December 28, 2011

News Release

Company: Olympus Corporation
Representative Director, President and CEO: Shuichi Takayama
(Code 7733, First Section, Tokyo Stock Exchange)
Contact: Akihiro Nambu, Manager, Public Relations and IR Office

(Corrections) Notice Concerning Partial Corrections to "Consolidated Financial Results (Kessan Tanshin) for the Six Months of the Fiscal Year Ending March 31, 2011"

Olympus Corporation (the "Company") has proceeded with operations to correct consolidated financial results (kessan tanshin) of past fiscal years as announced in "Notice Concerning Filing of the Amendments to the Past Securities Reports and Partial Corrections to Past Financial Results (Kessan Tanshin) and That for the First Quarter of the Fiscal Year Ending March 2012," a timely disclosure of the Company as prescribed by the Tokyo Stock Exchange dated December 15, 2011.

The Company has now completed the operations to correct "Consolidated Financial Results (Kessan Tanshin) for the Six Months of the Fiscal Year Ending March 31, 2011" dated November 5, 2010, and it accordingly announces the details of the corrections.

Because corrections have been made in numerous locations, two copies of the full document are attached: the version before corrections and the version after corrections. The places in the document where corrections were made are underlined.

END

(After Correction)

Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2011 <under Japanese GAAP>

November 5, 2010

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Nobuyuki Onishi, General Manager, Accounting Division
Phone: 03-3340-2111

Scheduled date to submit the Quarterly Securities Report:	November 12, 2010
Scheduled date to commence dividend payments:	December 3, 2010
Presentation of supplementary material on quarterly financial results:	Yes
Holding of quarterly financial results presentation meeting:	Yes

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to September 30, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
Six months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
September 30, 2010	417,327	(4.2)	22,380	(22.0)	19,263	4.5	3,806	(90.1)
September 30, 2009	435,421	(18.7)	28,695	(21.2)	18,441	(22.6)	38,399	–

	Net income per share	Fully diluted net income per share
Six months ended	(¥)	(¥)
September 30, 2010	14.10	–
September 30, 2009	142.72	142.72

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
September 30, 2010	1,017,186	128,244	11.9	446.32
March 31, 2010	1,104,528	163,131	14.1	576.63

Note: Equity as of September 30, 2010: ¥120,493 million March 31, 2010: ¥155,672 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2010	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2011	–	15.00			
Fiscal year ending March 31, 2011 (Forecast)			–	15.00	30.00

Note: Revisions of the forecast in the current quarter: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	880,000	(0.3)	53,000	(13.3)	41,000	(11.0)	15,000	(71.4)	55.56

Note: Revisions of the forecast in the current quarter: Yes

4. Others (For details, please refer to "Other Information" on page 6 of the attached material.)

(1) Changes in significant subsidiaries during the current quarter: Yes
[New: 1 company (Olympus Business Creation Corp.) Excluded: –]
Note: Changes in specified subsidiaries resulting in the changes in scope of consolidation during the current quarter

(2) Application of simplified accounting and special accounting: Yes
Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation

1) Changes due to revisions to accounting standards, and other regulations: Yes
2) Changes due to other reasons: No

Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements stated in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements"

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

1) Total number of issued shares at the end of the period (including treasury stock)
   As of September 30, 2010 271,283,608 shares
   As of March 31, 2010 271,283,608 shares
2) Total number of treasury shares at the end of the period
   As of September 30, 2010 1,316,286 shares
   As of March 31, 2010 1,315,105 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
   Six months ended September 30, 2010 269,967,927 shares
   Six months ended September 30, 2009 269,043,587 shares

* Indication regarding execution of quarterly review procedures
This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly financial statements are in progress.

* Proper use of the forecast of financial results, and other special matters
1. The forecast of consolidated financial results which was announced on August 5, 2010, is revised in these materials.
2. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of "Qualitative Information Regarding Forecast of Consolidated Financial Results" on page 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 1. above.

Attached Material

Contents

1. Qualitative Information Regarding Consolidated Financial Results for the Six Months

(1) Qualitative Information Regarding Consolidated Results of Operations

In the Japanese economy during the six months ended September 30, 2010, although the economy showed a trend of recovery supported by improvement in corporate earnings and a pickup in consumer spending due to increased demand from emerging countries, mainly in Asia, the difficult market situation has continued from past periods with respect to the appreciating yen and restraints on capital investments by companies. Around the world, although a gradual recovery is being observed in Europe and the U.S., future prospects of the economy are becoming more unclear due to the ongoing nature of the credit crunch and high unemployment rates.

Amid this business environment, the Olympus Group newly formulated the “2010 Corporate Strategic Plan,” which commenced this fiscal year ending March 31, 2011. Under the slogan “Advancing to the Next Stage of Globalization,” the Group started initiatives to “transform Olympus into a more globally competitive company” and “strengthen our business presence in the emerging markets.”

The consolidated net sales for the Olympus Group over the six months of the fiscal year under review decreased ¥18,094 million, or 4.2%, year on year to ¥417,327 million. Although the Medical Systems Business and the Information & Communication Business achieved increases in revenue, there were declines in revenue from the transfer of the diagnostic systems business in August 2009 as well as from the Imaging Systems Business. Operating income was down 22.0% year on year to ¥22,380 million with an increase in income from the Life Science and Industrial Systems Business and Information & Communication Business being outweighed by an operating loss being posted by the Imaging Systems Business. Ordinary income increased 4.5% year on year to ¥19,263 million because of an improvement in foreign currency exchange loss/gain. Net income was ¥3,806 million, a decrease of ¥34,593 million or 90.1% compared with the same period of the previous fiscal year when extraordinary income was recorded in connection with the transfer of the diagnostic systems business.

During the six months, the Olympus Group invested ¥31,763 million on research and development, and spent ¥14,122 million on capital investments.

Due to changes in the business segmentation of segment information from the first quarter of the fiscal year ending March 31, 2011, the following year-on-year comparisons were made using the previous fiscal year figures rearranged into the business classification after the changes.

Regarding the interim dividend, the Olympus Group decided to pay ¥15 per share, as previously announced on August 5, 2010.

Medical Systems Business

Consolidated net sales in the Medical Systems Business during the six months amounted to ¥175,423 million (up 2.9% year on year), while operating income amounted to ¥36,142 million (down 4.3% year on year).

Revenue in the medical endoscope field increased. In Japan, sales of our flagship high-resolution HDTV endoscope system recovered, and overseas, not only did sales continue to remain strong in the Chinese market, we enhanced the lineup of high-resolution compatible products, which led to an increased number of videoscope units sold.

Revenue in the surgical and therapeutic devices field increased. In Japan, sales were favorable for the new product of disposable guide wires used for endoscope treatment such as for pancreatic ducts, while overseas, there was an increase in sales for products used for laparo-endoscopic single-site surgery such as disposable multi-instrument access ports.

Operating income in the Medical Systems Business declined as a result of increased R&D investment and foreign exchange effects.

Life Science and Industrial Systems Business

Consolidated net sales for the Life Science and Industrial Systems Business during the six months was ¥47,413 million (down 21.5% year on year), while operating income amounted to ¥2,878 million (up 15.7% year on year).

In the life science field, sales overall were about the same year on year. Although the new product "BX3" series of system biological microscopes and the "FLUOVIEW" series of confocal scanning laser microscopes sold favorably in Japan, overseas, sales were impacted by foreign exchange effects.

In the industrial equipment field, revenue increased. In Japan and Asia, sales of industrial microscopes and flat panel display inspection devices, mainly to the semiconductor industry, were favorable. Sales were also strong for the "IPLEX L" series of small and lightweight industrial endoscopes.

Overall, however, revenue declined in the Life Science and Industrial Systems Business owing to the transfer of the diagnostic systems business in August 2009.

Operating income for the Life Science and Industrial Systems Business increased in line with the sales expansion of the industrial equipment field.

Imaging Systems Business

In the Imaging Systems Business, the Olympus Group registered consolidated net sales for the six months of ¥68,170 million (down 22.4% year on year) and operating loss of ¥3,384 million (in contrast to an operating income of ¥1,739 million in the same period of the previous fiscal year).

Revenue in the digital camera field declined overall. In compact cameras, we saw robust sales of the "µTOUGH" series built with functions such as water and dust resistance, shock resistance and low-temperature resistance, and the "SP" series, which has ultra zoom and high-resolution video functionality. In single-lens cameras, sales were favorable both in Japan and abroad for the new product "OLYMPUS PEN E-PL1," which is an interchangeable lens system digital camera with a small, lightweight and dignified design compliant with the "Micro Four Thirds System" standard. However, the reason for the overall decline in the digital camera field was the foreign exchange effect and a decline in the number of units sold due to intense competition in the low-priced camera market.

In the recorder field, sales were favorable in Japan for the new product of the "Voice-Trek" series of IC recorders and the "PJ-10" pocket-sized radio servers.

Despite efforts to cut costs, the Imaging Systems Business registered an operating loss due to decrease in revenue.

Information & Communication Business

Consolidated net sales for the Information & Communication Business during the six months was ¥102,389 million (up 15.6% year on year), while operating income showed ¥2,836 million (up 21.1% year on year).

Net sales in the Information & Communication Business increased owing to not only strong sales of products such as optical-fiber and other communication lines, data cards and photo frames, but also the growth in sales of smartphones and other mobile phones.

Operating income went up thanks not only to expanded sales of mobile phones but also to additional streamlining of sales costs.

Others

Consolidated net sales for other businesses in the six months was ¥23,932 million (down 15.1% year on year) and an operating loss was ¥1,785 million (in contrast to an operating loss of ¥1,151 million in the same period of the previous fiscal year).

During the six months ended September 30, 2010, a new company was established and put into operation for the purposes of sharing management resources related to new business creation within the Olympus Group to strengthen the total might of the Group, and of reforming the management system to one that is more efficient so as to accelerate the discovery and development of new businesses.

Net sales for other businesses were lower overall partly due to the decline in sales from the sale of some subsidiaries in November 2009.

As for the bottom line, operating loss remained roughly at the same level as the same period of the previous fiscal year due to improvement in the earnings of new-business related subsidiaries.

(2) Qualitative Information Regarding Consolidated Financial Position

As of the end of the second quarter, total assets decreased ¥87,342 million compared to the end of the previous fiscal year to ¥1,017,186 million.

This was primary as a result of decreases in notes and accounts receivable of ¥22,924 million and investment securities of ¥14,800 million, and increases in merchandise and finished goods of ¥2,843 million and raw materials and supplies of ¥2,687 million.

Total liabilities decreased ¥52,455 million compared to the end of the previous fiscal year to ¥888,942 million due mainly to an increase in short-term borrowings of ¥18,302 million, and decreases in notes and accounts payable of ¥16,192 million, bonds (including current maturities of bonds) of ¥20,020 million and long-term borrowings, less current maturities of ¥11,818 million.

Net assets decreased ¥34,887 million compared to the end of the previous fiscal year to ¥128,244 million, primarily due to decreases of valuation and translation adjustments of ¥34,421 million arising from fluctuations in foreign exchange and stock prices etc.

As a result of the foregoing, equity ratio decreased from 14.1% as of the end of the previous fiscal year to 11.9%.

Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2011 and their causes.

“Cash flows from operating activities” increased by ¥6,701 million mainly due to ¥13,425 million in income before provision for income taxes, ¥15,777 million in depreciation and amortization, and a decrease of ¥18,988 million in accounts receivable. Contrastingly, decreasing factors mainly included an increase of ¥9,257 million in inventories, a ¥16,545 million decrease in accounts payable, and ¥16,100 million in income taxes paid.

“Cash flows from investing activities” increased by ¥7,745 million mainly due to ¥1,193 million in sales and redemption of investment securities. Contrastingly, decreasing factors mainly included purchase of property, plant and equipment totaling ¥9,985 million, purchases of intangible fixed assets of ¥2,892 million, and payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation of ¥12,696 million.

“Cash flows from financing activities” decreased by ¥12,476 million mainly due to a net decrease in short-term borrowings of ¥8,688 million, ¥4,333 million in repayments of long-term debt, and a ¥20,020 million in redemption of bonds. Contrastingly, increasing factors mainly included proceeds from long-term debt of ¥25,011 million.

As a result, cash and cash equivalents at the end of the second quarter was ¥200,263 million, a decrease of ¥2,750 million compared to the end of the previous fiscal year.

(3) Qualitative Information Regarding Forecast of Consolidated Financial Results

Regarding the forecast of consolidated financial results for the full year ending March 31, 2011, basing judgments on the operating results of the six months ended September 30, 2010, and taking into consideration the difficult business environment due to factors such as the intensifying competition in the Imaging Systems Business and the current foreign exchange rate trends, the Company has revised the forecasts for net sales, operating income, ordinary income and net income as follows. Foreign exchange rates in the third quarter and beyond are expected to be ¥85 per U.S. dollar and ¥110 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥87 per U.S. dollar and ¥112 per euro.

Fiscal year ending March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	900,000	63,000	46,000	21,000	¥77.79
Revised Forecast (B)	880,000	53,000	41,000	15,000	¥55.56
Increase (Decrease) (B-A)	(20,000)	(10,000)	(5,000)	(6,000)	–
Increase (Decrease) Ratio (%)	(2.2)	(15.9)	(10.9)	(28.6)	–

2. Other Information

(1) Summary of Changes in Significant Subsidiaries

From the second quarter ended September 30, 2010, Olympus Business Creation Corp. is included in the scope of consolidation due to increase in materiality.

(2) Summary of Simplified Accounting and Special Accounting

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the second quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

Concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

(3) Summary of Changes in Accounting Policies, Procedures, and Methods of Presentation

- Changes in accounting standards

1) Application of accounting standard for asset retirement obligations
Effective from the first quarter, the Company adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

The effect of this change on operating income, ordinary income and income before provision for income taxes, and the change in amount of asset retirement obligations are immaterial.

2) Application of accounting standards for business combinations, etc.
Effective from the first quarter, the Company adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, released on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
ASSETS		
Current assets		
Cash and time deposits	204,816	206,783
Notes and accounts receivable	131,315	154,239
Merchandise and finished goods	59,885	57,042
Work in process	18,737	18,910
Raw materials and supplies	16,694	14,007
Other current assets	79,693	83,900
Allowance for doubtful accounts	(2,427)	(2,736)
Total current assets	508,713	532,145
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	64,769	67,986
Machinery and equipment, net	11,933	13,539
Tools, furniture and fixtures, net	35,455	36,648
Land	19,225	19,048
Lease assets, net	4,506	3,877
Construction in progress	1,354	2,463
Net property, plant and equipment	137,242	143,561
Intangible fixed assets		
Goodwill	145,462	144,900
Others	63,017	71,130
Total intangible fixed assets	208,479	216,030
Investments and other assets		
Investment securities	63,648	78,448
Investment fund assets	31,699	65,880
Other assets	76,142	75,249
Allowance for doubtful accounts	(8,737)	(6,785)
Total investments and other assets	162,752	212,792
Total fixed assets	508,473	572,383
Total assets	1,017,186	1,104,528

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	57,882	74,074
Short-term borrowings	112,235	93,933
Current maturities of bonds	40	20,040
Income taxes payable	16,531	23,892
Provision for product warranties	8,671	9,708
Other reserves	–	2
Other current liabilities	106,712	117,597
Total current liabilities	302,071	339,246
Non-current liabilities		
Long-term bonds, less current maturities	110,340	110,360
Long-term borrowings, less current maturities	425,330	437,148
Severance and retirement allowance	19,785	19,888
Other reserves	148	147
Other non-current liabilities	31,268	34,608
Total non-current liabilities	586,871	602,151
Total liabilities	888,942	941,397
NET ASSETS		
Shareholders’ equity		
Common stock	48,332	48,332
Capital surplus	55,166	55,166
Retained earnings	113,964	114,719
Treasury stock, at cost	(4,139)	(4,136)
Total shareholders’ equity	213,323	214,081
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,997	8,020
Net unrealized gains (losses) on hedging derivatives, net of taxes	(458)	(438)
Foreign currency translation adjustments	(96,369)	(65,991)
Total valuation and translation adjustments	(92,830)	(58,409)
Minority interests	7,751	7,459
Total net assets	128,244	163,131
Total liabilities and net assets	1,017,186	1,104,528

(2) Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	435,421	417,327
Costs of sales	232,594	222,024
Gross profit	202,827	195,303
Selling, general and administrative expenses	174,132	172,923
Operating income	28,695	22,380
Non-operating income		
Interest income	575	484
Dividends income	448	463
Foreign currency exchange gain	–	2,371
Gain on sales of investment securities	–	–
Others	1,954	2,129
Total non-operating income	2,977	5,447
Non-operating expenses		
Interest expenses	6,295	6,183
Foreign currency exchange loss	1,301	–
Others	5,635	2,381
Total non-operating expenses	13,231	8,564
Ordinary income	18,441	19,263
Extraordinary income		
Gain on sales of investment securities	96	277
Gain on sales of investment securities in subsidiaries and affiliates	63	64
Gain on transfer of business	46,271	–
Total extraordinary income	46,430	341
Extraordinary losses		
Impairment loss on fixed assets	162	–
Loss on sales of investment securities	4	10
Provision of allowance for investment loss	–	–
Loss on valuation of investment securities	1,267	2,937
Loss on step acquisitions	–	310
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	311
Loss on funds invested	249	163
Provision of allowance for doubtful accounts	–	2,448
Total extraordinary losses	1,682	6,179
Income before provision for income taxes	63,189	13,425
Income taxes	24,782	9,403
Income before minority interests	–	4,022
Minority interest in income of consolidated subsidiaries	8	216
Net income	38,399	3,806

Consolidated Statements of Income

(Millions of yen)

	Second quarter ended September 30, 2009	Second quarter ended September 30, 2010
Net sales	230,252	211,321
Costs of sales	123,235	112,875
Gross profit	107,017	98,446
Selling, general and administrative expenses	89,947	88,010
Operating income	17,070	10,436
Non-operating income		
Interest income	361	284
Dividends income	60	67
Foreign currency exchange gain	–	2,912
Gain on sales of investment securities	–	–
Others	1,401	420
Total non-operating income	1,822	3,683
Non-operating expenses		
Interest expenses	3,251	3,100
Others	4,374	1,765
Total non-operating expenses	7,625	4,865
Ordinary income	11,267	9,254
Extraordinary income		
Gain on sales of investment securities	19	218
Gain on transfer of business	46,271	–
Total extraordinary income	46,290	218
Extraordinary losses		
Impairment loss on fixed assets	108	–
Loss on sales of investment securities	4	2
Provision of allowance for investment loss	–	–
Loss on valuation of investment securities	688	2,875
Loss on funds invested	125	82
Total extraordinary losses	925	2,959
Income before provision for income taxes	56,632	6,514
Income taxes	20,089	2,687
Income before minority interests	–	3,827
Minority interest in income (loss) of consolidated subsidiaries	15	(28)
Net income	36,528	3,855

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash flows from operating activities		
Income before provision for income taxes	63,189	13,425
Depreciation and amortization	22,467	15,777
Impairment loss on fixed assets	162	–
Amortization of goodwill	5,772	5,906
Increase (decrease) in severance and retirement allowance	620	860
Increase (decrease) in allowance for investment loss	–	–
Interest and dividend income	(1,023)	(947)
Interest expense	6,295	6,183
Loss (gain) on transfer of business	(46,271)	–
Loss (gain) on sales of investment securities	–	(141)
Loss (gain) on valuation of investment securities	1,267	2,937
Decrease (increase) in accounts receivable	2,904	18,988
Decrease (increase) in inventories	791	(9,257)
Increase (decrease) in accounts payable	3,248	(16,545)
Increase (decrease) in other payable	(6,443)	(3,786)
Increase (decrease) in accrued expense	(4,516)	(5,883)
Loss on funds invested	249	163
Increase (decrease) in allowance for doubtful accounts on funds	–	2,448
Other	1,741	336
Sub-total	50,452	30,464
Interest and dividend received	1,096	986
Interest payments	(6,400)	(6,201)
Outflow of money from funds	–	(2,448)
Income taxes paid	(8,955)	(16,100)
Net cash provided by operating activities	36,193	6,701
Cash flows from investing activities		
Deposits in time deposits	(3,007)	(4,005)
Withdrawals from time deposits	2,247	2,984
Purchase of property, plant and equipment	(28,074)	(9,985)
Purchases of intangible fixed assets	(3,075)	(2,892)
Purchases of investment securities	(3,066)	(2,211)
Sales and redemption of investment securities	373	1,193
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(372)	(12,696)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(16)	–
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	–	201
Payments for acquisition of new consolidated subsidiaries	(1,219)	(541)
Payments for transfer of business	(6,851)	–
Proceeds from transfer of business	74,402	1,980
Collection of fund assets invested	–	34,016
Other	(779)	(300)
Net cash provided by investing activities	30,563	7,745

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(8,432)	(8,688)
Proceeds from long-term debt	64,710	25,011
Repayments of long-term debt	(32,228)	(4,333)
Redemption of bonds	–	(20,020)
Dividends paid	–	(4,050)
Other	(538)	(396)
Net cash provided by (used in) financing activities	23,512	(12,476)
Effect of exchange rate changes on cash and cash equivalents	(3,016)	(5,767)
Net increase (decrease) in cash and cash equivalents	87,252	(3,797)
Cash and cash equivalents at beginning of period	132,720	203,013
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	477	1,047
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	88	–
Cash and cash equivalents at end of period	220,537	200,263

(4) Notes on Premise of Going Concern

No items to report

(5) 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, which were split from the Company in October 2004, and publicly listed subsidiary ITX Corporation. Each business division formulates comprehensive strategies for Japan and abroad with respect to products and services handled and deploys business activities.

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

2. Information concerning net sales and income/loss by reportable segment

Six months of the fiscal year ending March 31, 2011 (from April 1, 2010 to September 30, 2010)

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total		
Sales								
Sales to outside customers	175,423	47,413	68,170	102,389	23,932	417,327	–	417,327
Internal sales or transfer among segments	49	78	50	–	27	204	(204)	–
Total	175,472	47,491	68,220	102,389	23,959	417,531	(204)	417,327
Segment profit (Operating income)	36,142	2,878	(3,384)	2,836	(1,785)	36,687	(14,307)	22,380

Note: The deduction of ¥14,307 million listed as an adjustment to segment profit includes corporate expenses of ¥14,307 million not allocated to any reportable segment. These corporate 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.

Major products and services belonging to each segment

Segment	Major Products and Services
Medical Systems	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, etc.
Life Science and Industrial Systems	Biological microscopes, Industrial microscopes, Industrial endoscopes, Non-destructive testing equipment, Printers, etc.
Imaging Systems	Digital cameras, Voice recorders
Information & Communication	Sales of mobile terminals including mobile handsets
Others	System development, Biomedical materials, etc.

3. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Reference information)

Six months of the fiscal year ended March 31, 2010 (from April 1, 2009 to September 30, 2009)

The following are results of the six months ended September 30, 2009 after rearranging the business segmentation of the segment information by type of business with the new segments.

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total		
Sales								
Sales to outside customers	170,466	60,383	87,809	88,587	28,176	435,421	–	435,421
Internal sales or transfer among segments	10	73	38	–	228	349	(349)	–
Total	170,476	60,456	87,847	88,587	28,404	435,770	(349)	435,421
Segment profit (Operating income)	37,750	2,488	1,739	2,341	(2,183)	42,135	(13,440)	28,695

Note: The deduction of ¥13,440 million listed as an adjustment to segment profit includes corporate expenses of ¥13,440 million not allocated to any reportable segment. These corporate 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.

(Additional information)

Effective from the first quarter, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

(6) Notes on Significant Changes in the Amount of Shareholders' Equity

No items to report

(7) Important Subsequent Event

1. Tender offer for shares in consolidated subsidiary

At its meeting of the Board of Directors held on November 5, 2010, the Company resolved to purchase the shares in ITX Corporation (the "Target Company") through a tender offer (the "Tender Offer") as set out below.

1) Purpose of purchase etc.

(i) Overview of the Tender Offer

The Company currently holds 525,414 shares of common stock of the Target Company (82.07% (rounded to two decimal places) of the total number of issued shares in the Target Company as of November 5, 2010 (640,240 shares)) and counts the Target Company as its consolidated subsidiary. The Board of Directors of the Company decided at its meeting held on November 5, 2010 to implement the Tender Offer for all of the shares issued by the Target Company (provided that the shares in the Target Company that are already held by the Company are excluded) in order to make the Target Company a wholly owned subsidiary of the Company. The Company has not set a minimum or maximum number of share certificates etc. to be purchased in the Tender Offer.

According to the Target Company, at its board of directors meeting held on the same day, reached the conclusion that the Company making the Target Company a wholly owned subsidiary through the Tender Offer would be the best measure to maximize the corporate value of the Target Company and the Olympus Group (which means here and in the rest of this document “the Company and its subsidiaries and affiliates”) and while clearly expressing a consensus of agreement with the Tender Offer, passed a resolution to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

(ii) Purpose of the Tender Offer

The Target Company, aiming to maximize its corporate value, and in turn, the corporate value of the Olympus Group, has made steady achievements in corporate management reform, striving to “strengthen the revenue base by concentrating management resources” and “strengthen the financial position by withdrawing from non-profitable business” ever since December 2008. Especially in the mobile—phone-retailing based information and communication services business, which was identified as a core-competency business, the Target Company’s market share has grown considerably through measures to expand sales channels through M&A and other means, and it successfully strengthened and expanded its revenue base. In its contributions to the Olympus Group, outside the above-mentioned earnings-based contribution, the Target Company has played a central role in the Olympus Group’s information and communication services business field. It has also created new business, or, more specifically, served the role of an engine for new business creation. In order to integrate the Target Company group’s and the Olympus Group’s respective activities that serve a new business creation role, Olympus Business Creation Corp. was newly established in July 2010 by joint capital investment by the Target Company and the Company, which has led to a further strengthening and acceleration of new business creation. Through these efforts, the Target Company is presently concentrating its management resources in the information and communication services business, further strengthening profitability in this field, and working to create unique value added services in this field.

Meanwhile, the environment surrounding the Company is continuing to change dramatically and rapidly. On one hand there are opportunities for business growth such as the rapid growth in the emerging markets and the expansion of the medical related market due to the advancement of the aging population and rising expectations for minimally invasive medical care. On the other hand, not only in the consumer business fields, but also in the medical related business fields are multiple corporations with revenues of a scale of trillions of yen in not only Japan, the U.S. and Europe, but also in Asia and other emerging countries. These corporations actively conduct M&A and in recent years corporations from other industry sectors are participating, which is creating a difficult competitive environment.

Moreover, looking at the business environment surrounding the Target Company, in the mobile phone and other mobile communications markets, there are more than 110 million subscription contracts for mobile phones in Japan. While this means that with a 90% penetration rate the market has entered the matured stage, we are facing the arrival of a new stage that is accompanying a tremendous revolution. As a result of the explosive penetration of iPhone and the additional participation of Android devices, the multifunction communication device or “smartphone” market is rapidly expanding. In addition, beginning December this year, NTT

DOCOMO, INC. plans to start a service aimed at businesses called LTE (Long Term Evolution), which is a next-generation communication network. Through this development, we will enter an age of mobile data communication with higher speed and greater data capacity. On top of this, the Ministry of Internal Affairs and Communications is currently hammering out policy regarding the removal of SIM locks, and NTT DOCOMO has announced that it will comply with this move. It is therefore possible that the distribution structure of mobile phone retailing that has existed up until now will dramatically change.

With the business environment about to enter this new stage, the Target Company clearly has arrived upon a huge business chance. In order to securely grasp this great opportunity, it has been judged imperative that not only should the market share be further expanded so that the Target Company's position as a major retailer remains unshakeable, but also that the Target Company's functions as a retailer evolve to respond to the opening up of the mobile phone market, the growth in importance on software applications and services and the diversification of user needs that will occur as a result of the penetration of the smartphone, the start to the LTE age and the removal of SIM locks, and that greater emphasis be given to the Target Company's unique value added services by further strengthening and expanding the solutions business. In order to securely achieve growth through clear identification of these business chances, it is difficult to respond to the above-mentioned business environment with the current speed of decision making and services. It is therefore an urgent management priority for the Olympus Group also to construct a flexible structural framework to accelerate the speed of strategy execution and conduct comprehensive business development with the added force of the Company's brand power, credit strength and other management resources.

Under the circumstances explained above, since the Company and the Target Company have been busy discussing and examining various measures aimed at further boosting the corporate value of the Olympus Group since around September 2010. As a result, the parties reached the conclusion that the best measure to make the Target Company's business platform more stable and realize its further growth and, in turn, to maximize the corporate value of the Target Company and of the Olympus Group is for the Company and the Target Company to construct a tighter cooperative framework under which the Target Company can make maximum utilization of the management resources held by the Company, such as brand power and credit strength, and for the Target Company to establish an organization that can work flexibly and promptly, by the Company making the Target Company a wholly owned subsidiary of the Company by means of the Tender Offer.

2) Overview of purchase etc.

(i) Overview of Target Company

1) Name	ITX Corporation
2) Address	1-6-1 Higashi-shimbashi, Minato-ku, Tokyo
3) Name and title of representative	Masaya Ogiwara, President
4) Description of business	Information and communication services mainly related to telecommunications services business
5) Capital amount	¥25,443 million (as of June 30, 2010)
6) Date of incorporation	May 16, 1986

(ii) Period of purchase etc.

(a) Period of purchase etc. at the time of filing of Registration Statement
From November 11, 2010 (Thursday) to December 27, 2010 (Monday) (31 business days)

(b) Possibility of extension based on request of the Target Company
No items to report

(iii) Price of purchase etc.

¥60,500 per share of common stock

(iv) Number of share certificates etc. planned to be purchased

Number of shares planned to be purchased	Minimum number of shares planned to be purchased	Maximum number of shares planned to be purchased
114,826 shares	—	—

Note: Because an upper limit and lower limit have not been set for number of share certificates etc. to be purchased in the Tender Offer, the Company will purchase all of the tendered share certificates etc. in the Tender Offer. The number of share certificates etc. planned to be purchased is, as stated above, the total number of shares issued in the Target Company as of June 30, 2010 (640,240 shares) provided in the Quarterly Securities Report for the first quarter of the 12th fiscal year submitted by the Target Company on August 13, 2010, less the number of shares held by the Tender Offer offeror (525,414 shares).

(v) Changes in ownership ratio of share certificates etc. through purchase etc.

Number of voting rights represented by share certificates etc. held by the Tender Offer offeror before the purchase etc.	525,414 units	(Ownership ratio of share certificates etc. before the purchase etc.: 82. 07%)
Number of voting rights represented by share certificates etc. held by parties in special relationship before the purchase etc.	0 units	(Ownership ratio of share certificates etc. before the purchase etc.: 0.00%)
Number of voting rights represented by the share certificates etc. planned to be purchased	114,826 units	(Ownership ratio of share certificates etc. after the purchase etc.: 100.00%)
Total number of voting rights of all shareholders of the Target Company	640,240 units	

(vi) Purchase price ¥6,947 million

Note: The amount stated as the purchase price is the Tender Offer purchase price (¥60,500) multiplied by the number of shares planned to be purchased (114,826 shares).

2. Repurchase of the Company's shares

The Company resolved at a meeting of its Board of Directors held on November 5, 2010 to repurchase the Company's shares under the provisions of Article 156 of the Company Law of Japan as applied pursuant to the provisions of Article 165, Paragraph 3 of the same, as follows.

1) Reason for repurchase of the Company's shares

To improve the return of profits to shareholders while enabling the execution of flexible capital policy as needed to respond to changes n the business environment, the Company shall repurchase its own shares. In addition, for the purpose of making Company subsidiary ITX Corporation a wholly owned subsidiary of the Company, it was resolved at a meeting of the Board of Directors held on November 5, 2010 to acquire shares of ITX Corporation through a tender offer. If the Company is unable to acquire all issued shares of ITX Corporation through the Tender Offer, after the Tender Offer has been made, there is the possibility that a share exchange will be executed to make the Company a wholly owning parent company and ITX Corporation a wholly owned subsidiary, and if such a share exchange is executed, the Company plans to use its own shares, which the Company will repurchase, for the allotment and delivery to shareholders of ITX Corporation in such a share exchange.

2) Details of repurchase

(i) Class of shares to be repurchased:	Shares of common stock of the Company
(ii) Aggregate number of shares to be repurchased:	Up to 5 million shares
(iii) Aggregate repurchase price of shares:	Up to ¥10,000 million
(iv) Period of repurchase of shares:	From November 8 to December 20, 2010
(v) Method of repurchase of shares:	Open-market repurchase by the trust method

(Before Correction)

Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2011 <under Japanese GAAP>

November 5, 2010

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Nobuyuki Onishi, General Manager, Accounting Division
Phone: 03-3340-2111

Scheduled date to submit the Quarterly Securities Report:	November 12, 2010
Scheduled date to commence dividend payments:	December 3, 2010
Presentation of supplementary material on quarterly financial results:	Yes
Holding of quarterly financial results presentation meeting:	Yes

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to September 30, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
Six months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
September 30, 2010	417,327	(4.2)	20,831	(27.0)	19,137	3.5	7,046	(80.5)
September 30, 2009	435,421	(18.7)	28,518	(11.2)	18,494	(5.6)	36,193	904.5

	Net income per share	Fully diluted net income per share
Six months ended	(¥)	(¥)
September 30, 2010	26.10	–
September 30, 2009	134.52	134.52

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
September 30, 2010	1,063,177	180,482	16.2	639.82
March 31, 2010	1,152,227	216,891	18.2	775.76

Note: Equity as of September 30, 2010: ¥172,731 million March 31, 2010: ¥209,432 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2010	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2011	–	15.00			
Fiscal year ending March 31, 2011 (Forecast)			–	15.00	30.00

Note: Revisions of the forecast in the current quarter: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2011
(From April 1, 2010 to March 31, 2011)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	880,000	(0.3)	53,000	(11.9)	41,000	(9.1)	15,000	(68.6)	55.56

Note: Revisions of the forecast in the current quarter: Yes

4. Others (For details, please refer to "Other Information" on page 6 of the attached material.)

(1) Changes in significant subsidiaries during the current quarter: Yes
[New: 1 company (Olympus Business Creation Corp.) Excluded: –]
Note: Changes in specified subsidiaries resulting in the changes in scope of consolidation during the current quarter

(2) Application of simplified accounting and special accounting: Yes
Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation
1) Changes due to revisions to accounting standards, and other regulations: Yes
2) Changes due to other reasons: No
Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements stated in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements"

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

As of September 30, 2010	271,283,608 shares
As of March 31, 2010	271,283,608 shares

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

As of September 30, 2010	1,316,286 shares
As of March 31, 2010	1,315,105 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2010	269,967,927 shares
Six months ended September 30, 2009	269,043,587 shares

* Indication regarding execution of quarterly review procedures
This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly financial statements are in progress.

* Proper use of the forecast of financial results, and other special matters
1. The forecast of consolidated financial results which was announced on August 5, 2010, is revised in these materials.
2. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of "Qualitative Information Regarding Forecast of Consolidated Financial Results" on page 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 1. above.

Attached Material

Contents

1. Qualitative Information Regarding Consolidated Financial Results for the Six Months

(1) Qualitative Information Regarding Consolidated Results of Operations

In the Japanese economy during the six months ended September 30, 2010, although the economy showed a trend of recovery supported by improvement in corporate earnings and a pickup in consumer spending due to increased demand from emerging countries, mainly in Asia, the difficult market situation has continued from past periods with respect to the appreciating yen and restraints on capital investments by companies. Around the world, although a gradual recovery is being observed in Europe and the U.S., future prospects of the economy are becoming more unclear due to the ongoing nature of the credit crunch and high unemployment rates.

Amid this business environment, the Olympus Group newly formulated the "2010 Corporate Strategic Plan," which commenced this fiscal year ending March 31, 2011. Under the slogan "Advancing to the Next Stage of Globalization," the Group started initiatives to "transform Olympus into a more globally competitive company" and "strengthen our business presence in the emerging markets."

The consolidated net sales for the Olympus Group over the six months of the fiscal year under review decreased ¥18,094 million, or 4.2%, year on year to ¥417,327 million. Although the Medical Systems Business and the Information & Communication Business achieved increases in revenue, there were declines in revenue from the transfer of the diagnostic systems business in August 2009 as well as from the Imaging Systems Business. Operating income was down 27.0% year on year to ¥20,831 million with an increase in income from the Life Science and Industrial Systems Business and Information & Communication Business being outweighed by an operating loss being posted by the Imaging Systems Business. Ordinary income increased 3.5% year on year to ¥19,137 million because of an improvement in foreign currency exchange loss/gain. Net income was ¥7,046 million, a decrease of ¥29,147 million or 80.5% compared with the same period of the previous fiscal year when extraordinary income was recorded in connection with the transfer of the diagnostic systems business.

During the six months, the Olympus Group invested ¥31,763 million on research and development, and spent ¥14,122 million on capital investments.

Regarding foreign exchange, the yen appreciated against both the U.S. dollar and the euro compared to the same period of the previous fiscal year, with an average exchange rate during the period of ¥88.95 against the U.S. dollar (¥95.49 in the same period of the previous fiscal year) and ¥113.85 against the euro (¥133.16 in the same period of the previous fiscal year), which caused net sales and operating income to drop by ¥21,400 million and ¥4,700 million, respectively, year on year.

Due to changes in the business segmentation of segment information from the first quarter of the fiscal year ending March 31, 2011, the following year-on-year comparisons were made using the previous fiscal year figures rearranged into the business classification after the changes.

Regarding the interim dividend, the Olympus Group decided to pay ¥15 per share, as previously announced on August 5, 2010.

Medical Systems Business

Consolidated net sales in the Medical Systems Business during the six months amounted to ¥175,423 million (up 2.9% year on year), while operating income amounted to ¥34,914 million (down 7.1% year on year).

Revenue in the medical endoscope field increased. In Japan, sales of our flagship high-resolution HDTV endoscope system recovered, and overseas, not only did sales continue to remain strong in the Chinese market, we enhanced the lineup of high-resolution compatible products, which led to an increased number of videoscope units sold.

Revenue in the surgical and therapeutic devices field increased. In Japan, sales were favorable for the new product of disposable guide wires used for endoscope treatment such as for pancreatic ducts, while overseas, there was an increase in sales for products used for laparo-endoscopic single-site surgery such as disposable multi-instrument access ports.

Operating income in the Medical Systems Business declined as a result of increased R&D investment and foreign exchange effects.

Life Science and Industrial Systems Business

Consolidated net sales for the Life Science and Industrial Systems Business during the six months was ¥47,413 million (down 21.5% year on year), while operating income amounted to ¥2,878 million (up 15.7% year on year).

In the life science field, sales overall were about the same year on year. Although the new product “BX3” series of system biological microscopes and the “FLUOVIEW” series of confocal scanning laser microscopes sold favorably in Japan, overseas, sales were impacted by foreign exchange effects.

In the industrial equipment field, revenue increased. In Japan and Asia, sales of industrial microscopes and flat panel display inspection devices, mainly to the semiconductor industry, were favorable. Sales were also strong for the “IPLEX L” series of small and lightweight industrial endoscopes.

Overall, however, revenue declined in the Life Science and Industrial Systems Business owing to the transfer of the diagnostic systems business in August 2009.

Operating income for the Life Science and Industrial Systems Business increased in line with the sales expansion of the industrial equipment field.

Imaging Systems Business

In the Imaging Systems Business, the Olympus Group registered consolidated net sales for the six months of ¥68,170 million (down 22.4% year on year) and operating loss of ¥3,384 million (in contrast to an operating income of ¥1,739 million in the same period of the previous fiscal year).

Revenue in the digital camera field declined overall. In compact cameras, we saw robust sales of the “μTOUGH” series built with functions such as water and dust resistance, shock resistance and low-temperature resistance, and the “SP” series, which has ultra zoom and high-resolution video functionality. In single-lens cameras, sales were favorable both in Japan and abroad for the new product “OLYMPUS PEN E-PL1,” which is an interchangeable lens system digital camera with a small, lightweight and dignified design compliant with the “Micro Four Thirds System” standard. However, the reason for the overall decline in the digital camera field was the foreign exchange effect and a decline in the number of units sold due to intense competition in the low-priced camera market.

In the recorder field, sales were favorable in Japan for the new product of the “Voice-Trek” series of IC recorders and the “PJ-10” pocket-sized radio servers.

Despite efforts to cut costs, the Imaging Systems Business registered an operating loss due to decrease in revenue.

Information & Communication Business

Consolidated net sales for the Information & Communication Business during the six months was ¥102,389 million (up 15.6% year on year), while operating income showed ¥2,836 million (up 21.1% year on year).

Net sales in the Information & Communication Business increased owing to not only strong sales of products such as optical-fiber and other communication lines, data cards and photo frames, but also the growth in sales of smartphones and other mobile phones.

Operating income went up thanks not only to expanded sales of mobile phones but also to additional streamlining of sales costs.

Others

Consolidated net sales for other businesses in the six months was ¥23,932 million (down 15.1% year on year) and an operating loss was ¥2,106 million (in contrast to an operating loss of ¥2,197 million in the same period of the previous fiscal year).

During the six months ended September 30, 2010, a new company was established and put into operation for the purposes of sharing management resources related to new business creation within the Olympus Group to strengthen the total might of the Group, and of reforming the management system to one that is more efficient so as to accelerate the discovery and development of new businesses.

Net sales for other businesses were lower overall partly due to the decline in sales from the sale of some subsidiaries in November 2009.

As for the bottom line, operating loss remained roughly at the same level as the same period of the previous fiscal year due to improvement in the earnings of new-business related subsidiaries.

(2) Qualitative Information Regarding Consolidated Financial Position

As of the end of the second quarter, total assets decreased ¥89,050 million compared to the end of the previous fiscal year to ¥1,063,177 million.

This was primary as a result of decreases in notes and accounts receivable of ¥22,924 million and investment securities of ¥45,055 million, and increases in merchandise and finished goods of ¥2,843 million and raw materials and supplies of ¥2,672 million.

Total liabilities decreased ¥52,641 million compared to the end of the previous fiscal year to ¥882,695 million due mainly to an increase in short-term borrowings of ¥18,302 million, and decreases in notes and accounts payable of ¥16,192 million, bonds (including current maturities of bonds) of ¥20,020 million and long-term borrowings, less current maturities of ¥11,818 million.

Net assets decreased ¥36,409 million compared to the end of the previous fiscal year to ¥180,482 million, primarily due to decreases of valuation and translation adjustments of ¥39,057 million arising from fluctuations in foreign exchange and stock prices etc.

As a result of the foregoing, equity ratio decreased from 18.2% as of the end of the previous fiscal year to 16.2%.

Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2011 and their causes.

“Cash flows from operating activities” increased by ¥9,149 million mainly due to ¥15,910 million in income before provision for income taxes, ¥15,889 million in depreciation and amortization, and a decrease of ¥18,988 million in accounts receivable. Contrastingly, decreasing factors mainly included an increase of ¥9,257 million in inventories, a ¥16,545 million decrease in accounts payable, and ¥16,100 million in income taxes paid.

“Cash flows from investing activities” increased by ¥5,297 million mainly due to ¥32,762 million in sales and redemption of investment securities. Contrastingly, decreasing factors mainly included purchase of property, plant and equipment totaling ¥9,985 million, purchases of intangible fixed assets of ¥2,892 million, and payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation of ¥12,696 million.

“Cash flows from financing activities” decreased by ¥12,476 million mainly due to a net decrease in short-term borrowings of ¥8,688 million, ¥4,333 million in repayments of long-term debt, and a ¥20,020 million in redemption of bonds. Contrastingly, increasing factors mainly included proceeds from long-term debt of ¥25,011 million.

As a result, cash and cash equivalents at the end of the second quarter was ¥200,263 million, a decrease of ¥2,750 million compared to the end of the previous fiscal year.

(3) Qualitative Information Regarding Forecast of Consolidated Financial Results

Regarding the forecast of consolidated financial results for the full year ending March 31, 2011, basing judgments on the operating results of the six months ended September 30, 2010, and taking into consideration the difficult business environment due to factors such as the intensifying competition in the Imaging Systems Business and the current foreign exchange rate trends, the Company has revised the forecasts for net sales, operating income, ordinary income and net income as follows. Foreign exchange rates in the third quarter and beyond are expected to be ¥85 per U.S. dollar and ¥110 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥87 per U.S. dollar and ¥112 per euro.

Fiscal year ending March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	900,000	63,000	46,000	21,000	¥77.79
Revised Forecast (B)	880,000	53,000	41,000	15,000	¥55.56
Increase (Decrease) (B-A)	(20,000)	(10,000)	(5,000)	(6,000)	–
Increase (Decrease) Ratio (%)	(2.2)	(15.9)	(10.9)	(28.6)	–

2. Other Information

(1) Summary of Changes in Significant Subsidiaries

From the second quarter ended September 30, 2010, Olympus Business Creation Corp. is included in the scope of consolidation due to increase in materiality.

(2) Summary of Simplified Accounting and Special Accounting

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the second quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

Concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

(3) Summary of Changes in Accounting Policies, Procedures, and Methods of Presentation

- Changes in accounting standards

1) Application of accounting standard for asset retirement obligations
Effective from the first quarter, the Company adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

The effect of this change on operating income, ordinary income and income before provision for income taxes, and the change in amount of asset retirement obligations are immaterial.

2) Application of accounting standards for business combinations, etc.
Effective from the first quarter, the Company adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, released on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
ASSETS		
Current assets		
Cash and time deposits	204,816	206,783
Notes and accounts receivable	131,315	154,239
Merchandise and finished goods	59,885	57,042
Work in process	18,737	18,910
Raw materials and supplies	17,410	14,738
Other current assets	79,693	83,900
Allowance for doubtful accounts	(2,427)	(2,736)
Total current assets	509,429	532,876
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	64,899	68,124
Machinery and equipment, net	12,648	14,300
Tools, furniture and fixtures, net	35,460	36,665
Land	19,243	19,065
Lease assets, net	4,506	3,877
Construction in progress	1,354	2,463
Net property, plant and equipment	138,110	144,494
Intangible fixed assets		
Goodwill	188,924	194,065
Others	63,408	71,581
Total intangible fixed assets	252,332	265,646
Investments and other assets		
Investment securities	95,216	140,271
Other assets	69,328	70,210
Allowance for doubtful accounts	(1,238)	(1,270)
Total investments and other assets	163,306	209,211
Total fixed assets	553,748	619,351
Total assets	1,063,177	1,152,227

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	57,882	74,074
Short-term borrowings	112,235	93,933
Current maturities of bonds	40	20,040
Income taxes payable	9,646	17,088
Provision for product warranties	8,671	9,708
Other reserves	–	2
Other current liabilities	106,712	117,597
Total current liabilities	295,186	332,442
Non-current liabilities		
Long-term bonds, less current maturities	110,340	110,360
Long-term borrowings, less current maturities	425,330	437,148
Severance and retirement allowance	19,785	19,888
Other reserves	148	147
Other non-current liabilities	31,906	35,351
Total non-current liabilities	587,509	602,894
Total liabilities	882,695	935,336
NET ASSETS		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	55,166	55,166
Retained earnings	170,597	168,238
Treasury stock, at cost	(4,139)	(4,136)
Total shareholders' equity	269,956	267,600
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	4,927	9,101
Net unrealized gains (losses) on hedging derivatives, net of taxes	(458)	(438)
Foreign currency translation adjustments	(101,694)	(66,831)
Total valuation and translation adjustments	(97,225)	(58,168)
Minority interests	7,751	7,459
Total net assets	180,482	216,891
Total liabilities and net assets	1,063,177	1,152,227

(2) Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	435,421	417,327
Costs of sales	232,614	222,070
Gross profit	202,807	195,257
Selling, general and administrative expenses	174,289	174,426
Operating income	28,518	20,831
Non-operating income		
Interest income	575	484
Dividends income	448	463
Foreign currency exchange gain	–	2,371
Gain on sales of investment securities	–	1,443
Others	1,754	1,998
Total non-operating income	2,777	6,759
Non-operating expenses		
Interest expenses	6,295	6,183
Foreign currency exchange loss	1,301	–
Others	5,205	2,270
Total non-operating expenses	12,801	8,453
Ordinary income	18,494	19,137
Extraordinary income		
Gain on sales of investment securities	96	277
Gain on sales of investment securities in subsidiaries and affiliates	63	64
Gain on transfer of business	46,271	–
Total extraordinary income	46,430	341
Extraordinary losses		
Impairment loss on fixed assets	162	–
Loss on sales of investment securities	81	10
Provision of allowance for investment loss	1,800	–
Loss on valuation of investment securities	1,506	2,937
Loss on step acquisitions	–	310
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	311
Total extraordinary losses	3,549	3,568
Income before provision for income taxes	61,375	15,910
Income taxes	25,174	8,648
Income before minority interests	–	7,262
Minority interest in income of consolidated subsidiaries	8	216
Net income	36,193	7,046

Consolidated Statements of Income

(Millions of yen)

	Second quarter ended September 30, 2009	Second quarter ended September 30, 2010
Net sales	230,252	211,321
Costs of sales	123,245	112,899
Gross profit	107,007	98,422
Selling, general and administrative expenses	89,849	88,745
Operating income	17,158	9,677
Non-operating income		
Interest income	361	284
Dividends income	60	67
Foreign currency exchange gain	–	2,912
Gain on sales of investment securities	–	1,548
Others	1,301	448
Total non-operating income	1,722	5,259
Non-operating expenses		
Interest expenses	3,251	3,100
Others	4,120	1,728
Total non-operating expenses	7,371	4,828
Ordinary income	11,509	10,108
Extraordinary income		
Gain on sales of investment securities	19	218
Gain on transfer of business	46,271	–
Total extraordinary income	46,290	218
Extraordinary losses		
Impairment loss on fixed assets	108	–
Loss on sales of investment securities	81	2
Provision of allowance for investment loss	1,800	–
Loss on valuation of investment securities	927	2,875
Total extraordinary losses	2,916	2,877
Income before provision for income taxes	54,883	7,449
Income taxes	20,481	1,931
Income before minority interests	–	5,518
Minority interest in income (loss) of consolidated subsidiaries	15	(28)
Net income	34,387	5,546

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash flows from operating activities		
Income before provision for income taxes	61,375	15,910
Depreciation and amortization	22,555	15,889
Impairment loss on fixed assets	162	–
Amortization of goodwill	5,848	7,330
Increase (decrease) in severance and retirement allowance	620	860
Increase (decrease) in allowance for investment loss	1,800	–
Interest and dividend income	(1,023)	(947)
Interest expense	6,295	6,183
Loss (gain) on transfer of business	(46,271)	–
Loss (gain) on sales of investment securities	–	(1,710)
Loss (gain) on valuation of investment securities	1,506	2,937
Decrease (increase) in accounts receivable	2,904	18,988
Decrease (increase) in inventories	791	(9,257)
Increase (decrease) in accounts payable	3,248	(16,545)
Increase (decrease) in other payable	(6,443)	(3,786)
Increase (decrease) in accrued expense	(4,516)	(5,883)
Other	1,601	495
Sub-total	50,452	30,464
Interest and dividend received	1,096	986
Interest payments	(6,400)	(6,201)
Income taxes paid	(8,955)	(16,100)
Net cash provided by operating activities	36,193	9,149
Cash flows from investing activities		
Deposits in time deposits	(3,007)	(4,005)
Withdrawals from time deposits	2,247	2,984
Purchase of property, plant and equipment	(28,074)	(9,985)
Purchases of intangible fixed assets	(3,075)	(2,892)
Purchases of investment securities	(3,066)	(2,211)
Sales and redemption of investment securities	373	32,762
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(372)	(12,696)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(16)	–
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	–	201
Payments for acquisition of new consolidated subsidiaries	(1,219)	(541)
Payments for transfer of business	(6,851)	–
Proceeds from transfer of business	74,402	1,980
Other	(779)	(300)
Net cash provided by investing activities	30,563	5,297

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(8,432)	(8,688)
Proceeds from long-term debt	64,710	25,011
Repayments of long-term debt	(32,228)	(4,333)
Redemption of bonds	–	(20,020)
Dividends paid	–	(4,050)
Other	(538)	(396)
Net cash provided by (used in) financing activities	23,512	(12,476)
Effect of exchange rate changes on cash and cash equivalents	(3,016)	(5,767)
Net increase (decrease) in cash and cash equivalents	87,252	(3,797)
Cash and cash equivalents at beginning of period	132,720	203,013
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	477	1,047
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	88	–
Cash and cash equivalents at end of period	220,537	200,263

(4) Notes on Premise of Going Concern

No items to report

(5) 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, which were split from the Company in October 2004, and publicly listed subsidiary ITX Corporation. Each business division formulates comprehensive strategies for Japan and abroad with respect to products and services handled and deploys business activities.

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

2. Information concerning net sales and income/loss by reportable segment

Six months of the fiscal year ending March 31, 2011 (from April 1, 2010 to September 30, 2010)

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total		
Sales								
Sales to outside customers	175,423	47,413	68,170	102,389	23,932	417,327	–	417,327
Internal sales or transfer among segments	49	78	50	–	27	204	(204)	–
Total	175,472	47,491	68,220	102,389	23,959	417,531	(204)	417,327
Segment profit (Operating income)	34,914	2,878	(3,384)	2,836	(2,106)	35,138	(14,307)	20,831

Note: The deduction of ¥14,307 million listed as an adjustment to segment profit includes corporate expenses of ¥14,307 million not allocated to any reportable segment. These corporate 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.

Major products and services belonging to each segment

Segment	Major Products and Services
Medical Systems	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, etc.
Life Science and Industrial Systems	Biological microscopes, Industrial microscopes, Industrial endoscopes, Non-destructive testing equipment, Printers, etc.
Imaging Systems	Digital cameras, Voice recorders
Information & Communication	Sales of mobile terminals including mobile handsets
Others	System development, Biomedical materials, etc.

3. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Reference information)

Six months of the fiscal year ended March 31, 2010 (from April 1, 2009 to September 30, 2009)

The following are results of the six months ended September 30, 2009 after rearranging the business segmentation of the segment information by type of business with the new segments.

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total		
Sales								
Sales to outside customers	170,466	60,383	87,809	88,587	28,176	435,421	–	435,421
Internal sales or transfer among segments	10	73	38	–	228	349	(349)	–
Total	170,476	60,456	87,847	88,587	28,404	435,770	(349)	435,421
Segment profit (Operating income)	37,587	2,488	1,739	2,341	(2,197)	41,958	(13,440)	28,518

Note: The deduction of ¥13,440 million listed as an adjustment to segment profit includes corporate expenses of ¥13,440 million not allocated to any reportable segment. These corporate 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.

(Additional information)

Effective from the first quarter, the Company adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

(6) Notes on Significant Changes in the Amount of Shareholders’ Equity

No items to report

(7) Important Subsequent Event

1. Tender offer for shares in consolidated subsidiary

At its meeting of the Board of Directors held on November 5, 2010, the Company resolved to purchase the shares in ITX Corporation (the “Target Company”) through a tender offer (the “Tender Offer”) as set out below.

1) Purpose of purchase etc.

(i) Overview of the Tender Offer

The Company currently holds 525,414 shares of common stock of the Target Company (82.07% (rounded to two decimal places) of the total number of issued shares in the Target Company as of November 5, 2010 (640,240 shares)) and counts the Target Company as its consolidated subsidiary. The Board of Directors of the Company decided at its meeting held on November 5, 2010 to implement the Tender Offer for all of the shares issued by the Target Company (provided that the shares in the Target Company that are already held by the Company are excluded) in order to make the Target Company a wholly owned subsidiary of the Company. The Company has not set a minimum or maximum number of share certificates etc. to be purchased in the Tender Offer.

According to the Target Company, at its board of directors meeting held on the same day, reached the conclusion that the Company making the Target Company a wholly owned subsidiary through the Tender Offer would be the best measure to maximize the corporate value of the Target Company and the Olympus Group (which means here and in the rest of this document "the Company and its subsidiaries and affiliates") and while clearly expressing a consensus of agreement with the Tender Offer, passed a resolution to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

(ii) Purpose of the Tender Offer

The Target Company, aiming to maximize its corporate value, and in turn, the corporate value of the Olympus Group, has made steady achievements in corporate management reform, striving to "strengthen the revenue base by concentrating management resources" and "strengthen the financial position by withdrawing from non-profitable business" ever since December 2008. Especially in the mobile—phone-retailing based information and communication services business, which was identified as a core-competency business, the Target Company's market share has grown considerably through measures to expand sales channels through M&A and other means, and it successfully strengthened and expanded its revenue base. In its contributions to the Olympus Group, outside the above-mentioned earnings-based contribution, the Target Company has played a central role in the Olympus Group's information and communication services business field. It has also created new business, or, more specifically, served the role of an engine for new business creation. In order to integrate the Target Company group's and the Olympus Group's respective activities that serve a new business creation role, Olympus Business Creation Corp. was newly established in July 2010 by joint capital investment by the Target Company and the Company, which has led to a further strengthening and acceleration of new business creation. Through these efforts, the Target Company is presently concentrating its management resources in the information and communication services business, further strengthening profitability in this field, and working to create unique value added services in this field.

Meanwhile, the environment surrounding the Company is continuing to change dramatically and rapidly. On one hand there are opportunities for business growth such as the rapid growth in the emerging markets and the expansion of the medical related market due to the advancement of the aging population and rising expectations for minimally invasive medical care. On the other hand, not only in the consumer business fields, but also in the medical related business fields are multiple corporations with revenues of a scale of trillions of yen in not only Japan, the U.S. and Europe, but also in Asia and other emerging countries. These corporations actively conduct M&A and in recent years corporations from other industry sectors are participating, which is creating a difficult competitive environment.

Moreover, looking at the business environment surrounding the Target Company, in the mobile phone and other mobile communications markets, there are more than 110 million subscription contracts for mobile phones in Japan. While this means that with a 90% penetration rate the market has entered the matured stage, we are facing the arrival of a new stage that is accompanying a tremendous revolution. As a result of the explosive penetration of iPhone and the additional participation of Android devices, the multifunction communication device or "smartphone" market is rapidly expanding. In addition, beginning December this year, NTT

DOCOMO, INC. plans to start a service aimed at businesses called LTE (Long Term Evolution), which is a next-generation communication network. Through this development, we will enter an age of mobile data communication with higher speed and greater data capacity. On top of this, the Ministry of Internal Affairs and Communications is currently hammering out policy regarding the removal of SIM locks, and NTT DOCOMO has announced that it will comply with this move. It is therefore possible that the distribution structure of mobile phone retailing that has existed up until now will dramatically change.

With the business environment about to enter this new stage, the Target Company clearly has arrived upon a huge business chance. In order to securely grasp this great opportunity, it has been judged imperative that not only should the market share be further expanded so that the Target Company's position as a major retailer remains unshakeable, but also that the Target Company's functions as a retailer evolve to respond to the opening up of the mobile phone market, the growth in importance on software applications and services and the diversification of user needs that will occur as a result of the penetration of the smartphone, the start to the LTE age and the removal of SIM locks, and that greater emphasis be given to the Target Company's unique value added services by further strengthening and expanding the solutions business. In order to securely achieve growth through clear identification of these business chances, it is difficult to respond to the above-mentioned business environment with the current speed of decision making and services. It is therefore an urgent management priority for the Olympus Group also to construct a flexible structural framework to accelerate the speed of strategy execution and conduct comprehensive business development with the added force of the Company's brand power, credit strength and other management resources.

Under the circumstances explained above, since the Company and the Target Company have been busy discussing and examining various measures aimed at further boosting the corporate value of the Olympus Group since around September 2010. As a result, the parties reached the conclusion that the best measure to make the Target Company's business platform more stable and realize its further growth and, in turn, to maximize the corporate value of the Target Company and of the Olympus Group is for the Company and the Target Company to construct a tighter cooperative framework under which the Target Company can make maximum utilization of the management resources held by the Company, such as brand power and credit strength, and for the Target Company to establish an organization that can work flexibly and promptly, by the Company making the Target Company a wholly owned subsidiary of the Company by means of the Tender Offer.

2) Overview of purchase etc.

(i) Overview of Target Company

1) Name	ITX Corporation
2) Address	1-6-1 Higashi-shimbashi, Minato-ku, Tokyo
3) Name and title of representative	Masaya Ogiwara, President
4) Description of business	Information and communication services mainly related to telecommunications services business
5) Capital amount	¥25,443 million (as of June 30, 2010)
6) Date of incorporation	May 16, 1986

(ii) Period of purchase etc.

(a) Period of purchase etc. at the time of filing of Registration Statement
From November 11, 2010 (Thursday) to December 27, 2010 (Monday) (31 business days)

(b) Possibility of extension based on request of the Target Company
No items to report

(iii) Price of purchase etc.

¥60,500 per share of common stock

(iv) Number of share certificates etc. planned to be purchased

Number of shares planned to be purchased	Minimum number of shares planned to be purchased	Maximum number of shares planned to be purchased
114,826 shares	—	—

Note: Because an upper limit and lower limit have not been set for number of share certificates etc. to be purchased in the Tender Offer, the Company will purchase all of the tendered share certificates etc. in the Tender Offer. The number of share certificates etc. planned to be purchased is, as stated above, the total number of shares issued in the Target Company as of June 30, 2010 (640,240 shares) provided in the Quarterly Securities Report for the first quarter of the 12th fiscal year submitted by the Target Company on August 13, 2010, less the number of shares held by the Tender Offer offeror (525,414 shares).

(v) Changes in ownership ratio of share certificates etc. through purchase etc.

Number of voting rights represented by share certificates etc. held by the Tender Offer offeror before the purchase etc.	525,414 units	(Ownership ratio of share certificates etc. before the purchase etc.: 82. 07%)
Number of voting rights represented by share certificates etc. held by parties in special relationship before the purchase etc.	0 units	(Ownership ratio of share certificates etc. before the purchase etc.: 0.00%)
Number of voting rights represented by the share certificates etc. planned to be purchased	114,826 units	(Ownership ratio of share certificates etc. after the purchase etc.: 100.00%)
Total number of voting rights of all shareholders of the Target Company	640,240 units	

(vi) Purchase price ¥6,947 million

Note: The amount stated as the purchase price is the Tender Offer purchase price (¥60,500) multiplied by the number of shares planned to be purchased (114,826 shares).

2. Repurchase of the Company’s shares

The Company resolved at a meeting of its Board of Directors held on November 5, 2010 to repurchase the Company’s shares under the provisions of Article 156 of the Company Law of Japan as applied pursuant to the provisions of Article 165, Paragraph 3 of the same, as follows.

1) Reason for repurchase of the Company’s shares

To improve the return of profits to shareholders while enabling the execution of flexible capital policy as needed to respond to changes n the business environment, the Company shall repurchase its own shares. In addition, for the purpose of making Company subsidiary ITX Corporation a wholly owned subsidiary of the Company, it was resolved at a meeting of the Board of Directors held on November 5, 2010 to acquire shares of ITX Corporation through a tender offer. If the Company is unable to acquire all issued shares of ITX Corporation through the Tender Offer, after the Tender Offer has been made, there is the possibility that a share exchange will be executed to make the Company a wholly owning parent company and ITX Corporation a wholly owned subsidiary, and if such a share exchange is executed, the Company plans to use its own shares, which the Company will repurchase, for the allotment and delivery to shareholders of ITX Corporation in such a share exchange.

2) Details of repurchase

(i) Class of shares to be repurchased:	Shares of common stock of the Company
(ii) Aggregate number of shares to be repurchased:	Up to 5 million shares
(iii) Aggregate repurchase price of shares:	Up to ¥10,000 million
(iv) Period of repurchase of shares:	From November 8 to December 20, 2010
(v) Method of repurchase of shares:	Open-market repurchase by the trust method