Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012
<under Japanese GAAP>

May 10, 2012

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

Scheduled date of General Meeting of Shareholders:	June 28, 2012
Scheduled date to submit the Securities Report:	June 28, 2012
Scheduled date to commence dividend payments:	–
Presentation of supplementary material on financial results:	Yes
Holding of financial results presentation meeting:	Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
March 31, 2012	848,548	0.2	35,518	(7.5)	17,865	(23.0)	(48,985)	–
March 31, 2011	847,105	(4.1)	38,379	(37.3)	23,215	(49.6)	3,866	(92.6)

Note: Comprehensive income: Fiscal year ended March 31, 2012: ¥– million [–%]
Fiscal year ended March 31, 2011: ¥– million [–%]

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	(¥)	(¥)	%	%	%
March 31, 2012	(183.54)	–	(62.3)	1.8	4.2
March 31, 2011	14.39	–	2.9	2.2	4.5

Note: Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2012: ¥144 million
Fiscal year ended March 31, 2011: ¥574 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2012	966,526	48,028	4.6	167.76
March 31, 2011	1,019,160	115,579	11.0	421.37

Note: Equity as of March 31, 2012: ¥44,770 million March 31, 2011: ¥112,477 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	(¥ million)	(¥ million)	(¥ million)	(¥ million)
March 31, 2012	30,889	(35,735)	(5,761)	198,661
March 31, 2011	30,469	19,003	(37,359)	210,385

2. Dividends

	Annual dividends per share					Total amount of cash dividends	Payout ratio	Ratio of dividends to net assets
	First quarter	Second quarter	Third quarter	Year-end	Total	(Annual)	(Consolidated)	(Consolidated)
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ million)	%	%
Fiscal year ended March 31, 2011	–	15.00	–	15.00	30.00	8,054	208.5	6.0
Fiscal year ended March 31, 2012	–	0.00	–	0.00	0.00	0	–	0.0
Fiscal year ending March 31, 2013 (Forecast)	–	–	–	–	–		–	

Note: The dividend forecast for the fiscal year ending March 31, 2013 is undecided.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

At the time of the release of this financial results report, the forecast of consolidated financial results for the fiscal year ending March 31, 2013 is undecided and has not been presented because it is currently being formulated by the new management team that was appointed at the Extraordinary General Meeting of Shareholders held on April 20, 2012. The forecast will be disclosed as soon as we are able to announce it.

For details please refer to “(1) Analysis of Business Results (Forecast for the Fiscal Year Ending March 31, 2013)” in “1. Results of Operations” on page 2.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation): No
[New: — Excluded: —]

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards, and other regulations: No
2) Changes in accounting policies due to other reasons: No
3) Changes in accounting estimates: No
4) Restatement of prior period financial statements after error corrections: No

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

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

As of March 31, 2012	271,283,608 shares
As of March 31, 2011	271,283,608 shares

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

As of March 31, 2012	4,421,878 shares
As of March 31, 2011	4,348,948 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2012	266,893,365 shares
Fiscal year ended March 31, 2011	268,658,437 shares

Reference: Summary of Non-Consolidated Financial Results

Financial results for the Fiscal Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
March 31, 2012	74,033	(14.6)	(11,755)	–	(13,876)	–	(32,933)	–
March 31, 2011	86,737	(0.3)	(8,917)	–	(230)	–	6,357	(78.2)

	Net income per share	Fully diluted net income per share
Fiscal year ended	(¥)	(¥)
March 31, 2012	(123.39)	–
March 31, 2011	23.66	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2012	605,277	23,310	3.9	87.35
March 31, 2011	617,213	64,038	10.4	239.90

Note: Equity as of March 31, 2012: ¥23,310 million March 31, 2011: ¥64,038 million

* Indication regarding execution of audit procedures

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

* Proper use of the forecast of financial results, and other special matters

The forward-looking statements 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.

Attached Material

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1. Results of Operations

The Company has amended past financial statements in relation to its past postponing of the recognition of losses, which it announced in a press release published on November 8, 2011. Regarding Annual Securities Reports and the like, the Company filed amendment reports on December 14, 2011. The Company announced amendments to its past consolidated financial results on December 28, 2011 and April 26, 2012. All year-on-year comparisons in the following description are based on amended consolidated financial statements, etc.

(1) Analysis of Business Results

(Review of Operations)

Analysis of the overall operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Fiscal year ended March 31, 2012	848,548	35,518	17,865	(48,985)	(¥183.54)
Fiscal year ended March 31, 2011	847,105	38,379	23,215	3,866	¥14.39
Increase (Decrease) Ratio (%)	0.2	(7.5)	(23.0)	–	–

Comparison Table of Average Exchange Rate (Yen)

	Current fiscal year	Previous fiscal year
Against the U.S. dollar	79.08	85.72
Against the euro	108.98	113.12

In the global economy during the fiscal year under review, although the Asia region, particularly China, remained strong as a result of an expansion in internal demand, the global economy overall remained stagnant due to continued high unemployment rates in the U.S. and uncertainty over fiscal prospects in some parts of Europe. The Japanese economy continued to remain in a difficult situation owing partly to restrictions on electricity supply and appreciation of the yen, although restoration efforts are progressing in the aftermath of the Great East Japan Earthquake.

Amid this business environment, the Olympus Group worked to “transform Olympus into a more globally competitive company” and “strengthen our business presence in the emerging markets” as its targets based on the “2010 Corporate Strategic Plan,” which commenced in the fiscal year ended March 31, 2011.

In the Medical Systems Business, we implemented a variety of measures to minimize the impact of the earthquake on product supply, and developed large-scale new products in the gastrointestinal endoscope field and the surgical and therapeutic devices field. In the Life Science and Industrial Systems Business, we launched new products in ultrasonographic inspection systems, microscopes and industrial endoscopes. Regarding the Imaging Systems Business, we enhanced the lineup of products compliant with the “Micro Four Thirds System” standard and worked to implement cost reductions. As a group-wide initiative, we also worked to implement fundamental reform of our corporate governance system in light of our reflections on the problem of deferred posting of losses, which was discovered in November 2011.

The Olympus Group’s overall consolidated net sales remained nearly at the same level as the previous fiscal year, increasing 0.2% year on year to ¥848,548 million. This was due to the impact of the transfer of the inkjet printer business, as well as a decline in revenue in the Medical Systems Business caused by the effects of foreign exchange and the earthquake, despite an increase in revenue in the Information & Communication Business. Although the operating loss in the Imaging Systems Business was reduced, operating income decreased 7.5% year on year to ¥35,518 million as a result of foreign exchange effects and other factors. Ordinary income decreased 23.0% year on year to ¥17,865 million, due mainly to the decline in operating income. Net loss was posted at ¥48,985 million (compared with a net income of ¥3,866 million in the previous fiscal year). This was a result of the recording of ¥27,682 million in extraordinary losses due to factors such as the posting of impairment loss on business assets in the Imaging Systems Business, and the recording of ¥39,282 million in income taxes including reversal of deferred tax assets due to a review of future taxable income.

During the fiscal year under review, the Olympus Group invested ¥61,356 million on research and development, and spent ¥37,961 million on capital investments.

Regarding foreign exchange, the yen appreciated against both the U.S. dollar and the euro compared to the previous fiscal year, reaching a record-high level particularly against the U.S. dollar. The average exchange rate during the period was ¥79.08 against the U.S. dollar (¥85.72 in the previous fiscal year) and ¥108.98 against the euro (¥113.12 in the previous fiscal year), which caused net sales and operating income to drop by ¥25,500 million and ¥5,700 million, respectively, year on year. At a constant rate of exchange, net sales and operating income rose 3.2% and 7.5%, respectively, year on year.

Analysis of the performance by segment

(Millions of yen)

	Net sales			Operating income (loss)		
	Previous fiscal year	Current fiscal year	Increase (Decrease) ratio (%)	Previous fiscal year	Current fiscal year	Increase (Decrease) ratio (%)
Medical Systems	355,322	349,246	(1.7)	71,682	68,188	(4.9)
Life Science and Industrial Systems	100,808	92,432	(8.3)	8,553	5,439	(36.4)
Imaging Systems	131,417	128,561	(2.2)	(15,019)	(10,760)	—
Information & Communication	209,520	229,399	9.5	5,242	5,277	0.7
Others	50,038	48,910	(2.3)	(3,606)	(7,992)	—
Subtotal	847,105	848,548	0.2	66,852	60,152	(10.0)
Elimination or Unallocation	—	—	—	(28,472)	(24,634)	—
Consolidated total	847,105	848,548	0.2	38,379	35,518	(7.5)

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

Medical Systems Business

Consolidated net sales in the Medical Systems Business amounted to ¥349,246 million (down 1.7% year on year), while operating income amounted to ¥68,188 million (down 4.9% year on year).

In the surgical and therapeutic devices field, sales of disposable guide wires used for endoscope treatment such as for pancreatic ducts continued to be favorable, particularly in Japan, while sales grew for the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery with improved observation capability. There was an overall decline in revenue in the Medical Systems Business for the period. This was the result of temporary difficulties in the procurement of parts in our flagship gastrointestinal endoscope field due to the impact of the Great East Japan Earthquake and the resulting adjustments we made to the production of some products. However, sales were solid in the period from October to March, when product supply recovered.

Operating income in the Medical Systems Business declined due to a decrease in revenue resulting from the impacts of the earthquake and foreign exchange.

At a constant rate of exchange, consolidated net sales and operating income rose 2.8% and 4.3%, respectively, year on year.

Life Science and Industrial Systems Business

Consolidated net sales in the Life Science and Industrial Systems Business amounted to ¥92,432 million (down 8.3% year on year), while operating income amounted to ¥5,439 million (down 36.4% year on year).

In the life science field, although sales of products for research such as the "BX3" series of system biological microscopes grew in Japan and Asia, net sales decreased due to worsened market conditions in Europe and the U.S. and foreign exchange effects.

In the industrial field, revenue increased. This was the result of sales growth from the ultrasonic non-destructive testing equipment "OmniScan MX2," which contributes to the safety and peace of mind of the society, and new industrial videoscope product "IPLEX UltraLite," the lightest and most compact model in the IPLEX series, as well as a favorable performance in sales of products such as industrial microscopes and optical metrology devices thanks to brisk conditions in markets related to electrical components and semiconductors.

However, there was a decrease in revenue in the Life Science and Industrial Systems Business overall, partly due to the impact of a decrease in revenue resulting from the transfer of the inkjet printer business in March 2011.

Operating income in the Life Science and Industrial Systems Business decreased due to the transfer of the inkjet printer business and the negative results in the life science field, despite an increase in operating income in the industrial field.

At a constant rate of exchange, consolidated net sales and operating income fell 4.1% and 14.1%, respectively, year on year.

Imaging Systems Business

Consolidated net sales in the Imaging Systems Business amounted to ¥128,561 million (down 2.2% year on year), while operating loss amounted to ¥10,760 million (a ¥4,259 million contraction in operating loss compared with the previous fiscal year).

Revenue declined in the Imaging Systems Business, mainly due to intensified competition and the impact of the floods in Thailand. This was despite favorable sales of new products in the "OLYMPUS PEN" series of interchangeable lens system digital cameras compliant with the "Micro Four Thirds System" standard and the contribution from sales of "OLYMPUS OM-D E-M5," the compact, lightweight and high-performance camera equipped with an electronic viewfinder, in addition to growth in sales of high-value added models of compact cameras such as the "XZ-1," which is of the highest standard of picture quality for compact cameras.

Regarding the bottom line, operating loss in the Imaging Systems Business was reduced thanks to an improvement in cost to sales ratio as well as cost reductions.

At a constant rate of exchange, consolidated net sales rose 1.5% year on year and the operating loss contracted by ¥2,042 million compared with the previous fiscal year.

Information & Communication Business

Consolidated net sales for the Information & Communication Business amounted to ¥229,399 million (up 9.5% year on year), while operating income amounted to ¥5,277 million (up 0.7% year on year).

Net sales in the Information & Communication Business increased thanks not only to expanded sales channels for mobile phones, but also to favorable sales of smartphones.

Operating income in the Information & Communication Business was close to the same level as the previous fiscal year, mainly due to the impact of the amortization of goodwill from our making ITX Corporation into a wholly owned subsidiary by means of a share exchange in March 2011.

Others

Consolidated net sales for other businesses amounted to ¥48,910 million (down 2.3% year on year) and operating loss was ¥7,992 million (compared with an operating loss of ¥3,606 million in the same period of the previous fiscal year).

Net sales for other businesses were down owing to overseas market deterioration.

However, operating loss for other businesses expanded because of increased research and development costs related to the acquisition of a regenerative medicine-related business.

(Forecast for the Fiscal Year Ending March 31, 2013)

Forecast for the overall business and analysis of its preconditions

Although there is expected to be a moderate trend towards recovery in the global economy going forward, there is a chance that it may underperform expectations due to downside factors including the protracted nature of fiscal uncertainty in Europe and the rising price of crude oil. Regarding the Japanese economy, while a positive contribution is expected from demand related to earthquake recovery projects in the immediate future, difficult conditions are expected to continue.

Given this environment, the Olympus Group will work to promote growth in core businesses by concentrating management resources on core technologies, with improvements in our profitability and financial standing as our top priorities.

In the Medical Systems Business, we will work to achieve further growth with the launch of new products including “THUNDERBEAT,” an energy device, and “EVIS EXERA III,” the next-generation endoscopy platform system, which is the first renewal of its series for seven years. We will work to expand sales and improve revenue in the Life Science and Industrial Systems Business by gradually launching new products such as element analysis devices in the industrial field, while enhancing products and strengthening sales in the markets of emerging countries in the life science field. In the Imaging Systems Business, we will focus on high-value added products such as the “OM-D” series, a new generation system camera, and carry on the transition to a business structure that steadily yields profit through cost reduction.

The forecast of consolidated financial results for the fiscal year ending March 31, 2013 is currently being formulated by the new management team that was appointed at the Extraordinary General Meeting of Shareholders held on April 20, 2012. The forecast will be disclosed as soon as we are able to announce it.

(2) Financial Position

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

Analysis of assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012	Increase (Decrease)	Increase (Decrease) ratio (%)
Total assets	1,019,160	966,526	(52,634)	(5.2)
Net assets	115,579	48,028	(67,551)	(58.4)
Equity ratio	11.0%	4.6%	(6.4%)	–

As of the end of the fiscal year under review, total assets decreased ¥52,634 million compared to the end of the previous fiscal year to ¥966,526 million. Current assets decreased ¥6,976 million due to a decrease in cash and time deposits, and fixed assets decreased ¥45,658 million due to factors such as depreciation, amortization of goodwill and sales of investment securities.

Total liabilities increased ¥14,917 million compared to the end of the previous fiscal year to ¥918,498 million due mainly to an increases in long-term borrowings, less current maturities of ¥29,099 million, despite a decrease in short-term borrowings of ¥35,220 million.

Net assets decreased ¥67,551 million compared to the end of the previous fiscal year to ¥48,028 million, mainly because there was a net loss in the current fiscal year of ¥48,985 million and a decline in accumulated other comprehensive income of ¥14,219 million.

As a result of the foregoing, equity ratio decreased from 11.0% as of the end of the previous fiscal year to 4.6%.

Analysis of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Increase (Decrease)
Cash flows from operating activities	30,469	30,889	420
Cash flows from investing activities	19,003	(35,735)	(54,738)
Cash flows from financing activities	(37,359)	(5,761)	31,598
Cash and cash equivalents at end of year	210,385	198,661	(11,724)

"Cash flows from operating activities" increased by ¥30,889 million mainly due to ¥33,787 million in depreciation and amortization, ¥15,839 million in impairment loss, and ¥12,283 million in amortization of goodwill. Contrastingly, decreasing factors mainly included ¥19,929 million in income taxes paid, ¥13,990 million in interest payments and an increase of ¥11,681 million in accounts receivable.

"Cash flows from investing activities" decreased by ¥35,735 million mainly due to purchase of property, plant and equipment totaling ¥22,761 million, purchases of intangible assets of ¥12,483 million, and payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation of ¥6,584 million. Contrastingly, increasing factors included ¥4,155 million in sales and redemption of investment securities.

"Cash flows from financing activities" decreased by ¥5,761 million mainly due to ¥63,197 million in repayments of long-term debt and ¥4,004 million in dividends paid. Contrastingly, increasing factors mainly included proceeds from long-term debt of ¥60,244 million.

As a result, cash and cash equivalents at the end of the current fiscal year reached ¥198,661 million, a decrease of ¥11,724 million compared to the end of the previous fiscal year.

(Cash Flows Indicators)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Equity ratio (%)	10.0	14.1	11.0	4.6
Market value equity ratio (%)	40.7	73.3	60.6	37.4
Interest-bearing debt to cash flows ratio (years)	17.4	8.7	21.3	20.8
Interest coverage ratio (times)	2.3	6.1	2.3	2.2

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

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

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

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

However, we sincerely regret that, due to the significant amount of net loss posted in the current fiscal year, no year-end dividends will be paid. Since there was no interim dividend, the annual dividend is ¥0.

The amount of dividends for the following fiscal year is undecided. We plan to disclose this information as soon as it becomes possible to disclose the dividend forecast amount.

(4) Business Risks

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

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

(Risks Associated with Selling Activities)

(i) In the Medical Systems Business, if, as a result of a healthcare system reform, the healthcare policy is amended in an unforeseeable and material manner, and if the Olympus Group finds it difficult to adapt itself to the environmental change, the Olympus Group's ability to secure its earnings may be adversely impacted.

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

(iii) In the digital camera field of the Imaging Systems Business, price competition in the market is intensifying steadily. If market prices fall more sharply than anticipated, such price falls may not adequately be absorbed by the cost reduction measures that the Olympus Group is currently advancing and may adversely impact the Olympus Group's ability to secure its earnings.

(Risks Associated with Production/Development Activities)

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

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

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

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

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

(Risks Associated with Stock-Investing Activities)

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

(Risks Associated with Business Collaborations and Corporate Acquisitions)

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

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

(Risks Associated with Financing)

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

(Risks Associated with Leakage of Information)

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

(Risks Associated with Past Postponing of Recognition of Losses)

At present, there is a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act, while there is a case pending against the Company at the Financial Services Agency of Japan for breach of the Financial Instruments and Exchange Act, and consequently the Olympus Group's business performances and financial position may be adversely impacted depending upon the results of such proceedings. The proceedings are the result of the Company's postponing of recognition of losses on securities investments, etc. since around the 1990s, and the Company's use, by means such as going through multiple funds, of both the fees paid to financial advisors and funds to buy back preferred stock in relation to the acquisition of Gyrus Group PLC, as well as the acquisition funds of three domestic companies (Altis Co., Ltd., NEWS CHEF, Inc. and Humalabo Co., Ltd.), partly to resolve unrealized losses on investment securities by such postponing of the recognition of these losses.

Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company in the future for a similar reason, which may adversely affect the Group’s business performances and financial position.

(Risks Associated with Internal Control System, etc.)

The Company is working to improve and develop its internal control system, etc. in response to the designation of its shares as “Securities on Alert” by the Tokyo Stock Exchange (TSE) on January 21, 2012. If three years pass after the designation and the TSE recognizes that problems remain with the Company’s internal control system, etc., or if the TSE recognizes that there are unlikely to be improvements in the Company’s internal control system, etc. even with the TSE’s requests for submission of a written affirmation on said system, the Company’s shares may be delisted, and this may have an adverse impact on the Olympus Group’s business performances and financial position.

(Other Comprehensive Risks)

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

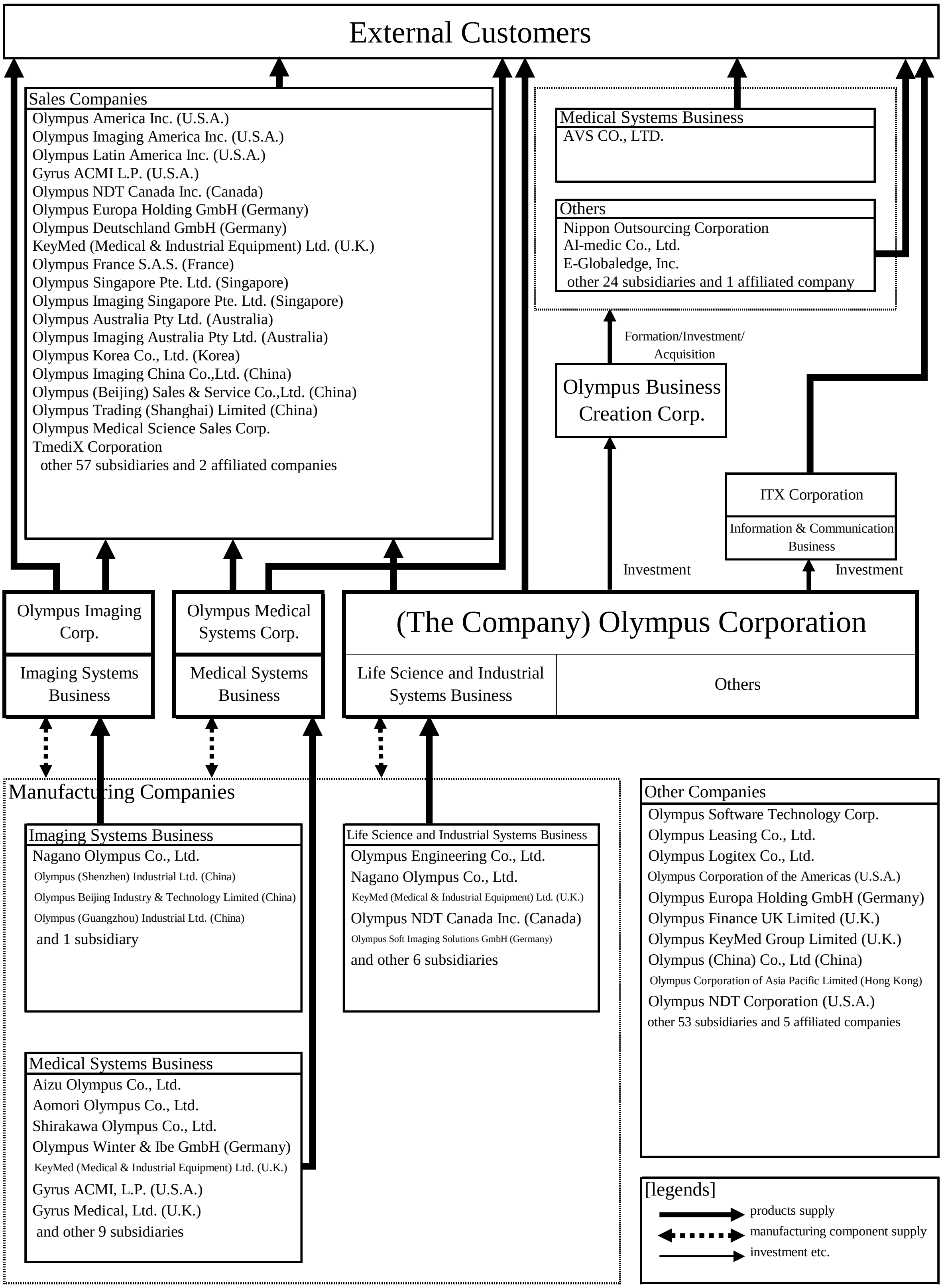
2. Status of the Corporate Group

The Company, 198 subsidiaries and 10 affiliated companies are engaged mainly in the manufacture and sales of products in Medical Systems, Life Science and Industrial Systems, Imaging Systems, Information & Communication, others and Holding companies and Financial Investment etc. related to the each business.

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

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

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



3. Operating Policy

The operating policy of Olympus Corporation will be explained as part of the medium-term vision that is currently being formulated by the new management team that was appointed at the Extraordinary General Meeting of Shareholders held on April 20, 2012. This will be disclosed as soon as we are able to announce it.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
ASSETS		
Current assets		
Cash and time deposits	213,561	200,088
Notes and accounts receivable	141,176	150,594
Lease receivables and lease investment assets	17,289	18,888
Merchandise and finished goods	55,247	61,963
Work in process	19,959	19,191
Raw materials and supplies	17,723	21,339
Deferred income taxes	32,568	23,574
Other current assets	38,659	34,019
Allowance for doubtful accounts	(2,648)	(3,098)
Total current assets	533,534	526,558
Fixed assets		
Property, plant and equipment		
Buildings and structures	135,860	129,654
Accumulated depreciation	(71,783)	(73,729)
Buildings and structures, net	64,077	55,925
Machinery and equipment	55,373	53,483
Accumulated depreciation	(42,632)	(42,948)
Machinery and equipment, net	12,741	10,535
Tools, furniture and fixtures	149,952	157,712
Accumulated depreciation	(112,213)	(119,132)
Tools, furniture and fixtures, net	37,739	38,580
Land	19,430	15,931
Lease assets	7,662	9,402
Accumulated depreciation	(2,662)	(3,696)
Lease assets, net	5,000	5,706
Construction in progress	2,354	1,131
Net property, plant and equipment	141,341	127,808
Intangible assets		
Goodwill	133,050	124,465
Others	72,929	72,680
Total intangible assets	205,979	197,145
Investments and other assets		
Investment securities	59,342	51,318
Long-term loans receivable	5,734	3,108
Deferred income taxes	14,926	8,167
Other assets	66,453	60,318
Allowance for doubtful accounts	(8,149)	(7,896)
Total investments and other assets	138,306	115,015
Total fixed assets	485,626	439,968
Total assets	1,019,160	966,526

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
LIABILITIES		
Current liabilities		
Notes and accounts payable	68,715	75,330
Short-term borrowings	127,295	92,075
Current maturities of bonds	240	20,040
Other payable	36,628	36,947
Accrued expenses	59,664	62,613
Income taxes payable	16,274	8,228
Provision for product warranties	8,360	7,336
Other reserves	812	18
Other current liabilities	14,784	17,806
Total current liabilities	332,772	320,393
Non-current liabilities		
Long-term bonds, less current maturities	110,120	90,080
Long-term borrowings, less current maturities	411,132	440,231
Deferred income taxes	21,533	29,456
Severance and retirement allowance	18,798	23,922
Severance and retirement allowance for directors and corporate auditors	156	140
Provision for loss on business liquidation	–	3,205
Other non-current liabilities	9,070	11,071
Total non-current liabilities	570,809	598,105
Total liabilities	903,581	918,498
NET ASSETS		
Shareholders’ equity		
Common stock	48,332	48,332
Capital surplus	54,788	54,788
Retained earnings	113,532	60,197
Treasury stock, at cost	(11,097)	(11,249)
Total shareholders’ equity	205,555	152,067
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	6,524	3,128
Net unrealized gains (losses) on hedging derivatives, net of taxes	(758)	(1,268)
Foreign currency translation adjustments	(95,201)	(102,067)
Pension liability adjustment of foreign subsidiaries	(3,643)	(7,090)
Total accumulated other comprehensive income	(93,078)	(107,297)
Minority interests	3,102	3,258
Total net assets	115,579	48,028
Total liabilities and net assets	1,019,160	966,526

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	847,105	848,548
Costs of sales	459,420	464,743
Gross profit	387,685	383,805
Selling, general and administrative expenses	349,306	348,287
Operating income	38,379	35,518
Non-operating income		
Interest income	894	931
Dividends income	778	803
Royalty income	325	40
Foreign currency exchange gain	2,615	162
Gain on sales of investment securities	–	1,994
Net income of investment in affiliated companies carried on the equity method	574	144
Others	2,993	3,318
Total non-operating income	8,179	7,392
Non-operating expenses		
Interest expenses	12,744	14,026
Others	10,599	11,019
Total non-operating expenses	23,343	25,045
Ordinary income	23,215	17,865
Extraordinary income		
Gain on sales of investments in subsidiaries and affiliates	64	–
Gain on transfer of business	2,696	–
Gain on sales of investment securities	950	322
Gain on negative goodwill	2,408	–
Total extraordinary income	6,118	322
Extraordinary losses		
Impairment loss on fixed assets	482	15,839
Loss on sales of investments in subsidiaries and affiliates	141	38
Loss on sales of investment securities	3,083	14
Loss on valuation of investment securities	1,054	2,014
Loss on step acquisitions	310	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	311	–
Loss on disaster	608	–
Amortization of goodwill	631	1,179
Loss on funds invested	327	–
Loss on restructuring of business	–	3,392
Provision for loss on business liquidation	–	3,205
Provision of allowance for doubtful accounts	2,448	–
Expense related to retrospective adjustment	–	2,001
Total extraordinary losses	9,395	27,682
Income (loss) before provision for income taxes	19,938	(9,495)
Income taxes, current	17,362	16,293
Income taxes, deferred	(1,737)	22,989
Total	15,625	39,282

Income (loss) before minority interests	4,313	(48,777)
Minority interest in income of consolidated subsidiaries	447	208
Net income (loss)	3,866	(48,985)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income (loss) before minority interests	4,313	(48,777)
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	(1,467)	(3,396)
Net unrealized gains (losses) on hedging derivatives, net of taxes	(233)	(510)
Foreign currency translation adjustments	(29,013)	(6,858)
Pension liability adjustment of foreign subsidiaries	481	(3,447)
Change in share of other comprehensive income of associates	(206)	–
Share of other comprehensive income of associates accounted for using equity method	(6)	(2)
Total other comprehensive income	(30,445)	(14,213)
Comprehensive income	(26,131)	(62,990)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(26,884)	(63,203)
Comprehensive income attributable to minority interests	753	213

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Common stock		
Balance at the beginning of the year	48,332	48,332
Changes during the year		
Net changes during the year	–	–
Balance at the end of the year	48,332	48,332
Capital surplus		
Balance at the beginning of the year	55,166	54,788
Changes during the year		
Disposal of treasury stock	(378)	–
Net changes during the year	(378)	–
Balance at the end of the year	54,788	54,788
Retained earnings		
Balance at the beginning of the year	114,719	113,532
Transfer to pension liability adjustment of foreign subsidiaries	4,124	–
Changes during the year		
Cash dividends paid	(8,099)	(4,004)
Net income (loss)	3,866	(48,985)
Change of scope of consolidation	(872)	(346)
Decrease in retained earnings due to change in equity	(206)	–
Net changes during the year	(5,311)	(53,335)
Balance at the end of the year	113,532	60,197
Treasury stock, at cost		
Balance at the beginning of the year	(4,136)	(11,097)
Changes during the year		
Acquisition of treasury stock	(10,006)	(152)
Disposal of treasury stock	3,045	–
Net changes during the year	(6,961)	(152)
Balance at the end of the year	(11,097)	(11,249)
Total shareholders' equity		
Balance at the beginning of the year	214,081	205,555
Transfer to pension liability adjustment of foreign subsidiaries	4,124	–
Changes during the year		
Cash dividends paid	(8,099)	(4,004)
Net income (loss)	3,866	(48,985)
Change of scope of consolidation	(872)	(346)
Decrease in retained earnings due to change in equity	(206)	–
Acquisition of treasury stock	(10,006)	(152)
Disposal of treasury stock	2,667	–
Net changes during the year	(12,650)	(53,487)
Balance at the end of the year	205,555	152,067

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes		
Balance at the beginning of the year	8,020	6,524
Changes during the year		
Net changes in items other than shareholders' equity	(1,496)	(3,396)
Net changes during the year	(1,496)	(3,396)
Balance at the end of the year	6,524	3,128
Net unrealized gains (losses) on hedging derivatives, net of taxes		
Balance at the beginning of the year	(438)	(758)
Changes during the year		
Net changes in items other than shareholders' equity	(320)	(510)
Net changes during the year	(320)	(510)
Balance at the end of the year	(758)	(1,268)
Foreign currency translation adjustments		
Balance at the beginning of the year	(65,991)	(95,201)
Changes during the year		
Net changes in items other than shareholders' equity	(29,210)	(6,866)
Net changes during the year	(29,210)	(6,866)
Balance at the end of the year	(95,201)	(102,067)
Pension liability adjustment of foreign subsidiaries		
Balance at the beginning of the year	–	(3,643)
Transfer to pension liability adjustment of foreign subsidiaries	(4,124)	–
Changes during the year		
Net changes in items other than shareholders' equity	481	(3,447)
Net changes during the year	481	(3,447)
Balance at the end of the year	(3,643)	(7,090)
Total accumulated other comprehensive income		
Balance at the beginning of the year	(58,409)	(93,078)
Transfer to pension liability adjustment of foreign subsidiaries	(4,124)	–
Changes during the year		
Net changes in items other than shareholders' equity	(30,545)	(14,219)
Net changes during the year	(30,545)	(14,219)
Balance at the end of the year	(93,078)	(107,297)
Minority interests		
Balance at the beginning of the year	7,459	3,102
Changes during the year		
Net changes in items other than shareholders' equity	(4,357)	156
Net changes during the year	(4,357)	156
Balance at the end of the year	3,102	3,258

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Total net assets		
Balance at the beginning of the year	163,131	115,579
Transfer to pension liability adjustment of foreign subsidiaries	–	–
Changes during the year		
Cash dividends paid	(8,099)	(4,004)
Net income (loss)	3,866	(48,985)
Change of scope of consolidation	(872)	(346)
Decrease in retained earnings due to change in equity	(206)	–
Acquisition of treasury stock	(10,006)	(152)
Disposal of treasury stock	2,667	–
Net changes in items other than shareholders' equity	(34,902)	(14,063)
Net changes during the year	(47,552)	(67,551)
Balance at the end of the year	115,579	48,028

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Cash flows from operating activities		
Income (loss) before provision for income taxes	19,938	(9,495)
Depreciation and amortization	34,188	33,787
Impairment loss on fixed assets	482	15,839
Amortization of goodwill	12,249	12,283
Gain on negative goodwill	(2,408)	–
Increase (decrease) in severance and retirement allowance	(150)	1,445
Decrease (increase) in prepaid pension cost	(1,581)	2,051
Increase (decrease) in provision for product warranties	(1,170)	(716)
Interest and dividend income	(1,671)	(1,734)
Interest expense	12,744	14,026
Net loss (gain) of investment in affiliated companies carried equity method	(574)	(144)
Loss (gain) on transfer of business	(2,696)	–
Increase (decrease) in provision for loss on business liquidation	–	3,205
Loss (gain) on sale of investment securities in subsidiaries and affiliates	76	38
Loss (gain) on valuation of investment securities	1,054	2,014
Decrease (increase) in accounts receivable	9,969	(11,681)
Decrease (increase) in inventories	(3,452)	(9,742)
Increase (decrease) in accounts payable	(5,731)	6,792
Increase (decrease) in other payable	(3,825)	260
Increase (decrease) in accrued expense	1,565	3,719
Increase (decrease) in allowance for doubtful accounts on funds	2,448	–
Loss on funds invested	327	–
Other	3,167	1,025
Sub-total	74,949	62,972
Interest and dividend received	1,708	1,836
Interest payments	(13,081)	(13,990)
Outflow of money from funds	(2,448)	–
Income taxes paid	(30,659)	(19,929)
Net cash provided by operating activities	30,469	30,889

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Cash flows from investing activities		
Deposits in time deposits	(4,810)	(2,007)
Withdrawals from time deposits	5,227	3,719
Purchase of property, plant and equipment	(20,243)	(22,761)
Purchases of intangible assets	(9,381)	(12,483)
Purchases of investment securities	(3,745)	(1,076)
Sales and redemption of investment securities	7,756	4,155
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(12,328)	(6,584)
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	201	27
Payments for acquisition of new consolidated subsidiaries	(5,817)	(624)
Payments for loans receivable	(3,578)	(1)
Proceeds from loans receivable	120	2,408
Payments for transfer of business	(6,529)	–
Proceeds from transfer of business	5,797	–
Collection of fund assets invested	65,553	–
Other	780	(508)
Net cash provided by (used in) investing activities	19,003	(35,735)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(13,980)	2,722
Proceeds from long-term debt	34,501	60,244
Repayments of long-term debt	(18,908)	(63,197)
Redemption of bonds	(20,040)	(240)
Purchase of treasury stock	(10,006)	(152)
Dividends paid	(8,099)	(4,004)
Dividends paid to minority shareholders	(40)	(22)
Other	(787)	(1,112)
Net cash used in financing activities	(37,359)	(5,761)
Effect of exchange rate changes on cash and cash equivalents	(5,931)	(1,220)
Net increase (decrease) in cash and cash equivalents	6,182	(11,827)
Cash and cash equivalents at beginning of year	203,013	210,385
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	1,190	103
Cash and cash equivalents at end of year	210,385	198,661

(5) Notes on Premise of Going Concern

No items to report

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

1. Scope of consolidation

1) Number of consolidated subsidiaries: 188

Olympus Finance Korea Co., Ltd. and other 8 companies are newly established subsidiaries during the fiscal year ended March 31, 2012.

Hirono Kaihatsu Co., Ltd. and other 4 companies have been included into consolidation through equity participation carried out during the fiscal year.

Olympus Medical Systems India Private Limited and other 2 companies have been switched from non-consolidated subsidiaries not accounted for under the equity method to consolidated subsidiaries due to increase in materiality.

Collabos Corporation has been excluded from consolidated subsidiaries due to sale of shares during the fiscal year.

Okaya Olympus Co., Ltd. and other 4 companies have been excluded from consolidated subsidiaries due to merger with other consolidated subsidiaries during the fiscal year.

Golf Dam Co., Ltd. and another company have been excluded from consolidated subsidiaries due to liquidation during the fiscal year.

2) Name of non-consolidated subsidiaries

Non-consolidated subsidiaries are as follows:

Olympus-Supportmate Corp.

Olympus UK Acquisitions Limited and other 8 companies

Reason of excluding from the scope of consolidation

The 10 non-consolidated subsidiaries are all small and not material when measured by the impact of total amounts of assets, net sales, net income, and retained earnings (based on the Company’s ownership percentage) of those companies on consolidated financial statements. They have therefore been excluded from the scope of consolidation.

2. Application of the equity method

1) Affiliated companies accounted for under the equity method: 4

Adachi Co., Ltd.

Artefactory Inc.

Olympus Cytori Inc., and other 1 company

2) Olympus-Supportmate Corp. and other 9 non-consolidated subsidiaries and 6 affiliated companies have not been accounted for under the equity method because the impact of all those companies on consolidated net income and retained earnings is not material.

(7) Additional Information

(Application of accounting standard for accounting changes and error corrections, etc.)

The Company applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and corrections of prior period errors that were made on or after April 1, 2011.

(8) Notes Regarding the Consolidated Financial Statements

(Consolidated Statements of Income)

(Millions of yen)

Fiscal year ended March 31, 2011 (April 1, 2010 - March 31, 2011)		Fiscal year ended March 31, 2012 (April 1, 2011 - March 31, 2012)	
1. Major items and amounts of selling, general and administrative expenses are as follows:		**1. Major items and amounts of selling, general and administrative expenses are as follows:**	
Advertising and promotion expenses	44,620	Advertising and promotion expenses	42,612
Salaries and allowance	102,594	Salaries and allowance	106,401
Bonuses	18,952	Bonuses	21,721
Severance and retirement expenses	7,538	Severance and retirement expenses	9,263
Amortization of goodwill	11,619	Amortization of goodwill	11,103
Experiment and research expenses	38,711	Experiment and research expenses	33,113
Depreciation	24,167	Depreciation	23,423
2. Research and development expenses included in general and administrative expenses and production cost for this current fiscal year are ¥67,286 million.		**2. Research and development expenses included in general and administrative expenses and production cost for this current fiscal year are ¥61,356 million.**	

Fiscal year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

3. Impairment losses are accounted for the following asset groups.

(Millions of yen)

Application	Type	Impairment loss
Other business assets	Construction in progress	482
Total		482

Business assets are mainly grouped by segment by type of business.

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

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

3. Impairment losses are accounted for the following asset groups.

(Millions of yen)

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

Business assets are mainly grouped by segment by type of business, and idle assets are grouped individually.

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

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

(Segment Information)

1. Segment Information

(1) Overview of reportable segments

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

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

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

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

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

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

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

The fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total		
Sales								
Sales to outside customers	355,322	100,808	131,417	209,520	50,038	847,105	—	847,105
Internal sales or transfer among segments	135	170	91	—	43	439	(439)	—
Total	355,457	100,978	131,508	209,520	50,081	847,544	(439)	847,105
Segment profit (loss)	71,682	8,553	(15,019)	5,242	(3,606)	66,852	(28,472)	38,379
Segment assets	436,586	84,773	107,679	93,261	76,967	799,266	219,894	1,019,160
Other items								
Depreciation cost	16,913	4,395	6,021	577	2,057	29,963	4,225	34,188
Amortization of goodwill	6,935	922	—	2,448	1,944	12,249	—	12,249
Increase in property, plant and equipment and intangible assets	15,525	3,913	4,838	738	3,685	28,699	4,000	32,699

Notes:

1. The adjustments are as follows:

(1) The deduction of ¥439 million in internal sales or transfer among segments is elimination of transactions among segments.

(2) The deduction of ¥28,472 million listed as an adjustment to segment profit includes unallocatable expenses of ¥28,472 million not allocated to any reportable segment. These unallocatable expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

(3) The ¥219,894 million listed as an adjustment to segment assets mainly consists of unallocatable assets not allocated to any reportable segment.

(4) The ¥4,225 million listed as a segment depreciation cost mainly consists of depreciation cost relating to unallocatable assets not allocated to any reportable segment.

(5) The ¥4,000 million listed as an increase in segment property, plant and equipment and intangible assets mainly consists of increase in property, plant and equipment and intangible assets relating to unallocatable assets not allocated to any reportable segment.

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

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

(Millions of yen)

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

Notes:

1. The adjustments are as follows:

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

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

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

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

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

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

2. Related Information

The fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(1) Information by product and service

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

(2) Information by region

(i) Net Sales

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
386,502	182,009	154,363	97,293	26,938	847,105

Notes:

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

(1) North America: USA, Canada

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

(4) Others: Central and South America, Africa, etc.

(ii) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Asia	Total
73,409	27,887	24,143	15,902	141,341

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

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

(3) Information by major customer

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

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

(1) Information by product and service

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

(2) Information by region

(i) Net Sales

(Millions of yen)

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

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

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

(ii) Property, plant and equipment

(Millions of yen)

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

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

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

(3) Information by major customer

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

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

The fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

No items to report

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

(Millions of yen)

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

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

The fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total
Unamortized balance	101,876	4,626	–	23,161	3,387	133,050

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

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

(Millions of yen)

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

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

(Per-Share Data)

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)
Net assets per share ¥421.37 Net income per share ¥14.39 Fully diluted net income per share is not described because there were no residual securities that have dilutive effects.	Net assets per share ¥167.76 Net loss per share ¥183.54 Fully diluted net income per share is not described because there was a net loss per share although there were residual securities.

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

(Millions of yen)

	Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)
Net income (loss)	3,866	(48,985)
Amount not attributable to common shareholder	–	–
Net income (loss) concerning common stock	3,866	(48,985)
Average number of shares during the year	268,658,437 shares	266,893,365 shares
Outline of the residual securities excluded from the calculation of the fully diluted net income per share because they have no dilutive effects	There are share options as residual securities held by consolidated subsidiaries.	Same as left

(Important Subsequent Event)

No items to report