

OLYMPUS

Your Vision, Our Future

**Amendments to the Past Securities Reports
and Outline of Financial Results for
the First Six Months of the Fiscal Year Ending
March 31, 2012**

December 15, 2011

Hironobu Kawamata

Director, Executive Officer

Deputy Group President of Corporate Center

Olympus Corporation

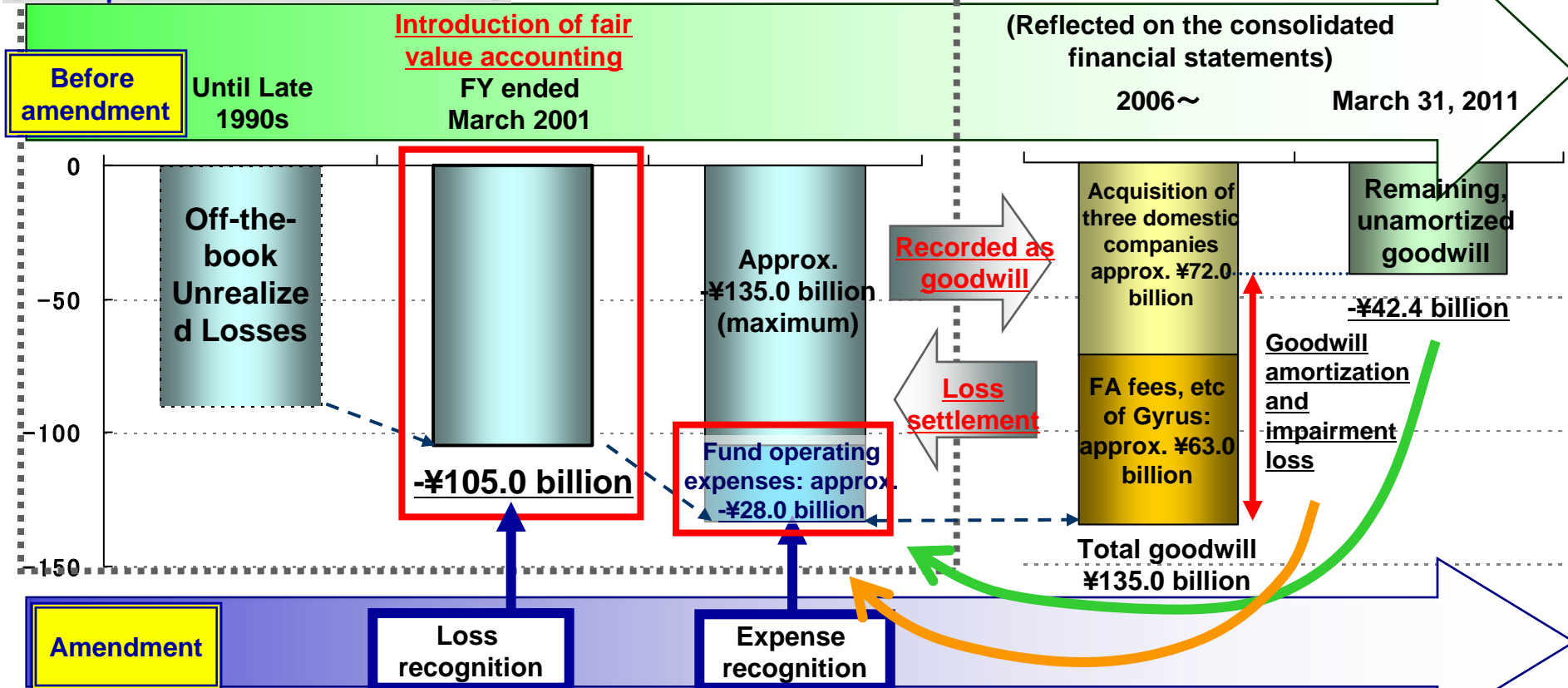
Amendments to the Past Securities Reports

Key Points of Amendments to the Past Securities Reports

- The loss settlement scheme adopted was to write off “off-the-book losses” by replacing them with “goodwill” which was produced through high-priced corporate acquisitions and as commissions

- [Amendment]**
- ✓ Settle the off-the-book losses at their occurrence on an accrual basis
 - ✓ Accordingly it becomes that no goodwill exists

[Conceptual scheme for amendments]



Amendments to the Past Securities Reports (1)

(PL - Comparison of Income Figures Before and After Amendment)

(Billions of yen)

The respective income amounts increase because the off-the-book losses were settled on an accrual basis.

Accumulated amounts due to loss settlement for periods prior to the FY ended March 31, 2006: ¥118.4 billion

| | | Before amendment | After amendment | Impact | Impact ratio (%) |
|-------------------------------------|------------------|------------------|-----------------|--------|------------------|
| Fiscal year ended March 31, 2007 | Operating income | 98.7 | 98.7 | 0 | 0 |
| | Ordinary income | 76.2 | 78.3 | 2.1 | 3 |
| | Net income | 47.8 | 47.0 | -0.8 | -2 |
| Fiscal year ended March 31, 2008 | Operating income | 112.6 | 112.8 | 0.2 | 0 |
| | Ordinary income | 93.1 | 97.3 | 4.2 | 5 |
| | Net income | 58.0 | 54.6 | -3.3 | -6 |
| Fiscal year ended March 31, 2009 | Operating income | 34.6 | 42.7 | 8.1 | 24 |
| | Ordinary income | 18.4 | 25.7 | 7.3 | 40 |
| | Net loss | (114.8) | (50.6) | 64.2 | - |
| Fiscal year ended March 31, 2010 | Operating income | 60.1 | 61.2 | 1.0 | 2 |
| | Ordinary income | 45.1 | 46.1 | 1.0 | 2 |
| | Net income | 47.8 | 52.5 | 4.8 | 10 |
| Fiscal year ended March 31, 2011 | Operating income | 35.4 | 38.4 | 3.0 | 9 |
| | Ordinary income | 22.1 | 23.2 | 1.1 | 5 |
| | Net income | 7.4 | 3.9 | -3.5 | -48 |

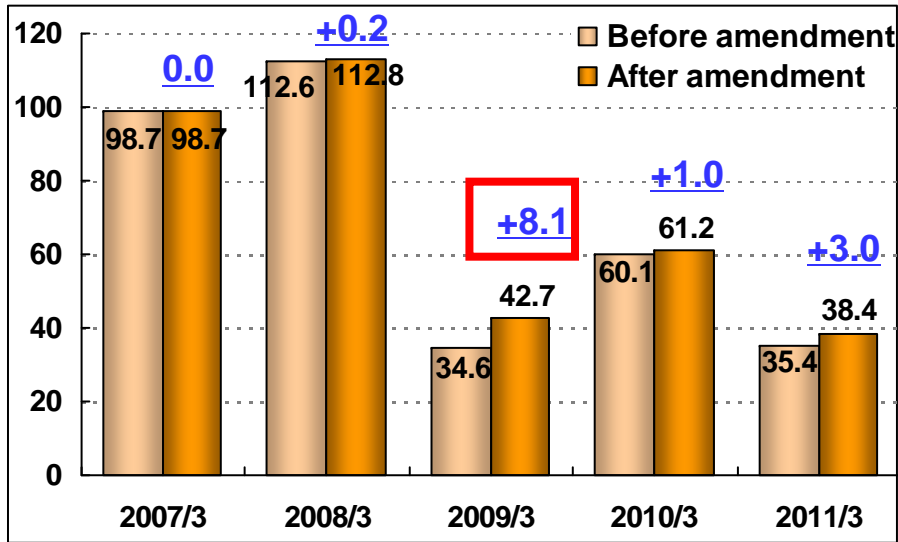
Amendments to the Past Securities Reports (2)

(PL – Changes in Income Figures)

(Billions of yen)

Note: Underlined blue figures represent the amount of impact

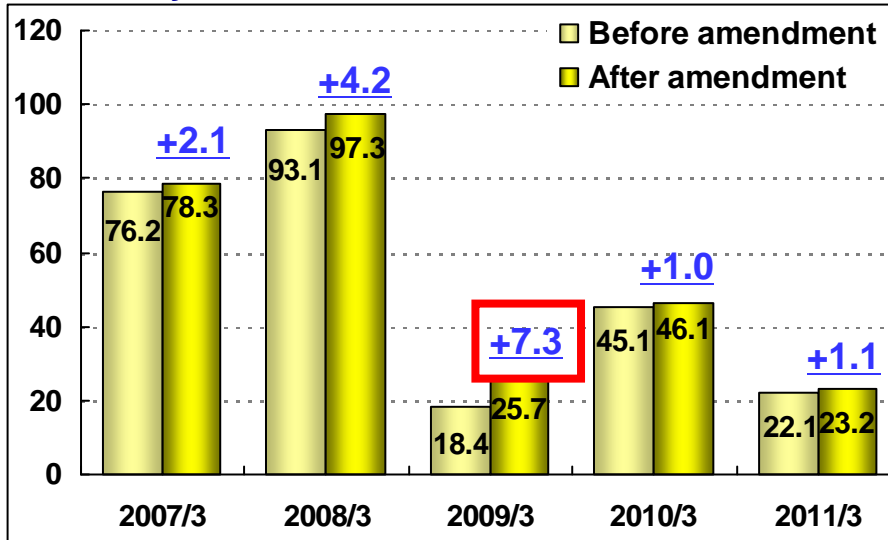
Operating income



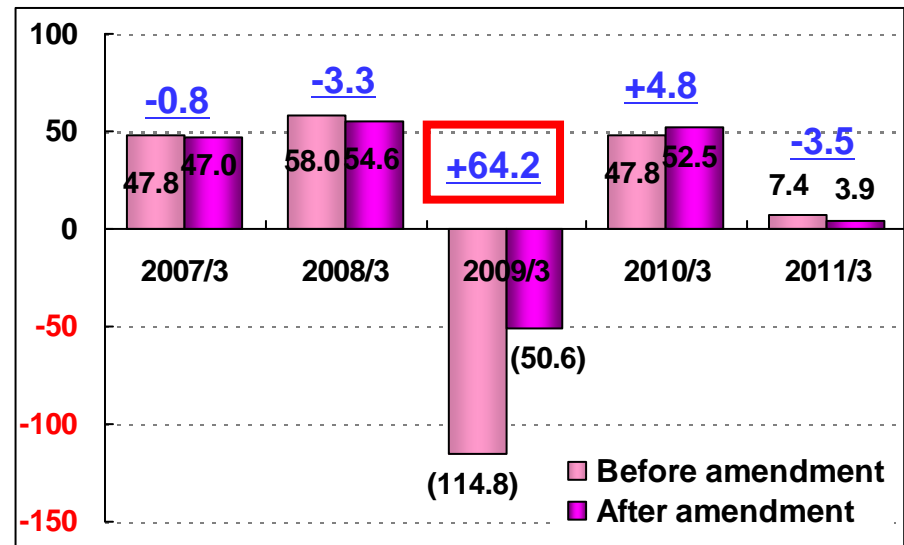
【Focus】

- ✓ Operating income and ordinary income increase. A major factor for the increases is the reversal of the goodwill amortization for the three domestic companies (2009/3).
- ✓ Net income (2009/3) reflects the reversal of the impairment loss for the three domestic companies.

Ordinary income



Net income



Amendments to the Past Securities Reports (3)

(BS - Comparison Between Before and After Amendment)

(Billions of yen)

Olympus has never fallen into negative net worth in the prior periods

【 Before Amendment】

| | 2006/3 | 2007/3 | 2008/3 | 2009/3 | 2010/3 | 2011/3 |
|-----------------------|--------|---------|---------|---------|---------|---------|
| Total assets | 976.1 | 1,091.8 | 1,358.3 | 1,106.3 | 1,152.2 | 1,063.6 |
| Investment securities | 208.5 | 216.6 | 193.8 | 127.1 | 140.3 | 59.3 |
| Goodwill | 79.6 | 78.7 | 299.8 | 180.5 | 194.1 | 175.5 |
| Total liabilities | 675.8 | 746.9 | 990.5 | 937.5 | 935.3 | 896.8 |
| Net assets | 300.3 | 344.9 | 367.9 | 168.8 | 216.9 | 166.8 |
| Retained earnings | 153.9 | 191.1 | 237.8 | 110.4 | 168.2 | 170.4 |

【 After Amendment】

| | | | | | | |
|-----------------------|-------|---------|---------|---------|---------|---------|
| Total assets | 888.6 | 1,002.7 | 1,217.2 | 1,038.3 | 1,104.5 | 1,019.2 |
| Investment securities | 96.2 | 105.0 | 94.0 | 62.6 | 78.4 | 59.3 |
| Goodwill | 79.6 | 78.7 | 227.8 | 170.3 | 144.9 | 133.1 |
| Total liabilities | 706.5 | 777.7 | 972.9 | 927.3 | 941.4 | 903.6 |
| Net assets | 182.1 | 225.0 | 244.3 | 110.9 | 163.1 | 115.6 |
| Retained earnings | 35.5 | 71.9 | 115.3 | 52.1 | 114.7 | 113.5 |

【 Impact】

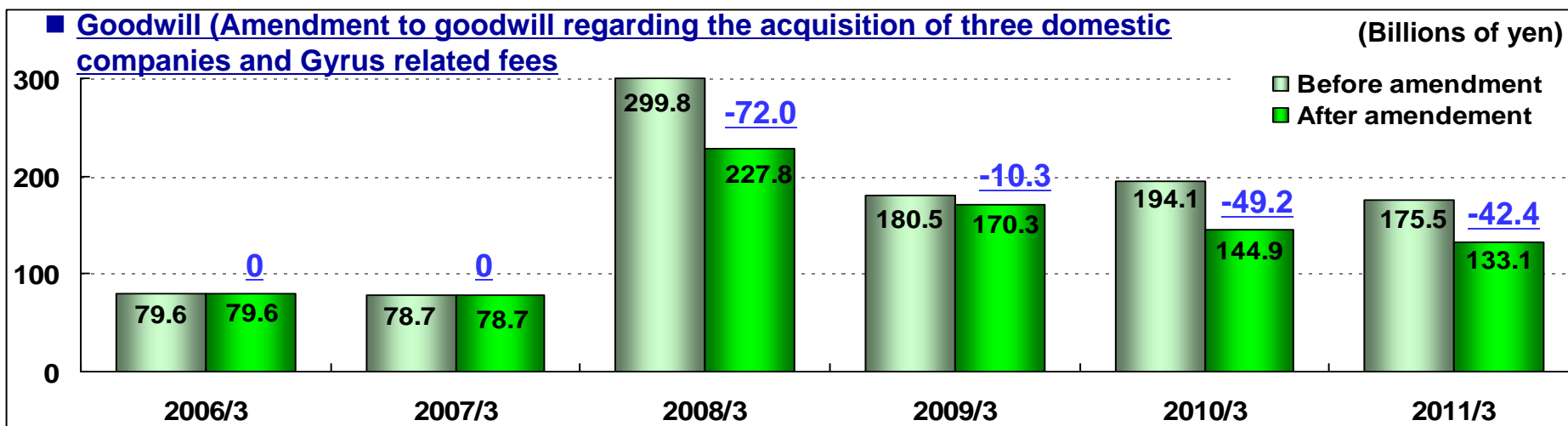
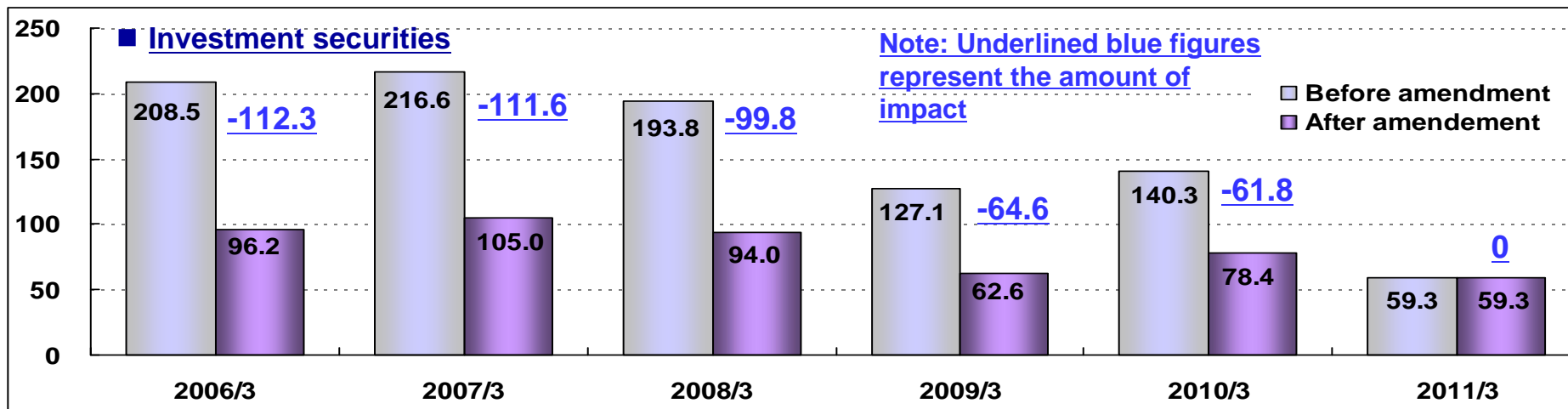
| | | | | | | |
|-----------------------|---------|---------|---------|--------|--------|--------|
| Total assets | - 87.5 | - 89.1 | - 141.1 | - 68.0 | - 47.7 | - 44.4 |
| Investment securities | - 112.3 | - 111.6 | - 99.8 | - 64.5 | - 61.9 | 0 |
| Goodwill | 0 | 0 | - 72.0 | - 10.2 | - 49.2 | - 42.4 |
| Total liabilities | 30.7 | 30.8 | - 17.6 | - 10.2 | 6.1 | 6.8 |
| Net assets | - 118.2 | - 119.9 | - 123.6 | - 57.9 | - 53.8 | - 51.4 |
| Retained earnings | - 118.4 | - 119.2 | - 122.5 | - 58.3 | - 53.5 | - 56.9 |

OLYMPUS

Amendments to the Past Securities Reports (4) (BS – Changes in Investment Securities and Goodwill)

Amendment of investment securities and goodwill, which were used to separate losses, has almost completed at the end of March 2011

(Billions of yen)

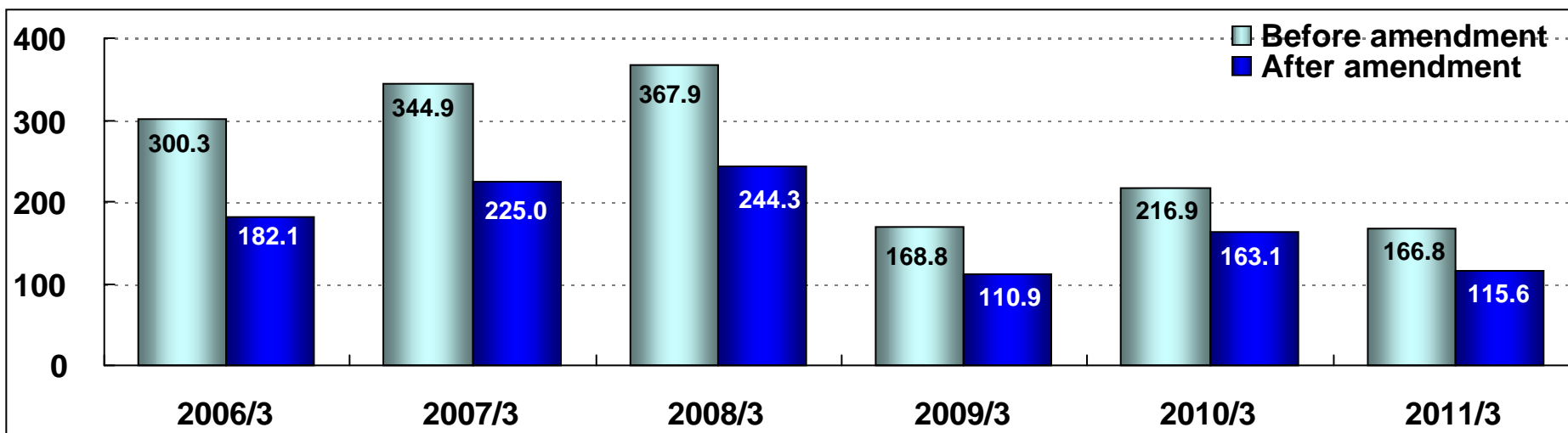
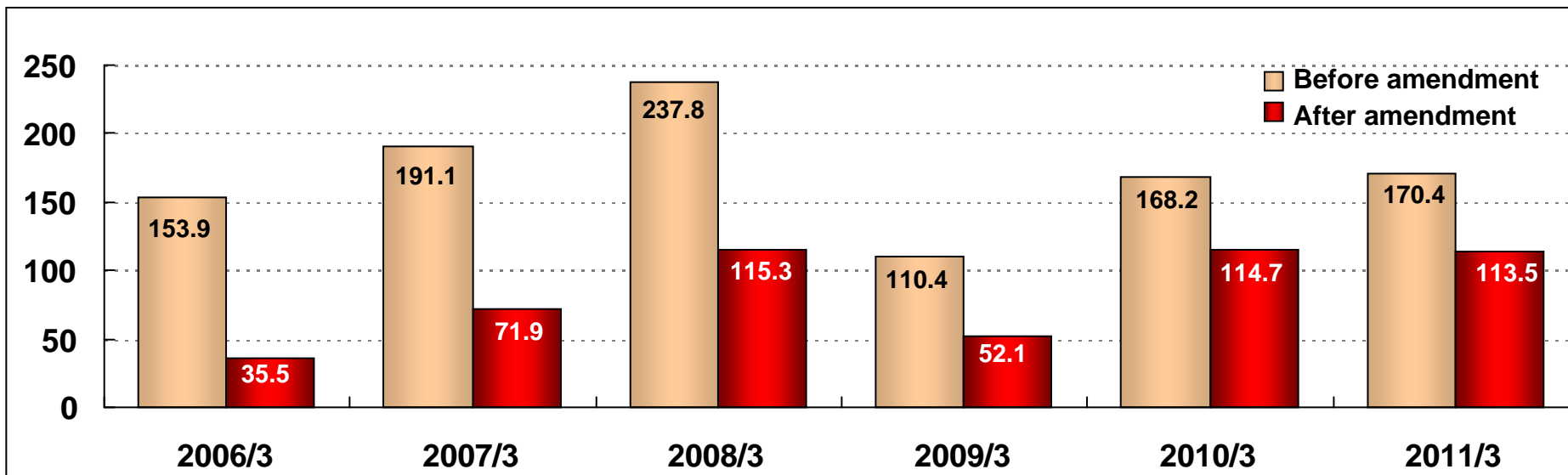


Amendments to the Past Securities Reports (5)

(BS – Changes in Retained Earnings and Net Assets)

(Billions of yen)

Due to the accrual-basis recognition of off-the-book losses in prior periods, the impact on retained earnings and net assets has reduced.



Amendments to the Past Securities Reports (6) (BS - Balance of Goodwill)

The impact on goodwill of ¥42.4 billion regarding the acquisition of Gyrus and Altis results from the accrual-basis recognition of off-the-book losses in prior periods.

(Billions of yen)

| | March 31, 2011 (Before Amendment) | March 31, 2011 (After Amendment) | Impact | September 30, 2011 |
|--------------|--------------------------------------|-------------------------------------|--------------|-----------------------|
| Gyrus | 135.3 | 96.3 | -39.0 | 85.7 |
| ITX | 23.2 | 23.2 | 0 | 22.9 |
| Altis | 2.6 | 0 | -2.6 | 0 |
| Spiration | 3.0 | 3.0 | 0 | 2.6 |
| Innov-X | 3.1 | 3.1 | 0 | 2.8 |
| Spirus | - | - | - | 3.0 |
| Others | 8.3 | 7.4 | -0.8 | 4.7 |
| Total | 175.4 | 133.0 | -42.4 | 121.7 |

Note: Regarding the goodwill from the acquisition of shares in the three domestic companies, a significant part of it was accounted for as an impairment loss in the year ended March 2009.

(Altis: ¥19.6 billion, News Cheff: ¥17.6 billion, and Human Lab: ¥18.3 billion)

Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2012

Consolidated Financial Results for the First Six Months of FY Ending March 2012

- After adjusting for foreign exchange, the Great East Japan Earthquake, and other extraordinary factors, net sales gained 7%, while operating income climbed 22%.
- Operating income increased as much as approx. ¥5.5 billion as compared to the initial plan as of June 17.

| | | | | (Billions of yen) |
|--|--|---|----------------------------|-----------------------------------|
| | FY ended March 2011 (First six months) | FY ending March 2012 (First six months) | Year to Year change (%) | Year to Year after Adjustment* |
| Net sales | 417.3 | 414.5 | -0.7% | 7% |
| Cost of sales (% to sales) | 222.0 (53.2%) | 225.0 (54.3%) | 1.3% (1.3pp) | --- |
| SG&A expenses (% to sales) | 172.9 (41.4%) | 172.0 (41.5%) | -0.5% (0.1pp) | --- |
| Operating income (% to sales) | 22.4 (5.4%) | 17.5 (4.2%) | -21.6% (-1.2pp) | 22% |

【 Impact of foreign exchange movements 】

| | | | |
|-----------------------------------|----------------|-------------------------------|------------------------------------|
| US\$ | ¥88.95 | ¥79.82 | ¥9.13 (yen appreciation) |
| Euro | ¥113.85 | ¥113.79 | ¥0.06 (yen appreciation) |
| Impact on net sales | --- | Approx. -¥13.0 billion | --- |
| Impact on operating income | --- | Approx. -¥2.0 billion | --- |

Year to Year after Adjustment indicates figures excluded impacts of "foreign exchange," the "Great East Japan Earthquake," and "divestiture of the printer business"

Segment Results for the First Six Months of FY Ending March 2012

After adjusting for foreign exchange, the Great East Japan Earthquake, and other extraordinary factors, net sales effectively rose in all business segments

| | | FY ended March 2011 (First six months) | FY ending March 2012 (First six months) | Year to Year change (%) | (Billions of yen) Y to Y after Adjustment* |
|--------------------------------|------------|--|---|----------------------------|--|
| Medical | Net sales | 175.4 | 163.8 | -6.6% | 4% |
| | Op. income | 36.1 | 28.4 | -21.5% | 5% |
| Life Science & Industrial | Net sales | 47.4 | 44.9 | -5.4% | 16% |
| | Op. income | 2.9 | 3.5 | 22.1% | 111% |
| Imaging | Net sales | 68.2 | 71.1 | 4.3% | 8% |
| | Op. income | (3.4) | (0.2) | — | — |
| Information & Communication | Net sales | 102.4 | 109.2 | 6.7% | 7% |
| | Op. income | 2.8 | 2.8 | -2.9% | — |
| Others | Net sales | 23.9 | 25.6 | 6.9% | 8% |
| | Op. income | (1.8) | (3.4) | — | — |
| Elimination and corporate | Net sales | — | — | — | — |
| | Op. income | (14.3) | 13.5 | — | — |
| Consolidated Total | Net sales | 417.3 | 414.5 | -0.7% | 7% |
| | Op. income | 22.4 | 17.5 | -21.6% | 22% |

Y to Y after Adjustment indicates figures excluded impacts of "foreign exchange", the "Great East Japan Earthquake", and "divestiture of the printer business"

Key Points by Business Segment (1)

(First Six Months of FY Ending March 2012)

Medical

- Although our flagship gastrointestinal endoscopes (the LUCERA Series) were severely affected by the earthquake in addition to foreign exchange, if these special factors are excluded, net sales and operating income actually increased, and demand remained strong.
- In the surgical & endotherapy field, sales of products for single incision laparoscopic surgery, such as disposable guidewires and disposable multi-instrument access ports used in endoscopic treatment of pancreatico-biliary ducts, were strong.
- Within the current fiscal year, we are aiming to launch new electro-surgical knife products that merge the technologies of Gyrus and Olympus.

Life Science & Industrial

- Although net sales declined due to the effects of foreign exchange and divestiture of our printer business, our flagship biological microscopes (the BX3 Series) saw increased sales, so net sales actually increased if the aforementioned effects are excluded.
- With the industrial field such as industrial microscopes remaining strong, negative effects were absorbed, and we achieved an increase in operating income.

Imaging

- Operating income improved on factors including strong sales of the 3rd Generation PEN Series (particularly the E-P3), which we rolled out continually since July, and a decrease in SG&A expenses.
- Net sales of compact high-value-added models, such as the XZ-1, increased mainly in Europe and Asia.

Information & Communication

- Sales remained strong against the backdrop of expanded sales channels and enlargement of the market for sales of mobile phones such as smartphones and tablets.

Non-operating Income/Expenses, Extraordinary Gains/Losses, and Income Taxes (First Six Months of Fiscal Year)

Key factors affecting net income included conservative asset impairment and a derecognition of deferred tax assets

(Billions of yen)

| | FY ended March 2011 (First six months) | FY ending March 2012 (First six months) | Y to Y change |
|---|--|---|---------------|
| Operating income | 22.4 | 17.5 | -22.3% |
| Non-operating income | 5.4 | 2.7 | |
| Non-operating expenses | 8.6 | 10.7 | |
| Ordinary income | 19.3 | 9.5 | -50.8% |
| Extraordinary gain | 0.3 | 0.1 | |
| Extraordinary loss | 6.2 | 16.2 | |
| Income before provision for income taxes | 13.4 | (6.6) | |
| Income taxes | 9.4 | 25.6 | |
| Minority interest gains/losses | 0.2 | 0.1 | |
| Net income/loss | 3.8 | (32.3) | |

Key factors in the first six months of FY ending March 2012

- ✓ Extraordinary loss of ¥16.2 billion (including an impairment loss of ¥11.6 billion in the Imaging business)
- ✓ Income taxes of ¥25.6 billion (including an ¥19.0 billion derecognition of deferred tax assets)

Balance Sheet as of September 30, 2011

Generating stable earnings centered on Medical business
to further enhance financial position

(Billions of yen)

| | End of Mar 2011 | End of Sept 2011 | Change | | End of Mar 2011 | End of Sept 2011 | Change |
|------------------------------|--------------------|---------------------|--------|---------------------------------------|--------------------|---------------------|--------|
| Current assets | 533.5 | 524.3 | -9.3 | Current liabilities | 332.8 | 312.3 | -20.5 |
| Tangible fixed assets | 141.3 | 122.4 | -18.9 | Fixed liabilities | 570.8 | 592.9 | 22.1 |
| Intangible assets | 206.0 | 188.8 | -17.1 | (Incl. bonds/long-term loans payable) | 521.3 | 542.1 | 20.8 |
| Investments and other assets | 138.3 | 115.7 | -22.6 | Net assets | 115.6 | 46.0 | -69.6 |
| Total assets | 1,019.2 | 951.2 | -68.0 | Total liabilities + Total net assets | 1,019.2 | 951.2 | -68.0 |

Net interest-bearing debt: ¥432.1 billion

OLYMPUS

Consolidated Business Results Forecasts (Full Year) and Dividends

Consolidated Business Results Forecasts (Full Year)

- Because of a need to scrutinize sales and other activities in light of the findings of the Third Party Committee, management **has not formulated consolidated full-year forecasts for the fiscal year ending March 31, 2012 at this juncture**, and will disclose such information when possible.

Dividends

- Although the Company has not decided whether or not to distribute the dividends for the fiscal year ending March 31, 2012, it decided that **no interim dividend would be distributed** at the meeting of the board of directors held on December 14, 2011.
- Whether or not to distribute the **year-end dividends remains undecided**.

OLYMPUS

Measures to be Implemented

- **Decision on Management Reform Committee Members and Extraordinary Shareholders Meeting, Etc. -**

December 15, 2011

Shuichi Takayama

Representative Director, President and CEO

Olympus Corporation

Management Reform Committee Members

Mr. Kazuo Kawakami

Attorney-at-Law

**Former Chief Trial Prosecutor of the Supreme Public
Prosecutors Office**

Mr. Motoyoshi Nishikawa

Attorney-at-Law

**Former Managing Director and Member of the Board of
Nippon Steel Corporation**

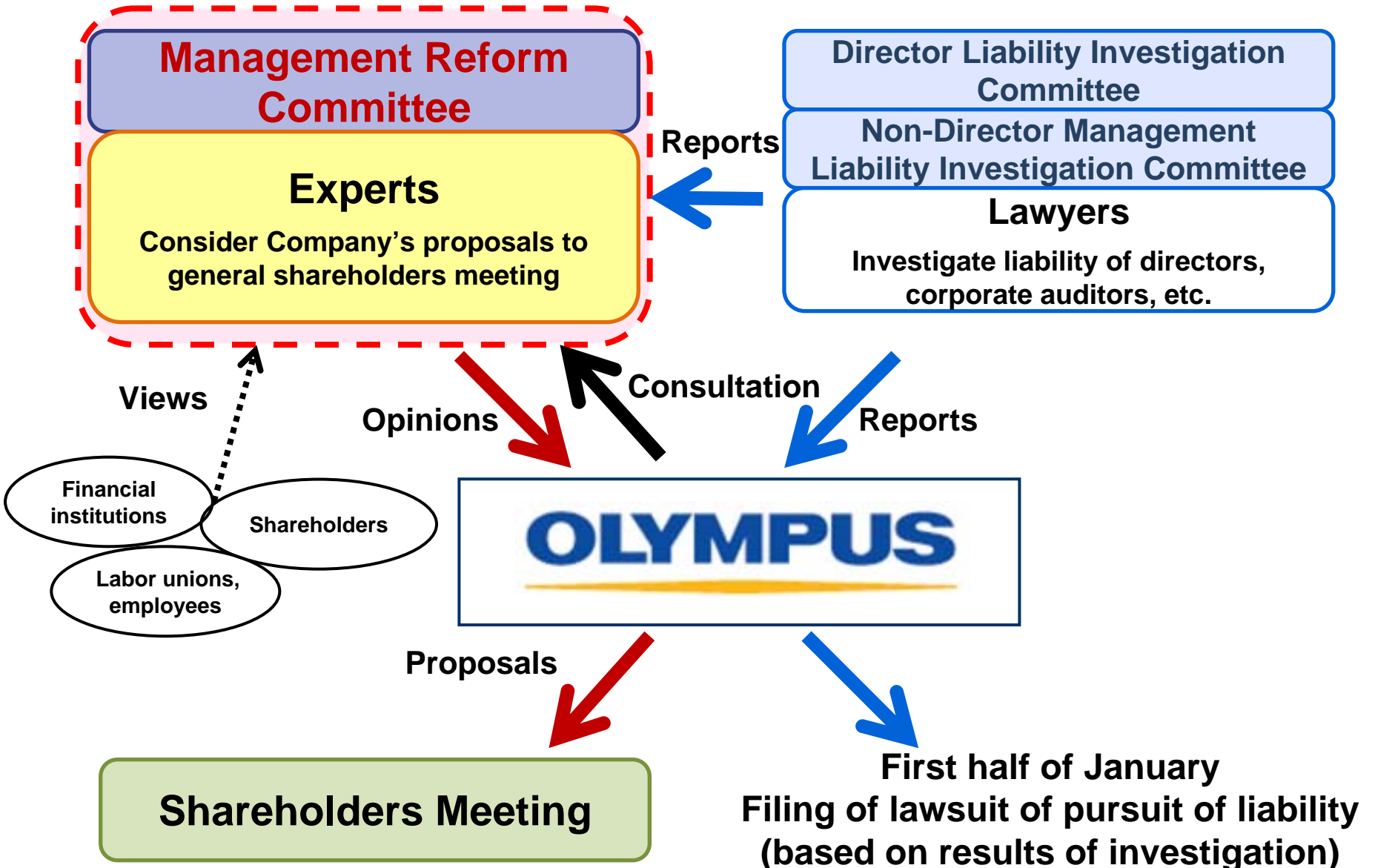
Mr. Shiro Hiruta

Senior Advisor of Asahi Kasei Corporation

Matters to be Entrusted to Management Reform Committee (framework)

- **Study, and provide guidance, recommendations, and reports to the Board of Directors regarding 1) the overhaul of the managerial framework, 2) the overhaul of the corporate governance, internal control, and compliance systems, and 3) proposals for important matters related to the formulation of a business reconstruction plan.**
- **In the aforementioned guidance, recommendations, and reports, gather and reflect the opinions of shareholders, business partners, customers, financial institutions, employees, and other stakeholders.**
- **Consider and approve in advance the Company's proposals to be made to the next general shareholders meeting.**

Role of the Management Reform Committee



Schedule and Extraordinary Shareholders Meeting

- January 8, 2012
 - ✓ Announcement of results of investigation of Director Liability Investigation Committee and Company's policy regarding litigation against directors
- January 17, 2012
 - ✓ Announcement of results of investigation of Non-Director Management Liability Investigation Committee and Company's policy regarding litigation against corporate auditors, etc.
- Early February 2012
 - ✓ Announcement of financial results for the third quarter of the fiscal year ending March 31, 2012
- **March-April 2012 (tentative)**
 - ✓ **Extraordinary shareholders meeting**
- Early May 2012
 - ✓ Announcement of financial results for the fiscal year ending March 31, 2012
- Late June 2012
 - ✓ Ordinary General Meeting of Shareholders

Performance forecasts and other forward-looking statements in this presentation reflect judgments and assumptions based on information available at the time of writing. Because of the uncertainty inherent to judgments and assumptions, and because of the potential for future changes in business operations, conditions in Japan or overseas, or other factors, actual results, etc., may differ substantially from the targets stated.

OLYMPUS
