

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



February 12, 2013

Company Name: Olympus Corporation  
Code Number: 7733  
(URL: <http://www.olympus.co.jp/>)  
Stock Exchange Listing: First Section of Tokyo Stock Exchange  
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Scheduled date to submit the Quarterly Securities Report: February 12, 2013  
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 Nine Months of the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to December 31, 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	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Nine months ended								
December 31, 2012	561,228	(10.2)	24,610	(5.2)	8,739	(41.8)	7,624	–
December 31, 2011	624,652	0.1	25,959	(19.0)	15,006	(44.2)	(33,085)	–

Note: Comprehensive income: Nine months ended December 31, 2012: ¥25,352 million [–%]  
Nine months ended December 31, 2011: ¥(67,242) million [–%]

	Net income per share	Fully diluted net income per share
	(¥)	(¥)
Nine months ended		
December 31, 2012	28.11	–
December 31, 2011	(123.96)	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(¥ million)	(¥ million)	%
As of			
December 31, 2012	916,302	91,919	9.7
March 31, 2012	966,526	48,028	4.6

Note: Equity as of December 31, 2012: ¥88,676 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	740,000	(12.8)	35,000	(1.5)	11,500	(35.6)	6,000	-	21.66

Note: Revisions of the forecast most recently announced: Yes

#### \* Notes

- (1) Changes in significant subsidiaries during the nine 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 December 31, 2012	284,383,608 shares
As of March 31, 2012	271,283,608 shares

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

As of December 31, 2012	4,424,257 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)

Nine months ended December 31, 2012	271,227,006 shares
Nine months ended December 31, 2011	266,903,818 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 November 12, 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 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof.

# Attached Material

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## 1. Qualitative Information Regarding Settlement of Accounts for the Nine Months

### (1) Qualitative Information Regarding Consolidated Results of Operations

#### Overall

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	624,652	561,228	(63,424)	(10.2)%
Operating income	25,959	24,610	(1,349)	(5.2)%
Ordinary income	15,006	8,739	(6,267)	(41.8)%
Net income/loss	(33,085)	7,624	40,709	–
Exchange rate (Yen/U.S. dollar)	79.01	80.00	0.99	–
Exchange rate (Yen/Euro)	110.64	102.17	(8.47)	–

In the global economy during the nine months ended December 31, 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 persistent downside risks in overseas economies despite signs of a moderate domestic rebound driven 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. It also steadily implemented initiatives including transferring the Information & Communication Business, entering into a business and capital alliance with Sony Corporation, and submitting a written affirmation on internal control systems in order to remove the designation of the shares of Olympus Corporation as “Securities on Alert.”

The Olympus Group’s overall consolidated net sales decreased over the nine months of the fiscal year under review, despite an increase in the Medical Systems Business, and amounted to ¥561,228 million (down 10.2% year on year), mainly reflecting the sale of the Information & Communication Business and contraction in the digital camera market. Operating income was ¥24,610 million (down 5.2% year on year), mainly due to the expansion of operating loss in the Imaging Systems Business, despite an increase in the Medical Systems Business. Ordinary income was ¥8,739 million (down 41.8% year on year) owing to an increase in non-operating expenses. Net income was ¥7,624 million (compared to a net loss of ¥33,085 million in the same period of the previous fiscal year). This reflected the recording of extraordinary income of ¥19,878 million mainly from transfer of business, as opposed to the recording of extraordinary losses of ¥9,290 million and income taxes of ¥11,482 million.

Regarding foreign exchange, although the yen appreciated against both the U.S. dollar and the euro compared to the same period of the previous fiscal year, this trend reversed into a phase of sharp yen depreciation from December 2012. The average exchange rate during the period was ¥80.00 against the U.S. dollar (¥79.01 in the same period of the previous fiscal year) and ¥102.17 against the euro (¥110.64 in the same period of the previous fiscal year), which caused net sales and operating income to drop by ¥5,600 million and ¥4,100 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**

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	252,510	270,227	17,717	7.0%
Operating income	47,236	56,422	9,186	19.4%

Consolidated net sales in the Medical Systems Business during the nine months amounted to ¥270,227 million (up 7.0% year on year), while operating income amounted to ¥56,422 million (up 19.4% year on year).

Sales increased in the Medical Systems Business owing to steady sales of “EVIS EXERA III,” a new product for overseas markets in our flagship gastrointestinal endoscope field, as well as continued sales growth for 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**

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	65,935	57,509	(8,426)	(12.8)%
Operating income	3,510	1,182	(2,328)	(66.3)%

Consolidated net sales in the Life Science and Industrial Systems Business during the nine months amounted to ¥57,509 million (down 12.8% year on year), while operating income amounted to ¥1,182 million (down 66.3% 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 reform of the production structure and other work to reduce cost of sales.

**Imaging Systems Business**

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	104,803	86,889	(17,914)	(17.1)%
Operating income/loss	(3,802)	(8,753)	(4,951)	—

Consolidated net sales in the Imaging Systems Business during the nine months amounted to ¥86,889 million (down 17.1% year on year), while operating loss amounted to ¥8,753 million (compared with an operating loss of ¥3,802 million in the same period of the previous fiscal year).

In the digital single-lens camera field, there was sales growth from new products including the mirrorless “OLYMPUS OM-D E-M5,” a high-performance camera equipped with features including an electronic viewfinder and the world’s first 5-axis image stabilization system, and “OLYMPUS PEN Lite E-PL5,” which combines a compact and lightweight body with high image quality on par with the “OM-D” series. In the compact camera market as a whole, however, there was an overall decline in the number of units sold, while unit prices continued to fall 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**

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	164,000	114,243	(49,757)	(30.3)%
Operating income	3,584	1,704	(1,880)	(52.5)%

Consolidated net sales for the Information & Communication Business during the nine months amounted to ¥114,243 million (down 30.3% year on year), while operating income amounted to ¥1,704 million (down 52.5% year on year).

The Company transferred the Information & Communication Business to Japan Industrial Partners, Inc. on September 28, 2012. As a result, since the Company did not operate this business in the third quarter under review, the net sales and operating income indicated above are cumulative totals from the start of the fiscal year up to the date of the transfer.

**Others**

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	37,404	32,360	(5,044)	(13.5)%
Operating income/loss	(5,237)	(3,313)	1,924	—

Consolidated net sales for other businesses during the nine months amounted to ¥32,360 million (down 13.5% year on year) and operating loss was ¥3,313 million (compared with an operating loss of ¥5,237 million in the same period of the previous fiscal year).

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

**(2) Qualitative Information Regarding Consolidated Financial Position**

As of the end of the third quarter under review, total assets decreased ¥50,224 million compared to the end of the previous fiscal year to ¥916,302 million. This was primarily as a result of decreases in notes and accounts receivable of ¥38,704 million and goodwill of ¥24,120 million.

Total liabilities decreased ¥94,115 million compared to the end of the previous fiscal year to ¥824,383 million due mainly to decreases in notes and accounts payable of ¥35,172 million, long-term bonds, less current maturities of ¥20,120 million and long-term borrowings, less current maturities of ¥74,065 million.

Net assets increased ¥43,891 million compared to the end of the previous fiscal year to ¥91,919 million, primarily due to an increase in accumulated other comprehensive income of ¥17,453 million arising from fluctuations in foreign exchange and stock prices, as well as respective ¥9,524 million increases in common stock and capital surplus resulting from Sony Corporation's payment for a third party allotment dated October 23, 2012.

As a result of the foregoing, equity ratio increased from 4.6% as of the end of the previous fiscal year to 9.7%.

## (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 November 12, 2012 have been revised to reflect results in the third quarter under review, and the expected exchange rate and business environment in the fourth quarter.

In view of the continued difficulties experienced by the Imaging Systems Business, net sales are expected to decline. Furthermore, despite improved profitability on the back of a correction in the strength in the yen and a strong performance by the Medical Systems Business, net sales, operating income and ordinary income are expected to fall short of the previous forecast by ¥17,000 million, ¥3,000 million, and ¥4,500 million, respectively. Net income is expected to fall short of the previous forecast by ¥2,000 million.

Average foreign exchange rates for the fourth quarter, which are a precondition for the forecast, are expected to be ¥90 per U.S. dollar and ¥120 per euro.

	(Millions of yen)				
	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	757,000	38,000	16,000	8,000	¥28.89
Revised Forecast (B)	740,000	35,000	11,500	6,000	¥21.66
Increase (Decrease) (B-A)	(17,000)	(3,000)	(4,500)	(2,000)	–
Increase (Decrease) Ratio (%)	(2.2)	(7.9)	(28.1)	(25.0)	–

## **2. Matters Regarding Summary Information (Notes)**

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

No items to report

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

Taxes are primarily 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 third 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 December 31, 2012
<b>ASSETS</b>		
Current assets		
Cash and time deposits	200,088	213,029
Notes and accounts receivable	150,594	111,890
Merchandise and finished goods	61,963	65,650
Work in process	19,191	21,541
Raw materials and supplies	21,339	20,091
Other current assets	76,481	87,331
Allowance for doubtful accounts	(3,098)	(3,214)
Total current assets	526,558	516,318
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	55,925	50,998
Machinery and equipment, net	10,535	9,726
Tools, furniture and fixtures, net	38,580	43,569
Land	15,931	14,987
Lease assets, net	5,706	6,088
Construction in progress	1,131	1,773
Net property, plant and equipment	127,808	127,141
Intangible assets		
Goodwill	124,465	100,345
Others	72,680	69,146
Total intangible assets	197,145	169,491
Investments and other assets		
Investment securities	51,318	44,339
Other assets	71,593	67,824
Allowance for doubtful accounts	(7,896)	(8,811)
Total investments and other assets	115,015	103,352
Total fixed assets	439,968	399,984
Total assets	966,526	916,302

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	75,330	40,158
Short-term borrowings	92,075	140,056
Current maturities of bonds	20,040	20,000
Income taxes payable	8,228	11,224
Provision for product warranties	7,336	7,478
Other reserves	18	-
Other current liabilities	117,366	104,967
Total current liabilities	<u>320,393</u>	<u>323,883</u>
Non-current liabilities		
Long-term bonds, less current maturities	90,080	70,000
Long-term borrowings, less current maturities	440,231	366,166
Severance and retirement allowance	23,922	23,121
Provision for loss on business liquidation	3,205	130
Other reserves	140	137
Other non-current liabilities	40,527	40,946
Total non-current liabilities	<u>598,105</u>	<u>500,500</u>
Total liabilities	<u>918,498</u>	<u>824,383</u>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	48,332	57,855
Capital surplus	54,788	64,312
Retained earnings	60,197	67,606
Treasury stock, at cost	(11,249)	(11,252)
Total shareholders' equity	<u>152,067</u>	<u>178,520</u>
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,128	1,044
Net unrealized gains (losses) on hedging derivatives, net of taxes	(1,268)	(217)
Foreign currency translation adjustments	(102,067)	(83,561)
Pension liability adjustment of foreign subsidiaries	(7,090)	(7,110)
Total accumulated other comprehensive income	<u>(107,297)</u>	<u>(89,844)</u>
Minority interests	3,258	3,243
Total net assets	<u>48,028</u>	<u>91,919</u>
Total liabilities and net assets	<u>966,526</u>	<u>916,302</u>

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

## Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net sales	624,652	561,228
Costs of sales	341,131	286,343
Gross profit	283,521	274,885
Selling, general and administrative expenses	257,562	250,275
Operating income	25,959	24,610
Non-operating income		
Interest income	681	661
Dividends income	771	772
Foreign currency exchange gain	1,348	–
Gain on sales of investment securities	–	2,105
Reversal of provision for loss on business liquidation	–	1,348
Others	1,905	1,369
Total non-operating income	4,705	6,255
Non-operating expenses		
Interest expenses	10,304	9,764
Amendment fee	–	3,392
Foreign currency exchange loss	–	1,571
Others	5,354	7,399
Total non-operating expenses	15,658	22,126
Ordinary income	15,006	8,739
Extraordinary income		
Gain on sales of investments in subsidiaries and affiliates	–	18,607
Gain on sales of noncurrent assets	–	934
Gain on sales of investment securities	308	337
Total extraordinary income	308	19,878
Extraordinary losses		
Impairment loss on fixed assets	14,050	3,740
Loss on sales of investments in subsidiaries and affiliates	–	517
Loss on sales of investment securities	13	1,566
Loss on valuation of investment securities	1,649	717
Amortization of goodwill	1,166	–
Expense related to retrospective adjustment	1,982	–
Soil improvement cost	–	185
Early extra retirement payments	–	1,334
Settlement package	–	1,231
Total extraordinary losses	18,860	9,290
Income (loss) before provision for income taxes	(3,546)	19,327
Income taxes	29,358	11,482
Income (loss) before minority interests	(32,904)	7,845
Minority interest in income of consolidated subsidiaries	181	221
Net income (loss)	(33,085)	7,624

## Quarterly Consolidated Statements of Comprehensive Income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income (loss) before minority interests	(32,904)	7,845
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	(7,632)	(2,086)
Net unrealized gains (losses) on hedging derivatives, net of taxes	639	1,051
Foreign currency translation adjustments	(27,716)	18,558
Pension liability adjustment of foreign subsidiaries	374	(19)
Share of other comprehensive income of associates accounted for using equity method	(3)	3
Total other comprehensive income	(34,338)	17,507
Comprehensive income	(67,242)	25,352
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(67,385)	25,077
Comprehensive income attributable to minority interests	143	275

## (3) Notes on Premise of Going Concern

No items to report

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

The Company received a payment for a third party allotment from Sony Corporation on October 23, 2012. As a consequence, common stock and legal capital surplus each increased by ¥9,524 million in the third quarter under review, resulting in common stock of ¥57,855 million and legal capital surplus of ¥32,551 million as of December 31, 2012.

## (5) Segment Information

## I. Nine months of the fiscal year ended March 31, 2012 (from April 1, 2011 to December 31, 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	252,510	65,935	104,803	164,000	37,404	624,652	–	624,652
Internal sales or transfer among segments	112	131	64	–	92	399	(399)	–
Total	252,622	66,066	104,867	164,000	37,496	625,051	(399)	624,652
Segment profit (loss)	47,236	3,510	(3,802)	3,584	(5,237)	45,291	(19,332)	25,959

Notes:

1. The deduction of ¥19,332 million listed as an adjustment to segment profit (loss) includes corporate expenses of ¥19,332 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)
- No items to report
- (Significant changes in the amount of goodwill)
- No items to report
- (Significant gain on negative goodwill)
- No items to report

## II. Nine months of the fiscal year ending March 31, 2013 (from April 1, 2012 to December 31, 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	270,227	57,509	86,889	114,243	32,360	561,228	-	561,228
Internal sales or transfer among segments	107	6	34	-	128	275	(275)	-
Total	270,334	57,515	86,923	114,243	32,488	561,503	(275)	561,228
Segment profit (loss)	56,422	1,182	(8,753)	1,704	(3,313)	47,242	(22,632)	24,610

## Notes:

1. The deduction of ¥22,632 million listed as an adjustment to segment profit (loss) includes corporate expenses of ¥22,632 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.

## 2. Information regarding assets by reportable segment

During the second quarter, 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 December 31, 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)

During the third quarter under review, the Company recorded impairment loss in the Imaging Systems segment. The amount of impairment loss recorded is ¥3,733 million, which consists of ¥2,788 million from property, plant and equipment, ¥513 million from intangible assets and ¥432 million from investments and other assets.

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report