Consolidated Financial Results
for the Six Months
of the Fiscal Year Ending March 31, 2013
<under Japanese GAAP>

November 12, 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
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Scheduled date to submit the Quarterly Securities Report: November 14, 2012
Scheduled date to commence dividend payments: –
Presentation of supplementary material on quarterly financial results: Yes
Holding of quarterly 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 Six Months of the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to September 30, 2012)

(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, 2012	405,764	(2.1)	18,040	2.9	7,394	(22.0)	8,015	–
September 30, 2011	414,518	(0.7)	17,535	(21.6)	9,476	(50.8)	(32,329)	–

Note: Comprehensive income: Six months ended September 30, 2012: ¥(13,346) million [–%]
Six months ended September 30, 2011: ¥(65,153) million [–%]

	Net income per share	Fully diluted net income per share
Six months ended	(¥)	(¥)
September 30, 2012	30.03	–
September 30, 2011	(121.12)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	(¥ million)	(¥ million)	%
September 30, 2012	851,775	34,414	3.7
March 31, 2012	966,526	48,028	4.6

Note: Equity as of September 30, 2012: ¥31,108 million March 31, 2012: ¥44,770 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2012	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2013	–	0.00			
Fiscal year ending March 31, 2013 (Forecast)			–	0.00	0.00

Note: Revisions of the forecast most recently announced: No

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	757,000	(10.8)	38,000	7.0	16,000	(10.4)	8,000	–	28.89

Note: Revisions of the forecast most recently announced: Yes

* Notes

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

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(3) 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

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

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

As of September 30, 2012	4,423,630 shares
As of March 31, 2012	4,421,878 shares

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

Six months ended September 30, 2012	266,860,707 shares
Six months ended September 30, 2011	266,915,630 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 consolidated 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 9, 2012 is revised in these materials.
2. 13,100,000 common shares were issued in a capital increase through a third-party allotment with a payment date of October 23, 2012 (“Primary Third-Party Allotment”). Additionally, 21,287,900 common shares will be issued in a capital increase through a third-party allotment with a payment period of October 23, 2012 to February 28, 2013 (“Secondary Third-Party Allotment”). Accordingly, net income per share in the forecast for the full year ending March 31, 2013 has been calculated on the assumption of the issuance of 13,100,000 shares in the Primary Third-Party Allotment and the issuance as intended of 21,287,900 shares in the Secondary Third-Party Allotment.

   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 4 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.

Attached Material

Contents

1. Qualitative Information Regarding Settlement of Accounts for the Six Months

(1) Qualitative Information Regarding Consolidated Results of Operations

In the global economy during the six months ended September 30, 2012, the situation remained uncertain, mainly because of the escalating European sovereign debt crisis, concerns about fiscal austerity in the U.S., and slower growth rates in China and other emerging countries. In the Japanese economy, conditions continued to be difficult owing to such factors as the persistently strong yen, ongoing deflation, and global economic slowdown, despite signs of a moderate rebound driven partly by demand related to recovery from the earthquake.

Faced with this business environment, the Olympus Group formulated the “Medium-Term Vision,” which has the fiscal year ending March 31, 2013 as its starting year, under the new management team that assumed office on April 20, 2012. Under this new management structure, the Group positioned “rebuilding of the business portfolio and optimal allocation of management resources,” “review of cost structures,” “restoration of financial health” and “restructuring of governance” as its basic strategies, and steadily implemented initiatives including transferring the Information & Communication Business and entering into a business and capital alliance with Sony Corporation.

The Olympus Group’s overall consolidated net sales decreased over the six months of the fiscal year under review, despite increases in the Medical Systems Business and the Information & Communication Business, and amounted to ¥405,764 million (down 2.1% year on year), mainly reflecting yen appreciation and contraction in the digital camera market. Operating income was ¥18,040 million (up 2.9% year on year), despite the recognition of an operating loss in the Imaging Systems Business, mainly due to an operating income increase in the Medical Systems Business. Ordinary income was ¥7,394 million (down 22.0% year on year) owing to an increase in non-operating expenses. Net income was ¥8,015 million (compared to a net loss of ¥32,329 million in the same period of the previous fiscal year). This reflected the recording of extraordinary income of ¥15,887 million mainly from transfer of business, as opposed to the recording of extraordinary losses of ¥5,297 million and income taxes of ¥9,834 million.

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. The average exchange rate during the period was ¥79.41 against the U.S. dollar (¥79.82 in the same period of the previous fiscal year) and ¥100.64 against the euro (¥113.79 in the same period of the previous fiscal year), which caused net sales and operating income to drop by ¥9,600 million and ¥4,700 million, respectively, year on year.

Operating results by segment are shown below. Operating income/loss of each segment coincides with segment profit/loss of each corresponding reportable segment.

Medical Systems Business

Consolidated net sales in the Medical Systems Business during the six months amounted to ¥176,192 million (up 7.6% year on year), while operating income amounted to ¥37,354 million (up 31.7% year on year).

Sales increased in the Medical Systems Business owing to the start of full-fledged sales of “EVIS EXERA III,” a new product for overseas markets in our flagship gastrointestinal endoscope field, and strong sales both in Japan and overseas of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, in the surgical and therapeutic devices field.

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

Life Science and Industrial Systems Business

Consolidated net sales in the Life Science and Industrial Systems Business during the six months amounted to ¥38,133 million (down 15.0% year on year), while operating income amounted to ¥1,086 million (down 69.1% year on year).

The life science field was affected by postponement in the execution of budgets by public research organizations, while in the industrial field there was a tendency for companies to constrain capital investment, particularly in the manufacturing sector, resulting in sales declines in both these fields.

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

Imaging Systems Business

Consolidated net sales in the Imaging Systems Business during the six months amounted to ¥55,940 million (down 21.3% year on year), while operating loss amounted to ¥4,437 million (compared with an operating loss of ¥245 million in the same period of the previous fiscal year).

In the digital single-lens camera field, sales of the mirrorless “OLYMPUS OM-D E-M5,” a compact, lightweight and high-performance camera equipped with an electronic viewfinder, were strong. In the compact camera field, there were firm sales of “TG-1,” the new product in the “Tough” series of cameras that are resistant to water, dust and shocks through the Company’s unique technology. In the compact camera market as a whole, however, there was an overall decline in the number of units sold, while unit prices fell due to intensified competition. Consequently, there was a decline in sales in the Imaging Systems Business overall.

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

Information & Communication Business

Consolidated net sales for the Information & Communication Business during the six months amounted to ¥114,243 million (up 4.6% year on year), while operating income amounted to ¥1,704 million (down 38.1% year on year).

Net sales in the Information & Communication Business increased because sales of smartphones remained strong.

Operating income in this business declined, mainly due to a fall in gross profit margin and an increase in selling, general and administrative expenses to strengthen the sales structure for smartphones.

The Company transferred the Information & Communication Business to Japan Industrial Partners, Inc. on September 28, 2012.

Others

Consolidated net sales for other businesses during the six months amounted to ¥21,256 million (down 17.0% year on year) and operating loss was ¥3,603 million (compared with an operating loss of ¥3,401 million in the same period of the previous fiscal year).

Net sales for other businesses declined due to a sales decrease in line with deterioration in the economy, as well as progress in the disposal of unprofitable businesses.

In addition, operating loss for other businesses worsened because of the decrease in net sales.

(2) Qualitative Information Regarding Consolidated Financial Position

As of the end of the second quarter, total assets decreased ¥114,751 million compared to the end of the previous fiscal year to ¥851,775 million. This was primarily as a result of decreases in cash and time deposits of ¥9,334 million, notes and accounts receivable of ¥44,114 million and goodwill of ¥32,714 million.

Total liabilities decreased ¥101,137 million compared to the end of the previous fiscal year to ¥817,361 million due mainly to decreases in notes and accounts payable of ¥33,821 million, long-term bonds, less current maturities of ¥20,020 million and long-term borrowings, less current maturities of ¥36,014 million.

Net assets decreased ¥13,614 million compared to the end of the previous fiscal year to ¥34,414 million, primarily due to a decrease in accumulated other comprehensive income of ¥21,460 million arising from fluctuations in foreign exchange and stock prices, etc.

As a result of the foregoing, equity ratio decreased from 4.6% as of the end of the previous fiscal year to 3.7%.

Cash flow position

The following are the cash flows for the six months of the fiscal year ending March 31, 2013 and their causes.

“Cash flows from operating activities” increased by ¥6,465 million mainly due to ¥15,727 million in depreciation and amortization and an increase of ¥8,145 million in accounts payable. Contrastingly, decreasing factors mainly included an increase of ¥5,506 million in accounts receivable, an increase of ¥8,386 million in inventories and a decrease of ¥5,153 million in accrued expense.

“Cash flows from investing activities” increased by ¥37,259 million mainly due to net increase from sales of investment in subsidiaries related to changes in scope of consolidation of ¥50,815 million. Contrastingly, decreasing factors included ¥13,339 million in purchase of property, plant and equipment.

“Cash flows from financing activities” decreased by ¥52,077 million mainly due to ¥32,351 million in repayments of long-term debt and ¥20,020 million in redemption of bonds.

As a result, cash and cash equivalents at the end of the six months was ¥186,022 million, a decrease of ¥12,639 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, 2013, the forecast figures announced on June 8, 2012 have been revised.

As a result of the transfer of the Information & Communication Business and the contraction in the compact digital camera market in the Imaging Systems Business occurring faster than initially expected, there has been a fall in net sales. Consequently, net sales, operating income and ordinary income are expected to fall short of the previous forecast by ¥163,000 million, ¥12,000 million, and ¥5,000 million, respectively.
Net income is expected to exceed the previous forecast by ¥1,000 million, owing to the recording of gain on sales of investments in subsidiaries and affiliates from the transfer of the Information & Communication Business as extraordinary income. Average foreign exchange rates for the third quarter and onwards, which are a precondition for the forecast, are expected to be ¥80 per U.S. dollar and ¥100 per euro.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	920,000	50,000	21,000	7,000	¥26.23
Revised Forecast (B)	757,000	38,000	16,000	8,000	¥28.89
Increase (Decrease) (B-A)	(163,000)	(12,000)	(5,000)	1,000	–
Increase (Decrease) Ratio (%)	(17.7)	(24.0)	(23.8)	14.3	–

2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Six Months under Review

No items to report

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements

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.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections

No items to report

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
ASSETS		
Current assets		
Cash and time deposits	200,088	190,754
Notes and accounts receivable	150,594	106,480
Merchandise and finished goods	61,963	58,776
Work in process	19,191	20,255
Raw materials and supplies	21,339	19,393
Other current assets	76,481	79,678
Allowance for doubtful accounts	(3,098)	(3,326)
Total current assets	526,558	472,010
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	55,925	50,429
Machinery and equipment, net	10,535	9,734
Tools, furniture and fixtures, net	38,580	39,769
Land	15,931	15,361
Lease assets, net	5,706	6,115
Construction in progress	1,131	1,702
Net property, plant and equipment	127,808	123,110
Intangible assets		
Goodwill	124,465	91,751
Others	72,680	65,760
Total intangible assets	197,145	157,511
Investments and other assets		
Investment securities	51,318	42,793
Other assets	71,593	65,068
Allowance for doubtful accounts	(7,896)	(8,717)
Total investments and other assets	115,015	99,144
Total fixed assets	439,968	379,765
Total assets	966,526	851,775

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
LIABILITIES		
Current liabilities		
Notes and accounts payable	75,330	41,509
Short-term borrowings	92,075	91,918
Current maturities of bonds	20,040	20,040
Income taxes payable	8,228	10,920
Provision for product warranties	7,336	6,821
Other reserves	18	–
Other current liabilities	117,366	109,636
Total current liabilities	320,393	280,844
Non-current liabilities		
Long-term bonds, less current maturities	90,080	70,060
Long-term borrowings, less current maturities	440,231	404,217
Severance and retirement allowance	23,922	22,299
Provision for loss on business liquidation	3,205	1,300
Other reserves	140	133
Other non-current liabilities	40,527	38,508
Total non-current liabilities	598,105	536,517
Total liabilities	918,498	817,361
NET ASSETS		
Shareholders’ equity		
Common stock	48,332	48,332
Capital surplus	54,788	54,788
Retained earnings	60,197	67,996
Treasury stock, at cost	(11,249)	(11,251)
Total shareholders’ equity	152,067	159,865
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,128	(1,098)
Net unrealized gains (losses) on hedging derivatives, net of taxes	(1,268)	22
Foreign currency translation adjustments	(102,067)	(121,078)
Pension liability adjustment of foreign subsidiaries	(7,090)	(6,603)
Total accumulated other comprehensive income	(107,297)	(128,757)
Minority interests	3,258	3,306
Total net assets	48,028	34,414
Total liabilities and net assets	966,526	851,775

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

Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net sales	414,518	405,764
Costs of sales	224,996	218,337
Gross profit	189,522	187,427
Selling, general and administrative expenses	171,987	169,387
Operating income	17,535	18,040
Non-operating income		
Interest income	459	412
Dividends income	473	474
Foreign currency exchange gain	220	120
Gain on sales of investment securities	–	2,105
Others	1,508	1,571
Total non-operating income	2,660	4,682
Non-operating expenses		
Interest expenses	7,004	6,312
Amendment fee	–	3,392
Others	3,715	5,624
Total non-operating expenses	10,719	15,328
Ordinary income	9,476	7,394
Extraordinary income		
Gain on sales of investment securities	64	281
Gain on sales of investments in subsidiaries and affiliates	–	15,606
Total extraordinary income	64	15,887
Extraordinary losses		
Impairment loss on fixed assets	13,950	–
Amortization of goodwill	1,158	–
Loss on sales of investment securities	13	–
Loss on valuation of investment securities	1,062	2,382
Loss on sales of investments in subsidiaries and affiliates	–	165
Soil improvement cost	–	185
Early extra retirement payments	–	1,334
Settlement package	–	1,231
Total extraordinary losses	16,183	5,297
Income (loss) before provision for income taxes	(6,643)	17,984
Income taxes	25,600	9,834
Income (loss) before minority interests	(32,243)	8,150
Minority interest in income of consolidated subsidiaries	86	135
Net income (loss)	(32,329)	8,015

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income (loss) before minority interests	(32,243)	8,150
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	(4,992)	(4,229)
Net unrealized gains (losses) on hedging derivatives, net of taxes	936	1,290
Foreign currency translation adjustments	(29,224)	(19,045)
Pension liability adjustment of foreign subsidiaries	374	487
Share of other comprehensive income of associates accounted for using equity method	(4)	1
Total other comprehensive income	(32,910)	(21,496)
Comprehensive income	(65,153)	(13,346)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(65,182)	(13,446)
Comprehensive income attributable to minority interests	29	100

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Cash flows from operating activities		
Income (loss) before provision for income taxes	(6,643)	17,984
Depreciation and amortization	16,574	15,727
Impairment loss on fixed assets	13,950	–
Amortization of goodwill	6,805	5,427
Amendment fee	–	3,392
Settlement package	–	1,231
Increase (decrease) in severance and retirement allowance	711	623
Decrease (increase) in prepaid pension cost	1,032	2,182
Interest and dividend income	(932)	(886)
Interest expense	7,004	6,312
Increase (decrease) in provision for loss on business liquidation	–	(1,905)
Loss (gain) on sale of investment securities in subsidiaries and affiliates	–	(15,441)
Loss (gain) on sales of investment securities	(39)	(2,386)
Loss (gain) on valuation of investment securities	1,062	2,382
Decrease (increase) in accounts receivable	8,327	(5,506)
Decrease (increase) in inventories	(14,027)	(8,386)
Increase (decrease) in accounts payable	(4,415)	8,145
Increase (decrease) in other payable	2,745	1,534
Increase (decrease) in accrued expense	(3,973)	(5,153)
Other	2,608	(137)
Sub-total	30,789	25,139
Interest and dividend received	950	886
Interest payments	(6,738)	(6,416)
Amendment fee paid	–	(3,392)
Settlement package paid	–	(1,231)
Income taxes paid	(1,926)	(8,521)
Net cash provided by operating activities	23,075	6,465

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Cash flows from investing activities		
Deposits in time deposits	(493)	(2,412)
Withdrawals from time deposits	1,974	1,580
Purchase of property, plant and equipment	(10,948)	(13,339)
Purchases of intangible assets	(5,705)	(2,069)
Purchases of investment securities	(666)	(215)
Sales and redemption of investment securities	361	3,012
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(4,073)	–
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	27	50,815
Payments for acquisition of new consolidated subsidiaries	(624)	–
Other	1,665	(113)
Net cash provided by (used in) investing activities	(18,482)	37,259
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,890	1,141
Proceeds from long-term debt	60,133	–
Repayments of long-term debt	(35,318)	(32,351)
Redemption of bonds	(20)	(20,020)
Dividends paid	(4,004)	–
Other	(579)	(847)
Net cash provided by (used in) financing activities	23,102	(52,077)
Effect of exchange rate changes on cash and cash equivalents	(6,524)	(4,468)
Net increase (decrease) in cash and cash equivalents	21,171	(12,821)
Cash and cash equivalents at beginning of period	210,385	198,661
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	109	182
Cash and cash equivalents at end of period	231,665	186,022

(4) Notes on Premise of Going Concern

No items to report

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

No items to report

(6) Segment Information

I. Six months of the fiscal year ended March 31, 2012 (from April 1, 2011 to September 30, 2011)

1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total		
Sales								
Sales to outside customers	163,766	44,855	71,099	109,203	25,595	414,518	–	414,518
Internal sales or transfer among segments	46	102	38	–	54	240	(240)	–
Total	163,812	44,957	71,137	109,203	25,649	414,758	(240)	414,518
Segment profit (loss)	28,368	3,515	(245)	2,753	(3,401)	30,990	(13,455)	17,535

Notes:

1. The deduction of ¥13,455 million listed as an adjustment to segment profit (loss) includes corporate expenses of ¥13,455 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.
2. Segment profit (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.

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

(Significant impairment loss on fixed assets)

For some business assets, etc. in the Imaging Systems segment and the Others segment, impairment losses of ¥11,593 million and ¥2,204 million, respectively, were recognized because the recoverable amounts were lower than the book values. In addition, in corporate assets not allocated to any reportable segment, impairment loss of ¥153 million was recognized because the book value of idle assets was reduced to the recoverable amount.

(Significant changes in the amount of goodwill)

In the Others segment, amortization of goodwill of ¥1,158 million was recorded under extraordinary losses. This decrease in the amount of goodwill was a lump-sum amortization following impairment of stocks of consolidated subsidiaries in accordance with the provisions of Section 32 of the "Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements" (JICPA Accounting Practice Committee Statement No. 7, January 12, 2011).

(Significant gain on negative goodwill)

No items to report

II. Six months of the fiscal year ending March 31, 2013 (from April 1, 2012 to September 30, 2012)

1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment						Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion (Note 3)	Others	Total		
Sales								
Sales to outside customers	176,192	38,133	55,940	114,243	21,256	405,764	–	405,764
Internal sales or transfer among segments	67	2	25	–	48	142	(142)	–
Total	176,259	38,135	55,965	114,243	21,304	405,906	(142)	405,764
Segment profit (loss)	37,354	1,086	(4,437)	1,704	(3,603)	32,104	(14,064)	18,040

Notes:

1. The deduction of ¥14,064 million listed as an adjustment to segment profit (loss) includes corporate expenses of ¥14,064 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.
2. Segment profit (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.
3. The Information & Communication segment was divested by share transfer on September 28, 2012. For the details, please refer to "(7) Business Combination."

2. Information regarding assets by reportable segment

During the second quarter under review, on September 28, 2012, the Company succeeded the Information & Communication Business of ITX Corporation, which was previously classified as the Information & Communication segment, to the newly established ITX Corporation, which is the successor in an absorption-type company split, and transferred the company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc., thus excluding it from the scope of consolidation.

As a result, the assets of the Information & Communication segment as of September 30, 2012 are nil.

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)

During the second quarter under review, on September 28, 2012, the Company succeeded the Information & Communication Business of ITX Corporation, which was previously classified as the Information & Communication segment, to the newly established ITX Corporation, which is the successor in an absorption-type company split, and transferred the company to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc., thus excluding it from the scope of consolidation.

As a result, goodwill in the Information & Communication segment has decreased by ¥21,855 million.

(Significant gain on negative goodwill)

No items to report

(7) Business Combination

Business divestiture

1. Outline of business divestiture

(1) Names of company which succeeded a divested business through company split and company to which shares were transferred
(a) Name of company which succeeded a divested business through company split
ITX Corporation
(b) Name of company to which shares were transferred
IJ Holdings Inc.
(2) Contents of divested business
Information & Communication Business
(3) Primary reason for business divestiture
Although the Information & Communication Business has generated steady cash flow and the Olympus Group has been actively engaged in this business, the Company reached the conclusion that aggressive expansion of retail activities and investment in human resources were essential to bring further growth to this business, therefore, it was required to establish a framework that allowed expeditious and aggressive injection of management resources including know-how and funding for the above-mentioned.
Upon consultation with Japan Industrial Partners, Inc., the Company decided to conduct this company split and share transfer. The decision was made in the belief that utilizing Japan Industrial Partners, Inc.'s many achievements and abundant experience in assisting with subsidiaries becoming independent, businesses being divested, etc., and stimulating further development of the business with the support of Japan Industrial Partners, Inc. in the areas of management know-how and funding, would lead to further growth of the business and maximization of the shareholder value of the Company.
(4) Dates of company split and share transfer
Company split: September 28, 2012
Share transfer: September 28, 2012
(5) Outline of other transactions including legal form
The Company succeeded the Information & Communication Business of ITX Corporation ("Former ITX") to the newly established ITX Corporation ("New ITX"), which is the successor in an absorption-type company split, and transferred New ITX to IJ Holdings Inc., a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc. Former ITX changed its trade name to Impress Development K.K. on the same date.

2. Accounting treatment carried out

(1) Amount of profit and loss transferred
¥15,606 million
(2) Appropriate book values of assets and liabilities of transferred business and main contents thereof

Current assets	¥57,427 million
Fixed assets	¥26,317 million
Total assets	¥83,744 million
Current liabilities	¥48,208 million
Non-current liabilities	¥1,832 million
Total liabilities	¥50,040 million

3. Reportable segment in which divested business was included

Information & Communication Business

4. Estimated profit and loss in divested business in quarterly consolidated statements of income for the six month period

Net sales	¥114,243 million
Operating income	¥1,704 million

(8) Important Subsequent Event

Regarding the third-party allotment with a payment date of October 23, 2012 ("Primary Third-Party Allotment") and the third-party allotment with a payment period of October 23, 2012 to February 28, 2013, which were resolved at a meeting of the Board of Directors held on September 28, 2012, the payment procedure for the issuance of new shares through the Primary Third-Party Allotment was completed on October 23, 2012.

1. Outline of issuance of common shares through Primary Third-Party Allotment

(1) Date of payment:	October 23, 2012
(2) Number of new shares issued:	13,100,000 common shares
(3) Issue price:	¥1,454 per share
(4) Total amount paid in:	¥19,047,400,000
(5) Amount capitalized:	¥727 per share
(6) Total amount capitalized:	¥ 9,523,700,000
(7) Allottee:	Sony Corporation
(8) Application of funds:	Research and development costs in the Medical Systems Business and expenses for establishing a joint venture in the Medical Systems Business

2. Changes in the number of issued shares and common stock caused by Primary Third-Party Allotment

(1) Total number of issued shares before capital increase:
271,283,608 shares (Common stock before capital increase: ¥48,331,529,489)

(2) Shares issued for capital increase:
13,100,000 shares (Increase in common stock: ¥ 9,523,700,000)

(3) Total number of issued shares after capital increase:
284,383,608 shares (Common stock after capital increase: ¥57,855,229,489)