the new name for the business formerly called the Life Science and Industrial Systems Business, we will make efforts to improve investment efficiency by selection and concentration of fields based on customer groups and aim to improve profitability by making business organizations more efficient. In the Imaging Systems Business, while continuing to narrow down our numerical targets for units sold to counter an expected further shrinkage in the compact camera market, we will lift the sales share of the highly profitable "OM-D" series to accelerate the shift to the mirrorless interchangeable-lens field, which is expected to grow.

The forecast for consolidated financial results in the fiscal year ending March 31, 2015 is as follows.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Fiscal year ending March 31, 2015	760,000	88,000	70,000	45,000	¥131.49
Fiscal year ended March 31, 2014	713,286	73,445	50,913	13,627	¥41.05
Increase (Decrease) ratio (%)	6.5	19.8	37.5	230.2	220.3

Net sales is expected to increase on the back of growth in the Medical Systems Business. On the profit front, income growth in the Medical Systems Business and the contraction of losses in the Imaging Systems Business and other businesses, are expected to result in increases in operating income, ordinary income and net income.

Foreign exchange rates for the fiscal year ending March 31, 2015, which are a precondition for the forecast, are expected to be ¥100 per U.S. dollar and ¥135 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, 2013	As of March 31, 2014	Increase (Decrease)	Increase (Decrease) ratio (%)
Total assets	960,239	1,027,475	67,236	7.0
Net assets	151,907	331,284	179,377	118.1
Equity ratio	15.5%	32.1%	16.6%	–

As of the end of the fiscal year under review, total assets increased ¥67,236 million compared to the end of the previous fiscal year to ¥1,027,475 million. Current assets increased ¥35,475 million due to an increase in cash and time deposits, while fixed assets increased ¥31,761 million due to factors such as capital investment.

Total liabilities decreased ¥112,141 million compared to the end of the previous fiscal year to ¥696,191 million due mainly to decreases in borrowings (long-term and short-term) of ¥109,559 million and current maturities of bonds of ¥35,000 million.

Net assets increased ¥179,377 million compared to the end of the previous fiscal year to ¥331,284 million, primarily due to an increase in accumulated other comprehensive income of ¥53,952 million arising from fluctuations in foreign exchange and stock prices, as well as increases in common stock of ¥51,189 million and in capital surplus of ¥52,084 million resulting from issuance of new shares and disposal of treasury stock through public offering (offering through a book building method).

As a result of the foregoing, equity ratio increased from 15.5% as of the end of the previous fiscal year to 32.1%.

Analysis of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Increase (Decrease)
Cash flows from operating activities	25,233	72,388	47,155
Cash flows from investing activities	33,455	(20,273)	(53,728)
Cash flows from financing activities	(42,436)	(39,693)	2,743
Cash and cash equivalents at end of year	225,782	251,344	25,562

“Cash flows from operating activities” increased by ¥72,388 million mainly due to the recording of ¥16,425 million in income before provision for income taxes and adjustments for noncash items including ¥36,850 million in depreciation and amortization, ¥11,591 million in loss on liquidation of business and ¥11,000 million in provision for loss on litigation. Decreasing factors mainly included ¥16,192 million in income taxes paid and ¥11,911 million in interest payments.

“Cash flows from investing activities” decreased by ¥20,273 million. Decreasing factors mainly included ¥27,342 million in purchase of property, plant and equipment, ¥5,242 million in purchases of intangible assets and ¥2,770 million in deposits in time deposits. Increasing factors mainly included ¥6,096 million in withdrawals from time deposits and ¥4,854 million in net increase from sales of investment in subsidiaries related to changes in scope of consolidation.

“Cash flows from financing activities” decreased by ¥39,693 million mainly due to ¥90,274 million in repayments of long-term debt, ¥35,000 million in redemption of bonds and ¥24,714 million in decrease in short-term borrowings. Increasing factors mainly included ¥101,594 million in proceeds from issuance of common stock and ¥11,067 million in proceeds from disposal of treasury stock.

As a result, cash and cash equivalents at the end of the current fiscal year reached ¥251,344 million, an increase of ¥25,562 million compared to the end of the previous fiscal year.

(Cash Flows Indicators)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Equity ratio (%)	11.0	4.6	15.5	32.1
Market value equity ratio (%)	60.6	37.4	69.4	109.6
Interest-bearing debt to cash flows ratio (years)	21.3	20.8	22.2	5.7
Interest coverage ratio (times)	2.3	2.2	1.8	6.1

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

Aiming to boost the shareholder value, the Company gives the highest priority to investing funds from internal reserves in growth fields, particularly the Medical Systems Business. We set our basic strategy to implement dividends, considering performance while strengthening the financial base in order to respond to the expectations of our shareholders. Specifically, we make a comprehensive examination of the dividend amount, taking into consideration the business environment and investment situation for the Medical Systems Business and other businesses, our financial position and the dividend payout ratio on a consolidated basis.

Based on the above policy, due to the need to take into consideration securing sufficient internal reserves, 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. The Company has yet to decide on the dividend amount for the following fiscal year. When we are able to disclose the dividend forecast amount, we will make the announcement without delay.

(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 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 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.

(iii) The Olympus Group holds listed stocks with a total value of ¥51,070 million and unlisted stocks with a total value of ¥2,595 million as of March 31, 2014, for policy investment purposes such as facilitating business alliances. The stock price of listed stocks is determined based upon market principles. Accordingly, fluctuations in market trends could cause the value of these stocks to decline. For unlisted stocks, it is possible that the estimated value of these stocks could decline due to changes in the financial position of the company in question. Such price fluctuations could force the Group to record loss on valuation of investment securities, or other action that would affect the operating results or financial position of the Group.

(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)

In a case that was pending in the Tokyo District Court where the Company was accused of being in violation of the Securities and Exchange Act and the Financial Instruments and Exchange Act, the Company was fined ¥700 million on July 3, 2013 (the prosecution had sought ¥1,000 million). The judgment for the case was settled after the lapse of the period allowed for appeal and the case was closed upon payment of the fine. 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 total amount of claims against the Company in pending lawsuits at the time of disclosure of the financial results report for the 146th term is ¥86.3 billion. The following major lawsuits have been filed against the Company. Out of the pending lawsuits in the fiscal year under review, the Company reported ¥11,000 million as provision for loss on litigation in non-current liabilities, considering the state of progress of the lawsuits (i) and (iii) mentioned below.

(i) On June 28, 2012 (the date of the service of the complaint was November 12, 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 served), including overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company, 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. Furthermore, two of the plaintiff companies lowered their claims on June 28, 2013 (the defendant agreed to the lowering on July 1, 2013). As that amount of compensation for damage claimed was ¥9 million, the amount of compensation for damage claimed as of the end of the fiscal year under review was changed to ¥20,842 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.)

(ii) On December 13, 2012 (the date of the service of the complaint was March 29, 2013), in addition to California Public Employees' Retirement System, a total of 68 companies, including overseas investors that are shareholders of the Company, filed a lawsuit against the Company, to seek compensation for damages of ¥5,892 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, two of the plaintiff companies lowered their claims on April 4, 2013. As that amount of compensation for damage claimed was ¥18 million, the amount of compensation for damage claimed as of the end of the fiscal year under review was changed to ¥5,875 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal. Moreover, four of the plaintiff companies lowered their claims on September 11, 2013. As that amount of compensation for damage claimed was ¥112 million, the amount of compensation for damage claimed as of the end of the fiscal year under review was changed to ¥5,763 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal. Furthermore, one of the plaintiff companies lowered its claim on February 4, 2014. As that amount of compensation for damage claimed was ¥2 million, the amount of compensation for damage claimed as of the end of the fiscal year under review was changed to ¥5,762 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal.)

(iii) On June 27, 2013 (the date of the service of the complaint was July 16, 2013), in addition to California State Teachers' Retirement System, a total of 43 companies, including overseas investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company, to seek compensation for damages of ¥16,832 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.

(iv) On April 7, 2014 (the date of the service of the complaint was April 17, 2014), a total of six banks including Mitsubishi UFJ Trust and Banking Corporation and five other trust banks filed a lawsuit against the Company seeking compensation for damages by payment of ¥27,915 million and the interest accrued to the damages incurred relating to each of the shares at the rate of 5% per annum for the period from the day immediately following the share acquisition trade date of each of the shares that incurred losses up to the payment of the incurred losses of the shares.

Furthermore, 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. A court settlement was reached on November 18, 2013 and the Company recorded the settlement package of ¥6,000 million paid to Terumo Corporation as "settlement package" in extraordinary losses on the Consolidated statements of income for the fiscal year under review.

(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. On June 11, 2013, the TSE removed the designation of the Company’s shares as “Securities on Alert.”

(Risks Associated with Withdrawal from the Biologics Business)

The Olympus Group decided withdraw from the biologics business on February 28, 2014 and recorded a total of ¥14,672 million in extraordinary losses for the fiscal year ended March 31, 2014, composed of ¥3,645 million in impairment loss on fixed assets and ¥11,027 million in loss on liquidation of business. Depending on the progress of procedures associated with the withdrawal, it is possible that the withdrawal will impact on the Olympus Group’s operating results and financial position such as the recognition of additional costs in the fiscal year ending March 31, 2015 or in subsequent fiscal years.

(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

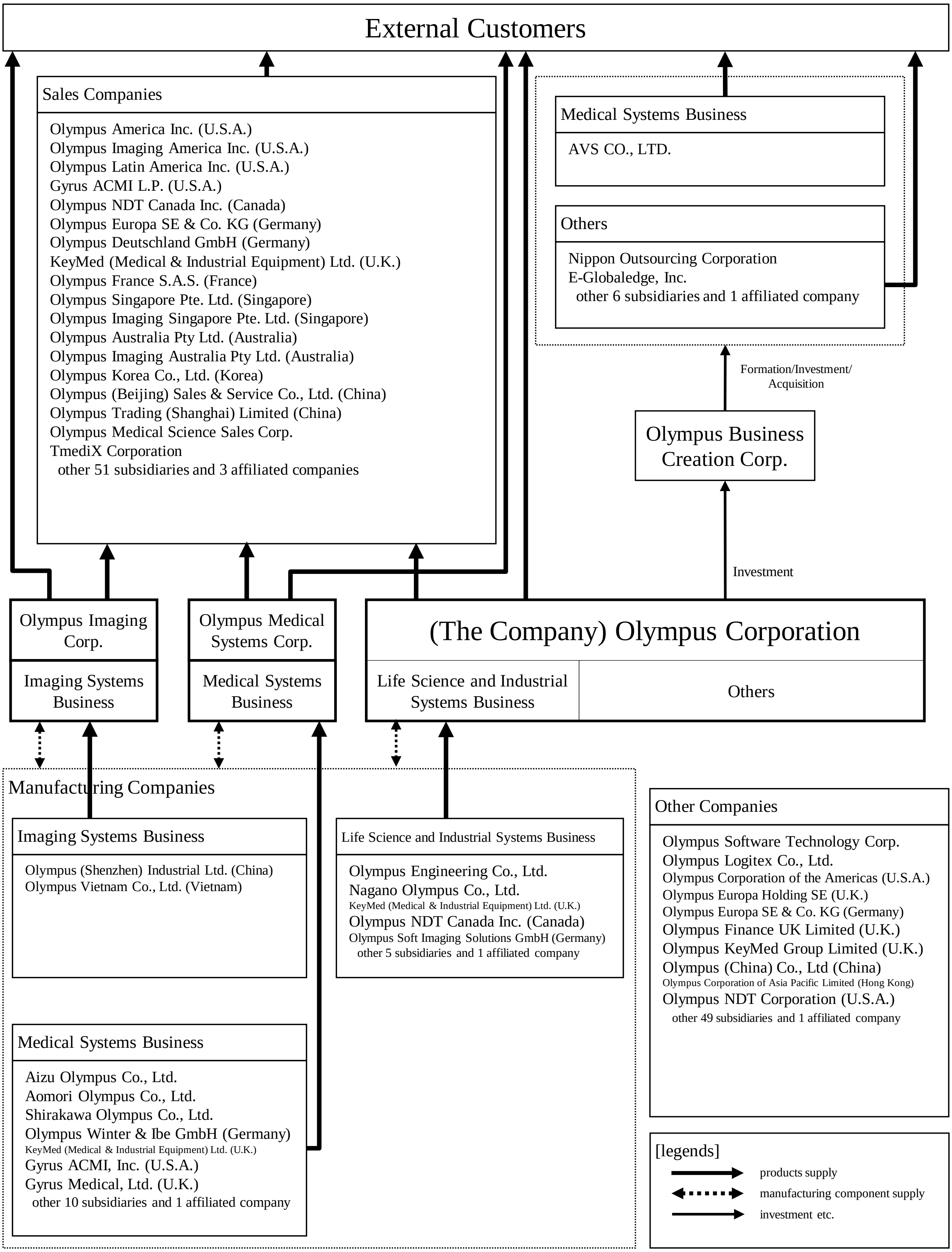
The Company and its 155 subsidiaries and 5 affiliated companies are engaged mainly in the manufacture and sales of products in Medical Systems, Life Science and Industrial Systems, Imaging Systems, and Others. There are also holding companies and Financial Investment, etc. related to each business.

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 SE & Co. KG, 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. (Affiliated company) Sony Olympus Medical Solutions Inc.
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 SE & Co. KG, 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., Olympus Imaging America Inc., Olympus Europa SE & Co. KG, Olympus Hong Kong and China Limited, Olympus Korea 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., Nippon Outsourcing Corporation, E-Globaledge Corporation
Common	Holding companies, Financial investment	Olympus Corporation (Consolidated subsidiaries) Olympus Business Creation Corp., Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus Europa SE & Co. KG, Olympus KeyMed Group Limited, Olympus Corporation of Asia Pacific Limited, Olympus Finance UK Limited

Notes:
1. Based on a business partnership agreement concluded with Sony Corporation, the Company established Sony Olympus Medical Solutions Inc. as a joint medical business venture with Sony Corporation on April 16, 2013, and included it in the scope of affiliated companies accounted for under the equity method from the first quarter ended June 30, 2013.
2. Olympus Europa Holding GmbH changed its trade name to Olympus Europa SE & Co. KG to change its corporate form as part of a restructuring of the organization of group companies in Europe.
3. Olympus Business Creation Corp. ceased business operations during the fiscal year under review.

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



3. Operating Policy

Disclosure of operating policy is omitted because there has not been any material changes since this information was disclosed in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2013” (disclosed May 15, 2013).

To view the above document, please visit the URL stated below.

(Website of the Company)

http://www.olympus-global.com/en/ir/data/brief/2013/

(Website of Tokyo Stock Exchange (Listed Company Search))

http://www5.tse.or.jp/tseHpFront/HPLCDS0101E.do?method=init&callJorEFlg=1

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
ASSETS		
Current assets		
Cash and time deposits	229,610	252,121
Notes and accounts receivable	125,231	132,233
Lease receivables and lease investment assets	21,777	23,454
Merchandise and finished goods	59,740	51,613
Work in process	20,827	24,827
Raw materials and supplies	18,740	22,155
Deferred income taxes	25,087	35,925
Other current assets	43,322	37,570
Allowance for doubtful accounts	(3,297)	(3,386)
Total current assets	541,037	576,512
Fixed assets		
Property, plant and equipment		
Buildings and structures	127,908	126,026
Accumulated depreciation	(77,136)	(77,769)
Buildings and structures, net	50,772	48,257
Machinery and equipment	54,340	52,058
Accumulated depreciation	(44,283)	(42,194)
Machinery and equipment, net	10,057	9,864
Tools, furniture and fixtures	175,488	192,272
Accumulated depreciation	(129,705)	(139,547)
Tools, furniture and fixtures, net	45,783	52,725
Land	15,172	15,561
Lease assets	11,523	13,086
Accumulated depreciation	(5,358)	(5,603)
Lease assets, net	6,165	7,483
Construction in progress	1,853	1,550
Net property, plant and equipment	129,802	135,440
Intangible assets		
Goodwill	106,346	106,850
Others	68,260	66,709
Total intangible assets	174,606	173,559
Investments and other assets		
Investment securities	48,614	56,076
Long-term loans receivable	1,040	94
Deferred income taxes	9,581	12,247
Net defined benefit asset	–	28,217
Other assets	64,020	55,293
Allowance for doubtful accounts	(8,461)	(9,963)
Total investments and other assets	114,794	141,964
Total fixed assets	419,202	450,963
Total assets	960,239	1,027,475

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
LIABILITIES		
Current liabilities		
Notes and accounts payable	42,272	45,409
Short-term borrowings	102,510	69,017
Current maturities of bonds	35,000	–
Other payable	31,221	28,871
Accrued expenses	67,676	73,736
Income taxes payable	12,622	13,403
Provision for product warranties	7,513	8,937
Provision for loss on business liquidation	–	4,683
Provision for loss on litigation	–	11,000
Other current liabilities	18,046	21,250
Total current liabilities	316,860	276,306
Non-current liabilities		
Long-term bonds, less current maturities	55,000	55,000
Long-term borrowings, less current maturities	367,880	291,814
Deferred income taxes	28,381	33,711
Provision for retirement benefits	28,251	–
Net defined benefit liability	–	27,291
Provision for retirement benefits for directors and audit & supervisory board members	142	58
Provision for loss on business liquidation	145	–
Other non-current liabilities	11,673	12,011
Total non-current liabilities	491,472	419,885
Total liabilities	808,332	696,191
NET ASSETS		
Shareholders’ equity		
Common stock	73,332	124,520
Capital surplus	79,788	131,871
Retained earnings	68,000	81,534
Treasury stock, at cost	(11,255)	(1,098)
Total shareholders’ equity	209,865	336,827
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	6,295	11,836
Net unrealized gains (losses) on hedging derivatives, net of taxes	20	(1)
Foreign currency translation adjustments	(58,029)	(13,411)
Pension liability adjustment of foreign subsidiaries	(9,546)	–
Remeasurements of defined benefit plans	–	(5,732)
Total accumulated other comprehensive income	(61,260)	(7,308)
Subscription rights to shares	–	115
Minority interests	3,302	1,650
Total net assets	151,907	331,284
Total liabilities and net assets	960,239	1,027,475

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	743,851	713,286
Costs of sales	365,653	272,830
Gross profit	378,198	440,456
Selling, general and administrative expenses	343,121	367,011
Operating income	35,077	73,445
Non-operating income		
Interest income	1,049	1,068
Dividends income	794	858
Royalty income	797	50
Reversal of provision for loss on business liquidation	1,348	–
Gain on sales of investment securities	2,103	–
Net income of investment in affiliated companies carried on the equity method	22	–
Others	3,442	2,351
Total non-operating income	9,555	4,327
Non-operating expenses		
Interest expenses	13,942	11,470
Foreign currency exchange loss	1,954	2,022
Amendment fee	3,392	–
Advanced repayment expenses	–	1,528
Net loss of investment in affiliated companies carried on the equity method	–	1,457
Others	12,298	10,382
Total non-operating expenses	31,586	26,859
Ordinary income	13,046	50,913
Extraordinary income		
Gain on sales of investments in subsidiaries and affiliates	20,601	496
Gain on sales of noncurrent assets	1,316	102
Gain on sales of investment securities	537	556
Total extraordinary income	22,454	1,154
Extraordinary losses		
Impairment loss on fixed assets	7,600	4,871
Loss on sales of investments in subsidiaries and affiliates	575	209
Loss on sales of investment securities	1,760	–
Loss on valuation of investment securities	722	177
Loss on restructuring of business	2,947	–
Early extra retirement payments	1,336	–
Soil improvement cost	187	808
Settlement package	1,231	6,256
Loss on valuation of investments in subsidiaries and affiliates	–	30
Loss on liquidation of business	–	11,591
Penalty charges	–	700
Provision for loss on litigation	–	11,000
Total extraordinary losses	16,358	35,642

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before provision for income taxes	19,142	16,425
Income taxes, current	15,838	19,740
Income taxes for prior periods	–	(230)
Income taxes, deferred	(4,938)	(16,712)
Total	10,900	2,798
Income before minority interests	8,242	13,627
Minority interest in income of consolidated subsidiaries	222	0
Net income	8,020	13,627

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interests	8,242	13,627
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,165	5,541
Net unrealized gains (losses) on hedging derivatives, net of taxes	1,288	(21)
Foreign currency translation adjustments	44,145	44,622
Pension liability adjustment of foreign subsidiaries	(3,311)	1,150
Share of other comprehensive income of associates accounted for using equity method	5	77
Total other comprehensive income	45,292	51,369
Comprehensive income	53,534	64,996
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	53,201	64,915
Comprehensive income attributable to minority interests	333	81

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the beginning of the year	48,332	54,788	60,197	(11,249)	152,067
Cumulative effects of changes in accounting policies					
Restated balance	48,332	54,788	60,197	(11,249)	152,067
Changes during the year					
Issuance of common stock	25,000	25,000			50,000
Net income			8,020		8,020
Change of scope of consolidation			(217)		(217)
Acquisition of treasury stock				(6)	(6)
Disposal of treasury stock					
Net changes in items other than shareholders' equity					
Net changes during the year	25,000	25,000	7,803	(6)	57,798
Balance at the end of the year	73,332	79,788	68,000	(11,255)	209,865

	Accumulated other comprehensive income					Minority interests	Total net assets
	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Net unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Pension liability adjustment of foreign subsidiaries	Total accumulated other comprehensive income		
Balance at the beginning of the year	3,128	(1,268)	(102,067)	(7,090)	(107,297)	3,258	48,028
Cumulative effects of changes in accounting policies				855	855		855
Restated balance	3,128	(1,268)	(102,067)	(6,235)	(106,442)	3,258	48,883
Changes during the year							
Issuance of common stock							50,000
Net income							8,020
Change of scope of consolidation							(217)
Acquisition of treasury stock							(6)
Disposal of treasury stock							
Net changes in items other than shareholders' equity	3,167	1,288	44,038	(3,311)	45,182	44	45,226
Net changes during the year	3,167	1,288	44,038	(3,311)	45,182	44	103,024
Balance at the end of the year	6,295	20	(58,029)	(9,546)	(61,260)	3,302	151,907

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the beginning of the year	73,332	79,788	68,000	(11,255)	209,865
Changes during the year					
Issuance of common stock	51,189	51,189			102,378
Net income			13,627		13,627
Change of scope of consolidation			(93)		(93)
Acquisition of treasury stock				(16)	(16)
Disposal of treasury stock		894		10,173	11,067
Net changes in items other than shareholders' equity					
Net changes during the year	51,189	52,083	13,534	10,157	126,963
Balance at the end of the year	124,520	131,871	81,534	(1,098)	336,827

	Accumulated other comprehensive income						Subscription rights to shares	Minority interests	Total net assets
	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Net unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Pension liability adjustment of foreign subsidiaries	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	6,295	20	(58,029)	(9,546)	–	(61,260)	–	3,302	151,907
Changes during the year									
Issuance of common stock									102,378
Net income									13,627
Change of scope of consolidation									(93)
Acquisition of treasury stock									(16)
Disposal of treasury stock									11,067
Net changes in items other than shareholders' equity	5,541	(21)	44,618	9,546	(5,732)	53,952	115	(1,652)	52,415
Net changes during the year	5,541	(21)	44,618	9,546	(5,732)	53,952	115	(1,652)	179,378
Balance at the end of the year	11,836	(1)	(13,411)	–	(5,732)	(7,308)	115	1,650	331,284

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before provision for income taxes	19,142	16,425
Depreciation and amortization	33,899	36,850
Impairment loss on fixed assets	7,600	4,871
Amortization of goodwill	9,683	9,457
Amendment fee	3,392	–
Advanced repayment expense	–	1,528
Settlement package	1,231	6,256
Early extra retirement payments	1,336	–
Penalty charges	–	700
Loss on liquidation of business	–	11,591
Increase (decrease) in provision for retirement benefits	794	–
Increase (decrease) in net defined benefit liabilities	–	502
Decrease (increase) in prepaid pension cost	4,018	–
Decrease (increase) in net defined benefit assets	–	(1,888)
Increase (decrease) in provision for loss on litigation	–	11,000
Increase (decrease) in provision for product warranties	(419)	259
Interest and dividend income	(1,843)	(1,926)
Interest expense	13,942	11,470
Net loss (gain) of investment in affiliated companies carried equity method	(22)	1,457
Increase (decrease) in provision for loss on business liquidation	(3,060)	–
Loss (gain) on sale of investment securities in subsidiaries and affiliates	(20,026)	(287)
Loss (gain) on sales of investment securities	–	(556)
Loss (gain) on valuation of investment securities	722	177
Decrease (increase) in accounts receivable	(10,063)	1,950
Decrease (increase) in inventories	1,048	2,890
Increase (decrease) in accounts payable	6,707	2,056
Increase (decrease) in other payable	3,217	(3,659)
Increase (decrease) in accrued expense	1,458	2,087
Decrease (increase) in fixed lease receivables	(6,969)	(7,337)
Other	(2,083)	1,176
Sub-total	63,704	107,049
Interest and dividend received	1,843	1,926
Interest payments	(13,852)	(11,911)
Amendment fee paid	(3,392)	–
Advanced repayment expense paid	–	(1,528)
Settlement package paid	(1,231)	(6,256)
Early extra retirement payments paid	(1,336)	–
Penalty charges paid	–	(700)
Income taxes paid	(20,503)	(16,192)
Net cash provided by operating activities	25,233	72,388

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from investing activities		
Deposits in time deposits	(3,846)	(2,770)
Withdrawals from time deposits	2,913	6,096
Purchase of property, plant and equipment	(24,023)	(27,342)
Purchases of intangible assets	(3,942)	(5,242)
Purchases of investment securities	(373)	(544)
Sales and redemption of investment securities	6,506	1,196
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	52,629	4,854
Payments for loans receivable	(2,053)	(45)
Proceeds from loans receivable	3,885	2,559
Other	1,759	965
Net cash provided by (used in) investing activities	33,455	(20,273)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(27,782)	(24,714)
Proceeds from long-term debt	–	104
Repayments of long-term debt	(42,935)	(90,274)
Redemption of bonds	(20,040)	(35,000)
Proceeds from issuance of common stock	49,953	101,594
Proceeds from disposal of treasury stock	–	11,067
Purchase of treasury stock	(4)	(16)
Dividends paid to minority shareholders	(75)	(267)
Other	(1,553)	(2,187)
Net cash used in financing activities	(42,436)	(39,693)
Effect of exchange rate changes on cash and cash equivalents	10,701	13,140
Net increase (decrease) in cash and cash equivalents	26,953	25,562
Cash and cash equivalents at beginning of year	198,661	225,782
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	168	–
Cash and cash equivalents at end of year	225,782	251,344

(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: 153

Olympus KeyMed International Ltd. and another company are newly established subsidiaries during the fiscal year ended March 31, 2014.

Olympus Europa Management SE has been included into consolidation through equity participation carried out during the fiscal year.

Olympus Consilio Sp.zo.o., Ai-medic Co., Ltd. and 7 other companies have been excluded from consolidated subsidiaries due to sale of shares during the fiscal year.

Olympus Endo Technology America Inc. and 4 other companies have been excluded from consolidated subsidiaries due to merger with other consolidated subsidiaries during the fiscal year.

Impress Development K.K. and 2 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. and another company

Reason of excluding from the scope of consolidation

The 2 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: 4

Adachi Co., Ltd.

Olympus Opto Systems India Private Limited

OLYMPUS-RMS CORP.

Sony Olympus Medical Solutions Inc.

OLYMPUS-RMS CORP. has been included into affiliated companies accounted for under the equity method due to an increase in materiality during the fiscal year.

Sony Olympus Medical Solutions Inc. has been included into affiliated companies accounted for under the equity method due to its establishment as a joint venture of the Company and Sony Corporation during the fiscal year.

Olympus Cytori Inc. has been excluded from affiliated companies accounted for under the equity method due to sale of shares during the fiscal year.

(2) Olympus-Supportmate Corp. and another non-consolidated subsidiary and another affiliated company 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.

(Changes in Accounting Policies)

(Changes in accounting standard for retirement benefits, etc.)

Effective from the fiscal year under review, the Company adopted the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter “Retirement Benefit Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter “Retirement Benefit Application Guidance”), except for the provisions of the main clauses of Paragraph 35 of the Retirement Benefit Accounting Standard and Paragraph 67 of the Retirement Benefit Application Guidance. Accordingly, the Company has changed its accounting policy to one that recognizes the difference between projected benefit obligation and plan assets as “net defined benefit asset” and recorded unrecognized actuarial gain or loss and unrecognized past service costs under “net defined benefit liability.” In the event that the amount of plan assets exceeds the amount of projected benefit obligation, the amount is recorded in “net defined benefit asset.”

Adoption of the Retirement Benefit Accounting Standard, etc. is in line with the transitional measures provided in Paragraph 37 of the Retirement Benefit Accounting Standard. In accordance with such measures, the effect of the change has been added to or deducted from “remeasurements of defined benefit plans” under “accumulated other comprehensive income” as of the end of the fiscal year under review.

As a result, as of the end of the fiscal year under review, the Company recorded “net defined benefit asset” of ¥28,217 million and “net defined benefit liability” of ¥27,291 million. Together with an increase in “accumulated other comprehensive income” of ¥2,665 million, net assets per share for the fiscal year under review increased by ¥7.79.

The amount separately presented as “pension liability adjustment of foreign subsidiaries” in previous fiscal years is now included in “remeasurements of defined benefit plans,” following the adoption of the Retirement Benefit Accounting Standard, etc.

(Application of IAS No. 19 “Employee Benefits”)

In line with the application of IAS No. 19, “Employee Benefits” (revised on June 16, 2011) for fiscal years starting on or after January 1, 2013, effective from the fiscal year under review, at certain overseas subsidiaries this accounting standard has been applied and the method of recognizing actuarial gain or loss has been changed.

This change in accounting policy has been applied retrospectively to the consolidated financial statements for the fiscal year ended March 31, 2013. The impact of this retrospective application on the fiscal year ended March 31, 2013, is immaterial.

(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 overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) remains ongoing. 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, 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.

Concerning investigations by domestic investigative authorities, supervisory bodies and other public bodies, in a case that was pending in the Tokyo District Court where the Company was accused of being in violation of the Securities and Exchange Act and the Financial Instruments and Exchange Act, the Company was fined ¥700 million on July 3, 2013 (prosecution's demand: ¥1,000 million). The judgment for the case was settled after the lapse of the period allowed for appeal and the case was closed upon payment of the fine.

The Company recorded these fines under extraordinary losses in the Consolidated statements of income as "penalty charges."

In addition, concerning the Company's postponing of recognition of losses mentioned above, the investigation by the UK Serious Fraud Office that had been ongoing is now complete and on September 3, 2013, prosecution was brought against the Company and its subsidiary Gyrus Group Limited ("GGL") on charges of breaching Section 501 of the UK Companies Act of 2006 in relation to the explanation made to the auditors of GGL subsidiaries concerning the documents related to GGL's financial accounts. The trial of this case is currently ongoing in the UK courts.

The prosecution's effect on the financial results of the Olympus Group is not clear since it is difficult to calculate its financial impact at this stage.

2. Settlement of lawsuit

Although a lawsuit had been filed against the Company, as a result of comprehensive examination of the of the progress of the action, details of the matter, and potential legal costs that would arise if the lawsuit were to be continued, the Company decided that swiftly resolving the matters through settlement would be the best approach. As a result, a court settlement was reached on November 18, 2013.

(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) Name, address and representative of counterparty to settlement and gist of settlement

1) Name: Terumo Corporation

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

3) Representative: Yutaro Shintaku, Representative Director

4) Gist of settlement: The Company will pay Terumo Corporation ¥6 billion as settlement package and Terumo Corporation will dismiss its remaining claim against the Company.

Due to the settlement of this lawsuit in the fiscal year under review, the settlement package paid to Terumo Corporation was recorded as "settlement package" under extraordinary losses in the Consolidated statements of income.

(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, 2013 (April 1, 2012 - March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 - March 31, 2014)
Advertising and promotion expenses	39,946	41,885
Salaries and allowance	104,079	113,761
Bonuses	21,699	26,085
Retirement benefit expenses	11,517	8,650
Amortization of goodwill	9,683	9,457
Experiment and research expenses	28,410	29,174
Depreciation	23,070	26,002

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, 2013 (April 1, 2012 - March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 - March 31, 2014)
63,379	66,796

3 Impairment losses

Impairment losses are accounted for the following asset groups.

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, 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) .

Fiscal year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

(Millions of yen)

Application	Type	Location	Impairment loss
Other business assets	Buildings and structures Tools, furniture and fixtures Machinery and equipment Construction in progress Goodwill Long-term prepaid expenses	Tokyo, Massachusetts, etc., America	2,394 137 906 340 174 400
Idle assets	Buildings and structures	Fukushima	488
Assets scheduled for disposal	Software	Singapore	32
Total			4,871

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

For business assets whose recoverability is not recognized over the estimated future cash flow period due to changes in the business environment, and those whose recoverability is not recognized due to decision making on disposal owing to business withdrawal, their book value is reduced to the recoverable amount. The recoverable amount is measured according to the realizable value (fair value less costs to sell) or the value in use, whichever is the higher amount. Assessment of the realizable value is based on the appraisal value 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. 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, 2013 (April 1, 2012 - March 31, 2013)

1. 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 (Note 1)	271,283,608	34,387,900	—	305,671,508
Total	271,283,608	34,387,900	—	305,671,508
Treasury stock				
Common stock (Note 2)	4,421,878	3,904	—	4,425,782
Total	4,421,878	3,904	—	4,425,782

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 increase of 3,904 shares of common stock in treasury stock was a result of the purchase of shares constituting less than one unit.

Fiscal year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

1. 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 (Note 1)	305,671,508	37,000,000	—	342,671,508
Total	305,671,508	37,000,000	—	342,671,508
Treasury stock				
Common stock (Notes 2, 3)	4,425,782	5,281	4,000,000	431,063
Total	4,425,782	5,281	4,000,000	431,063

Notes :1. The increase of 37,000,000 shares in issued shares of common stock was a result of the issuance of shares through public offering (offering through a book building method).

2. The increase of 5,281 shares of common stock in treasury stock was a result of the purchase of shares constituting less than one unit.

3. The decrease of 4,000,000 shares of common stock in treasury stock was a result of the disposal of treasury stock through public offering (offering through a book building method).

2. Matters regarding subscription rights to shares

Classification	Breakdown of subscription rights to shares	Class of shares to be issued upon exercise of subscription rights to shares	Number of shares to be issued upon exercise of subscription rights to shares (shares)				Balance at the end of the year (millions of yen)
			At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year	
Submitting company (Parent company)	Subscription rights to shares as share-based compensation stock options (Notes 1, 2)	—	—	40,100	1,000	39,100	115
Total		—	—	40,100	1,000	39,100	115

Notes :1. The increase of 40,100 shares of subscription rights to shares as share-based compensation stock options was a result of their issuance.

2. The decrease of 1,000 shares of subscription rights to shares as share-based compensation stock options was a result of a lapse of rights.

(Segment Information)

[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 and Olympus Imaging 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 four reportable segments: Medical Systems Business, Life Science and Industrial Systems Business, Imaging Systems 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 “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 transferred the new company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc.

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, 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	505,409	90,013	81,772	–	62,364	739,558	220,681	960,239
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.

The fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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 (Note 3)	Others	Total		
Sales								
Sales to outside customers	492,296	98,510	96,111	–	26,369	713,286	–	713,286
Internal sales or transfer among segments	109	36	13	–	298	456	(456)	–
Total	492,405	98,546	96,124	–	26,667	713,742	(456)	713,286
Segment profit (loss)	112,735	4,935	(9,182)	–	(5,356)	103,132	(29,687)	73,445
Segment assets	559,053	94,568	78,730	–	23,603	755,954	271,521	1,027,475
Other items								
Depreciation cost	25,219	4,843	1,731	–	906	32,699	4,151	36,850
Amortization of goodwill	8,428	921	–	–	108	9,457	–	9,457
Increase in property, plant and equipment and intangible assets	26,719	4,498	3,496	–	817	35,530	2,280	37,810

Notes:

1. The adjustments are as follows:

(1) The deduction of ¥456 million in internal sales or transfer among segments is elimination of transactions among segments.

(2) The deduction of ¥29,687 million listed as an adjustment to segment profit includes unallocatable expenses of ¥29,687 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 ¥271,521 million listed as an adjustment of segment assets mainly consists of unallocatable assets not allocated to any reportable segment.

(4) The ¥4,151 million listed as a segment depreciation cost mainly consists of depreciation cost relating to unallocatable assets not allocated to any reportable segment.

(5) The ¥2,280 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.

[Related Information]

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.

The fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

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
172,583	216,098	184,012	118,717	21,876	713,286

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
53,748	35,550	30,037	16,105	135,440

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.

[Information regarding impairment loss on fixed assets by reportable segment]

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

The fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Unallocation or Elimination	Total
Impairment loss	–	–	–	–	4,351	520	4,871

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

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.

The fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total
Unamortized balance	103,745	3,005	–	–	100	106,850

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

[Information regarding gain on negative goodwill by reportable segment]

No items to report

(Per-Share Data)

	Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)	Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
Net assets per share	¥493.30	¥962.83
Net income per share	¥28.96	¥41.05
Fully diluted net income per share	–	¥41.04

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.

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

(Millions of yen)

	Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)	Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
Net income	8,020	13,627
Amount not attributable to common shareholder	–	–
Net income concerning common stock	8,020	13,627
Average number of shares during the year	276,957,809 shares	331,992,635 shares
Fully diluted net income per share		
Amount of net income adjustment	–	–
Increase in number of shares of common stock	–	23,384 shares
(Subscription rights to shares included therein)	(–)	(23,384 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.	–

(Important Subsequent Event)

1. 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

April 7, 2014

(2) Name of plaintiff

Mitsubishi UFJ Trust and Banking Corporation
The Master Trust Bank of Japan, Ltd.
Japan Trustee Services Bank, Ltd.
Trust & Custody Services Bank, Ltd.
The Nomura Trust and Banking Co., Ltd.
State Street Trust and Banking Co., Ltd.

(3) Details of the lawsuit and amount of claim

A total of six banks including Mitsubishi UFJ Trust and Banking Corporation and five trust banks filed a lawsuit against the Company seeking compensation for damages in the total amount of ¥27,915 million pursuant to Articles 709 and 715 of the Civil Code, Article 350 of the Companies Act and Article 21-2 of the Financial Instruments and Exchange Act, resulting from the Company's false statements for the purpose of deferring record of losses in the Annual Securities Reports, Semi-Annual Reports and Quarterly Reports for the periods from the fiscal year ended March 31, 2001 through the first quarter of the fiscal year ended March 31, 2012.

The amount of the total claims for compensation includes ¥27,915 million and the interest accrued to the damages incurred relating to each of the shares at the rate of 5% per annum for the period from the day immediately following the share acquisition trade date of each of the shares that incurred losses up to the payment of the incurred losses of the shares.

(4) Future outlook

The lawsuit's effect on the financial results of the Company is not clear since it is difficult to calculate its financial impact at this stage.

2. Reduction in legal capital surplus and legal reserve and appropriation of surplus

The Company made a resolution at a meeting of its Board of Directors held on May 9, 2014 to place the matter of reduction in legal capital surplus and legal reserve, and appropriation of surplus as a matter to be resolved at the 146th Ordinary General Meeting of Shareholders to be held on June 26, 2014.

(1) Purpose of reduction in legal capital surplus and legal reserve, and appropriation of surplus

The Company recorded a loss on retained earnings carried forward of ¥49,435,478,406 in the non-consolidated financial statements for the fiscal year ended March 31, 2014. To dispose of losses and protect the flexibility and agility of future capital policy, pursuant to the provisions of Article 448, Paragraph 1 of the Companies Act, the Company shall reduce the amount of its legal capital surplus and transfer the same amount to other capital surplus, and it shall reduce the amount of legal reserve and transfer the same amount to retained earnings carried forward. Moreover, pursuant to the provisions of Article 452 of the Companies Act, the Company shall transfer the amount of other capital surplus to retained earnings carried forward.

(2) Outline of reduction in legal capital surplus and legal reserve

i) Outline of reduction of amounts of legal capital surplus and legal reserve

Legal capital surplus	¥8,275,923,138 out of ¥99,216,032,696
Legal reserve	Full amount of ¥6,626,182,483

ii) Line items describing surplus to be increased and respective amounts

Other capital surplus	¥8,275,923,138
Retained earnings carried forward	¥6,626,182,483

(3) Outline of appropriation of surplus

i) Line item describing surplus to be reduced and respective amount

Other capital surplus	Full amount of ¥40,931,170,614

ii) Line item describing surplus to be increased and respective amount

Retained earnings carried forward	¥40,931,170,614

(4) Schedule for the reduction in legal capital surplus and legal reserve and appropriation of surplus

i)	Date of resolution of Board of Directors	May 9, 2014 (Friday)
ii)	Date of resolution of General Meeting of Shareholders	June 26, 2014 (Thursday) (Planned)
iii)	Effective date	June 30, 2014 (Monday) (Planned)

As this matter applies to the requirements of the proviso of Article 449, Paragraph 1 of the Companies Act, the procedure for the statement of objection of creditors shall not arise.

(5) Future outlook

As this matter involves a transfer of accounts inside the “net assets” section, there is no change to the net assets total. Accordingly, this matter will not affect the operating results of the Company.