Consolidated Financial Results
for the Fiscal Year Ended March 31, 2016
<under Japanese GAAP>

May 2, 2016

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
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Scheduled date of General Meeting of Shareholders:	June 28, 2016
Scheduled date to submit the Securities Report:	June 28, 2016
Scheduled date to commence dividend payments:	June 29, 2016
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, 2016 (From April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Fiscal year ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
March 31, 2016	804,578	5.2	104,464	14.8	90,898	24.9	62,594	–
March 31, 2015	764,671	7.2	90,962	23.9	72,782	43.0	(8,737)	–

Note: Comprehensive income: Fiscal year ended March 31, 2016: ¥30,346 million [17.6%]
Fiscal year ended March 31, 2015: ¥25,800 million [(60.3)%]

	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, 2016	182.90	182.84	17.0	8.7	13.0
March 31, 2015	(25.53)	–	(2.6)	6.9	11.9

Note: Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2016: ¥(2,675) million
Fiscal year ended March 31, 2015: ¥(2,791) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2016	1,000,614	384,283	38.2	1,117.24
March 31, 2015	1,081,551	357,254	32.9	1,038.64

Note: Equity as of March 31, 2016: ¥382,359 million March 31, 2015: ¥355,463 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, 2016	48,621	(52,897)	(33,870)	166,323
March 31, 2015	66,811	(39,612)	(70,185)	209,809

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, 2015	–	0.00	–	10.00	10.00	3,422	–	1.0
Fiscal year ended March 31, 2016	–	0.00	–	17.00	17.00	5,818	9.3	1.6
Fiscal year ending March 31, 2017 (Forecast)	–	0.00	–	28.00	28.00		14.7	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Six months	380,000	(4.0)	37,000	(26.1)	32,000	(26.4)	27,000	(24.6)	81.81
Full year	800,000	(0.6)	90,000	(13.8)	80,000	(12.0)	65,000	3.8	189.93

* Notes

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): Yes

[New: — Excluded: 1 company (Olympus Imaging Corp.)]

(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: Yes
2) Changes in accounting policies due to other reasons: Yes
3) Changes in accounting estimates: Yes
4) Restatement of prior period financial statements after error corrections: No

Note: For details, please refer to “(5) Notes Regarding Consolidated Financial Statements (Changes in Accounting Policies) of 5. Consolidated Financial Statements” on page 27 of the attached material.

(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, 2016	342,671,508 shares
As of March 31, 2015	342,671,508 shares

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

As of March 31, 2016	436,607 shares
As of March 31, 2015	434,236 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2016	342,235,989 shares
Fiscal year ended March 31, 2015	342,238,820 shares

Reference: Summary of Non-Consolidated Financial Results

Financial results for the Fiscal Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(1) Non-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, 2016	407,776	360.6	77,583	804.2	66,386	68.0	102,968	201.3
March 31, 2015	88,528	7.2	8,580	249.8	39,526	101.9	34,174	146.1

	Net income per share	Fully diluted net income per share
Fiscal year ended	(¥)	(¥)
March 31, 2016	300.87	300.77
March 31, 2015	99.85	99.83

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
March 31, 2016	787,249	372,642	47.3	1,087.60
March 31, 2015	661,201	272,541	41.2	795.59

Note: Equity as of March 31, 2016: ¥372,214 million March 31, 2015: ¥272,281 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 Act. 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, including forecast of financial results, contained in these materials include predictions about the future based on assumptions, forecasts and plans as of the date of release of these materials. Actual business and other results may differ substantially from the forecasts provided in these materials as a result of risks and uncertainties associated with the global economy, the competitive environment, exchange rate trends and other factors. For information on the forecast of financial results, please refer to page 6.

Attached Material

Contents

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

(Review of Operations)

Analysis of the overall operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Fiscal year ended March 31, 2016	804,578	104,464	90,898	62,367	¥182.90
Fiscal year ended March 31, 2015	764,671	90,962	72,782	(8,737)	¥(25.53)
Increase (Decrease) ratio (%)	5.2	14.8	24.9	–	–

Comparison Table of Average Exchange Rate (Yen)

	Current fiscal year	Previous fiscal year
Against the U.S. dollar	120.14	109.93
Against the euro	132.58	138.77

In the global economy during the fiscal year under review, in the U.S., monetary policy is moving toward normalization as seen in the hike of interest rates by the US Federal Reserve in December 2015, as a result of the economic environment continuing to be strong, while in Europe the economy has also been recovering gradually. However, signs that the overall global economy is slowing have intensified amid factors that included recessionary business conditions in emerging countries such as China along with sagging commodity prices. In the Japanese economy, despite signs of improvement in corporate earnings and the employment situation, the outlook remains uncertain due to developments such as the downside risk in the Chinese economy and drastic appreciation of the yen since February.

Faced with this business environment, the Olympus Group continued to push vigorously ahead with respect to its basic strategies of “rebuilding of the business portfolio and optimal allocation of management resources,” “review of cost structures,” “restoration of financial health” and “restructuring of governance,” as set forth in the Medium-Term Vision (medium-term management plan) which was initiated in the fiscal year ended March 31, 2013. Furthermore, under the new organizational structure associated with the Group reorganization conducted in April 2015, we promoted initiatives geared to enhancing our capacity to respond to the fast-changing business environment and efficiently allocating our management resources, setting our sights on our new medium-term management plan which is to take effect in the fiscal year ending March 31, 2017.

In the Medical Systems Business, the flagship gastrointestinal endoscope field continued to generate robust sales in Japan and overseas, and sales increased in both the surgical and therapeutic devices fields due to positive outcomes achieved from moves to strengthen sales and other initiatives to actively invest in growth. In the Scientific Solutions Business, we moved forward with organizational reforms which involved shifting away from strategies based on product lineups and more toward those oriented to customer groups, and also brought about substantial improvements in terms of our profitability by cutting manufacturing costs and other expenditures. In the Imaging Systems Business, we streamlined operations by narrowing down our product lineups and core sales areas, and also moved a step further forward with cost cutting and other structural reforms.

As a result of these measures, the Olympus Group’s overall consolidated net sales increased to ¥804,578 million (up 5.2% year on year), reflecting sales increases in the Medical Systems Business. Operating income was ¥104,464 million (up 14.8% year on year), reflecting income growth in the Medical Systems Business and the Scientific Solutions Business, and a decrease in the operating loss for the Imaging Systems Business as well. Ordinary income was ¥90,898 million (up 24.9% year on year), due to decreases in interest expenses and other non-operating expenses in addition to the rise in operating income. In addition, extraordinary losses of ¥22,467 million mainly from loss related to the U.S. Anti-kickback Statute, and income taxes of ¥8,149 million were recognized. Consequently, net income attributable to owners of the parent was ¥62,594 million (compared with an operating loss of ¥8,737 million), a considerable improvement from the previous fiscal year.

During the fiscal year under review, the Olympus Group invested ¥81,415 million on research and development, and spent ¥64,445 million on capital investments.

Regarding foreign exchange, the yen depreciated against the U.S. dollar, on the other hand, it appreciated against the euro compared to the previous fiscal year. The average exchange rate during the period was ¥120.14 against the U.S. dollar (¥109.93 in the previous fiscal year) and ¥132.58 against the euro (¥138.77 in the previous fiscal year), which caused net sales and operating income to rise by ¥19,288 million and ¥11,323 million, respectively, year on year.

From the first quarter ended June 30, 2015, a new business previously classified under the “Imaging Systems Business” (a new cross-functional business field aiming for a combination of medical systems and scientific solutions based on the optical technology, electronic and imaging technology, network technology and manufacturing technology accumulated in the Imaging Systems Business, and growth in this form) has been changed to “Others.” In the following increase (decrease) ratio, the figures of the previous fiscal year have been restated to reflect the segment classification after this change.

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	558,348	608,927	9.1	124,894	140,220	12.3
Scientific Solutions	103,880	101,608	(2.2)	6,837	8,482	24.1
Imaging Systems	79,437	78,284	(1.5)	(11,710)	(2,064)	–
Others	23,006	15,759	(31.5)	(970)	(5,800)	–
Subtotal	764,671	804,578	5.2	119,051	140,838	18.3
Elimination or Unallocation	–	–	–	(28,089)	(36,374)	–
Consolidated total	764,671	804,578	5.2	90,962	104,464	14.8

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

Medical Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)	Increase (Decrease) ratio
Net sales	558,348	608,927	50,579	9.1%
Operating income	124,894	140,220	15,326	12.3%

Consolidated net sales in the Medical Systems Business amounted to ¥608,927 million (up 9.1% year on year), while operating income amounted to ¥140,220 million (up 12.3% year on year).

In gastrointestinal endoscope field, both sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which are our mainstay products, were strong. In the surgical field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, and the 3D laparoscopy system were strong, while the sales of “THUNDERBEAT” integrated energy device with both advanced bipolar and ultrasonic energy continued to grow. In the therapeutic devices field, there was growth in sales of “VisiGlide 2” disposable guidewire for use in endoscopic diagnosis and treatment of biliary and pancreatic ducts and others. As a result, sales increased in all fields, driving an increase in sales in the Medical Systems Business.

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

Scientific Solutions Business

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)	Increase (Decrease) ratio
Net sales	103,880	101,608	(2,272)	(2.2)%
Operating income	6,837	8,482	1,645	24.1%

Consolidated net sales in the Scientific Solutions Business amounted to ¥101,608 million (down 2.2% year on year), while operating income amounted to ¥8,482 million (up 24.1% year on year).

In the life science field, mainly devices for research decreased sales as a result of a delay in budget spending by research institutions. In the industrial field, sales decreased slightly amid a drop in sales of non-destructive testing equipment and other products as a result of a downturn in commodity prices of such as crude oil, despite having experienced growth in sales of industrial microscopes such as the “STM7” series of measuring microscopes used in the manufacturing process for electronic components. Consequently, sales in the Scientific Solutions overall decreased.

Operating income in the Science Solutions Business increased due to efficiency gains through such means as cost cuts and the integration of sales offices.

Imaging Systems Business

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)	Increase (Decrease) ratio
Net sales	79,437	78,284	(1,153)	(1.5)%
Operating income/loss	(11,710)	(2,064)	9,646	–

Consolidated net sales in the Imaging Systems Business amounted to ¥78,284 million (down 1.5% year on year), while operating loss amounted to ¥2,064 million (compared with an operating loss of ¥11,710 million in the previous fiscal year).

In the mirrorless interchangeable-lens camera field, the OM-D series and “OLYMPUS PEN-F,” etc. increased sales, with sales also boosted by a contribution from the high performance interchangeable lenses “M.ZUIKO DIGITAL PRO” series with additions of new models bringing the lineup to five models. Meanwhile, in the compact camera field, the Company continued to limit the number of units sold in response to market shrinkage. Consequently, sales in the Imaging Systems Business overall decreased year on year.

Operating loss in the Imaging Systems Business decreased, mainly due to the progress in reducing expenses.

Others

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)	Increase (Decrease) ratio
Net sales	23,006	15,759	(7,247)	(31.5)%
Operating income/loss	(970)	(5,800)	(4,830)	–

Consolidated net sales for other businesses amounted to ¥15,759 million (down 31.5% year on year) and operating loss was ¥5,800 million (compared with an operating loss of ¥970 million in the previous fiscal year).

Net sales for other businesses declined due to reorganization of our non-core business domains in order to allocate management resources to our business domains in a more concentrated manner.

Operating loss for other businesses increased, mainly reflecting investments in the creation of new businesses in the medical and imaging technology domains.

(Forecast for the Fiscal Year Ending March 31, 2017)

Forecast for the overall business and analysis of its preconditions

Looking ahead with respect to the global economy, concerns of a downturn in business conditions are likely to intensify amid developments that include moves toward normalization of monetary policy in the U.S., slowing growth in China and other emerging economies, and sagging commodity prices. In the Japanese economy, an outlook of uncertainty is likely to prevail amid negative factors that include risk of deteriorating corporate earnings stemming from the global economic slowdown and yen appreciation, in conjunction with fears of diminishing consumer sentiment in that regard.

Given this environment, the Olympus Group has newly formulated the 2016 Corporate Strategic Plan ("16CSP"), which will act as a five-year medium-term management plan which takes effect in the fiscal year ending March 31, 2017. Under our "Business to Specialist" Company and One Olympus basic policies, we will push steadily forward in developing a firmly grounded and aggressive business portfolio geared to achieving sustainable growth.

In the Medical Systems Business, we aim to expand the scale of our operations primarily by providing value in terms of both early diagnosis and minimally invasive therapies, by proactively investing in each of this segment's business units, namely GI (gastrointestinal), Res (respiratory), GS (general surgery), Uro/Gyn (urology/gynecology), ENT (ear nose throat), and Medical Services. We will work to achieve dramatic growth in both the therapeutic devices and surgical fields while maintaining our overwhelming competitive strengths in the gastrointestinal endoscope field, while furthermore taking steps to improve profitability in the Medical Systems Business also by strengthening business involving disposable devices. In the Scientific Solutions Business, we will establish an earnings platform by promoting strategies oriented to customer groups, and aim to expand the portfolio of products and solutions. In the Imaging Systems Business, we will build a framework that ensures consistent earnings through further restructuring of operations, while also pursuing initiatives geared to improving our responsiveness to the changing market and further reducing inventory risks.

The forecast for consolidated financial results in the fiscal year ending March 31, 2017 is as follows.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Fiscal year ending March 31, 2017	800,000	90,000	80,000	65,000	¥189.93
Fiscal year ended March 31, 2016	804,578	104,464	90,898	62,594	¥182.90
Increase (Decrease) ratio (%)	(0.6)	(13.8)	(12.0)	3.8	–

Despite ongoing growth in the Medical Systems Business, net sales overall are expected to remain largely unchanged as a result of lower revenues in the Imaging Systems Business and adverse exchange rate effects given a strong yen. On the profit front, despite the prospect of diminishing losses in the Imaging Systems Business, both operating income and ordinary income are expected to decrease amid a likelihood of lower earnings in both the Medical Systems Business and the Scientific Solutions Business largely due to negative effects of exchange rates. Meanwhile, net income attributable to owners of the parent is expected to increase due to improvement in the balance of non-operating income and expenses, etc.

Foreign exchange rates for the fiscal year ending March 31, 2017, which are a precondition for the forecast, are expected to be ¥108 per U.S. dollar and ¥120 per euro.

(2) Analysis of 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, 2015	As of March 31, 2016	Increase (Decrease)	Increase (Decrease) ratio (%)
Total assets	1,081,551	1,000,614	(80,937)	(7.5)
Net assets	357,254	384,283	27,029	7.6
Equity ratio	32.9%	38.2%	5.3%	–

As of the end of the fiscal year under review, total assets decreased ¥80,937 million compared to the end of the previous fiscal year to ¥1,000,614 million.

Current assets decreased ¥56,836 million due mainly to a decrease in cash and time deposits, and fixed assets decreased ¥24,101 million, mainly due to a decrease in net defined benefit asset and amortization of goodwill.

Total liabilities decreased ¥107,966 million compared to the end of the previous fiscal year to ¥616,331 million due mainly to an increase in long-term borrowings of ¥41,196 million and decreases in provision related to the U.S. Anti-kickback Statute of ¥58,883 million and short-term borrowings of ¥74,479 million.

Net assets increased ¥27,029 million compared to the end of the previous fiscal year to ¥384,283 million, primarily due to an increase in net income and a decrease in accumulated other comprehensive income arising from fluctuations in foreign exchange and stock prices.

As a result of the foregoing, equity ratio increased from 32.9% as of the end of the previous fiscal year to 38.2%.

Analysis of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)
Cash flows from operating activities	66,811	48,621	(18,190)
Cash flows from investing activities	(39,612)	(52,897)	(13,285)
Cash flows from financing activities	(70,185)	(33,870)	36,315
Cash and cash equivalents at end of year	209,809	166,323	(43,486)

“Cash flows from operating activities” increased by ¥48,621 million mainly due to the recordings of ¥70,800 million in income before provision for income taxes, ¥18,814 million in loss related to the U.S. Anti-kickback Statute and adjustments for noncash items including ¥39,912 million in depreciation and amortization, ¥9,867 million in amortization of goodwill and ¥2,072 million of loss related to securities litigation. Decreasing factors mainly included ¥13,975 million in loss related to securities litigation paid and ¥72,455 million in loss related to the Anti-kickback Statute paid.

“Cash flows from investing activities” decreased by ¥52,897 million. Decreasing factors mainly included ¥50,422 million in purchase of property, plant and equipment, ¥5,987 million in purchases of intangible assets. Increasing factors mainly included ¥3,214 million in sales and redemption of investment securities.

“Cash flows from financing activities” decreased by ¥33,870 million. Decreasing factors mainly included ¥78,240 million in repayments of long-term debt. Increasing factors mainly included ¥73,886 million in proceeds from long-term debt.

As a result, cash and cash equivalents at the end of the current fiscal year reached ¥166,323 million, a decrease of ¥43,486 million compared to the end of the previous fiscal year.

(Cash Flows Indicators)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Equity ratio	15.5	32.1	32.9	38.2
Market value equity ratio (%)	69.4	109.6	141.4	149.6
Interest-bearing debt to cash flows ratio (years)	22.2	5.7	5.3	6.6
Interest coverage ratio (times)	1.8	6.1	7.4	6.1

Note: 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 stock.
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

Aiming to boost the corporate value, premised on securing stable financial base, the Company places priority on investing in growth fields, particularly the Medical Systems Business. Based on this, our basic strategy is to implement dividend distribution in consideration of performance, in order to respond to the expectations of our shareholders.

In accordance with the above policy and in consideration of comprehensive factors that include our consolidated financial results for the fiscal year ended March 31, 2016, the Company's financial standing and future investment in operations, we intend to pay a year-end dividend of ¥17 per share for the fiscal year under review. The annual dividend will therefore amount to ¥17 per share, which is an increase of ¥7 per share in comparison with that of the previous fiscal year.

Next fiscal year and beyond, we aim to incrementally increase shareholder returns with our sights set on achieving a total return ratio of 30%. For the fiscal year ending March 31, 2017, we plan to pay a dividend of ¥28 per share (year-end dividend of ¥28).

(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 healthcare policy is amended in an unforeseeable and material manner as a result of a healthcare system reform or another change occurs in relation to the medical sector, and the Olympus Group finds it difficult to adapt to such an environmental change, or if the Olympus Group is unable to obtain the licenses and approvals in various countries necessary for its business activities in a timely manner, the Olympus Group's ability to secure its earnings may be adversely affected.

(ii) In the Scientific Solutions 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 affected.

(iii) In the digital camera field of the Imaging Systems Business, market conditions are becoming harsher. If the market contracts more sharply than anticipated, the Olympus Group may be unable to adequately counter the resulting sales decline with the restructuring measures it is currently implementing, and this may adversely affect 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 and Vietnam. Therefore, depending upon exchange rate trends and other factors, operating costs may increase substantially, and the Olympus Group's ability to secure its earnings may be adversely affected. 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 affected.

(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 affected.

(iii) The Olympus Group and its manufacturing contractors manufacture their products in accordance with exacting quality standards. 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 affected.

(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 affected.

(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 affected.

(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 affected.

(ii) The Olympus Group may acquire 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 affected or its business performances and financial position may be adversely affected due to impairment of goodwill, loss on business sale or liquidation resulting from business restructuring and the like, or other related expenses.

(iii) The Olympus Group holds listed stocks with a total value of ¥67,871 million and unlisted stocks with a total value of ¥1,324 million as of March 31, 2016, for policy investment purposes such as facilitating business alliances. The stock price of listed stocks is determined based upon market principles. Accordingly, fluctuations in market trends could cause the value of these stocks to decline. For unlisted stocks, it is possible that the estimated value of these stocks could decline due to changes in the financial position of the company in question. Such price fluctuations could force the Group to record loss on valuation of investment securities, or other action that would affect the operating results or financial position of the Group.

(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 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)

As a result of inappropriate financial reporting by the Company, the Company's shareholders and others claimed compensation for damages from the Company or filed lawsuits. These actions could have an adverse impact on the Olympus Group's business performance and financial position. The inappropriate financial reporting relates to the Company's postponing of recognition of losses on securities investments, etc. in past times 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. The total amount of claims against the Company in pending lawsuits at the time of disclosure of the financial results report is ¥76,974 million. The following major lawsuits have been filed against the Company.

Out of the pending lawsuits in the fiscal year under review, the Company reported ¥567 million as provision for loss on litigation in current liabilities, considering the state of progress of the lawsuits.

(i) On June 28, 2012 (the date of the service of the complaint was November 12, 2012), a total of 49 companies (of which one company withdrew its claim before the complaint was served), including the Teachers' Retirement System of the State of Illinois and other overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company. After a subsequent petition to change the object of claim and withdrawal of claim by several plaintiffs, the lawsuit has now been changed so that currently 45 plaintiff companies are claiming compensation for damages of ¥20,828 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal. On March 27, 2015 an out-of-court settlement was reached with investors and others including the plaintiffs regarding this lawsuit for damages, under which the Company agrees to pay the counterparties up to ¥11,000 million as settlement money in total, including (iii) below, and ¥10,433 million of the total amount was paid at the time of disclosure of the financial results report.

(ii) On December 13, 2012 (the date of the service of the complaint was March 29, 2013), a total of 68 companies, including California Public Employees' Retirement System and other overseas institutional investors that are shareholders of the Company, filed a lawsuit for damages against the Company. After a subsequent petition to amend the complaint and withdrawal of claim by several plaintiffs, the lawsuit has been changed so that currently 59 plaintiff companies are claiming compensation for damages of ¥5,749 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal.

(iii) On June 27, 2013 (the date of the service of the complaint was July 16, 2013), a total of 43 companies, including California State Teachers' Retirement System and other overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit for damages against the Company. After a subsequent withdrawal of claim by a plaintiff and a merger between plaintiffs, the lawsuit has been changed so that currently 40 plaintiff companies are claiming compensation for damages of ¥16,799 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.
On March 27, 2015 an out-of-court settlement was reached with investors including the plaintiffs regarding this lawsuit for damages, under which the Company agrees to pay the counterparties up to ¥11,000 million as settlement money in total, including (i) above, and ¥10,433 million of the total amount was paid at the time of disclosure of the financial results report.

(iv) On April 7, 2014 (the date of the service of the complaint was April 17, 2014), a total of six banks including Mitsubishi UFJ Trust and Banking Corporation and five other trust banks filed a lawsuit against the Company seeking compensation for damages by payment of ¥27,915 million and the interest accrued to the damages incurred relating to each of the shares at the rate of 5% per annum for the period from the day immediately following the share acquisition trade date of each of the shares that incurred losses up to the payment of the incurred losses of the shares.

(Risks Associated with Internal Control System, etc.)

The Olympus Group has developed a system for ensuring appropriate and reliable financial reporting and valid and efficient work processes, which it operates and continuously improves. However, it cannot be ignored that no matter how effective the internal control system constructed by the Group, actions arising from malicious intent or gross negligence on the part of employees, or changes in the business environment that were not envisaged at the time of the internal control system's construction, or various other factors, could cause the system to fail. Therefore, there is the potential for an issue arises in the future with regard to violation of laws and regulations. If such an issue were to arise, the Company may be obliged to pay fines due to administrative action, penalties due to criminal proceedings, or damages and so forth due to civil lawsuits. Moreover, the Company may suffer an adverse impact on its business from a loss of social trust. Such events could have an adverse impact on the Company's operating results.

(Risks Relating to Laws and Regulations)

We operate our businesses globally, including our medical business, which is a regulated business. We are subject to various laws, including the Antimonopoly Act of Japan and the laws on medical care of Japan and similar laws in other countries and jurisdictions, as well as the anti-bribery provisions of the U.S. Foreign Corrupt Practices Act of 1977 (FCPA), the U.K. Anti-Bribery Act and other anti-bribery laws in other countries and jurisdictions. We are also subject to various laws targeting fraud and abuse in the healthcare industry, including the Act Against Unjustifiable Premiums and Misleading

Representations in Japan and the Anti-Kickback Statute and the False Claims Act in the United States.

With respect to the medical business, because government-sponsored healthcare systems have developed around the world, our group companies and many of their distributors and suppliers do business with government affiliated entities, healthcare providers and officials. Our group companies and their distributors and suppliers operate in countries or jurisdictions where there has been governmental corruption in the past, and in certain circumstances strict compliance with anti-bribery laws may conflict with local customs and practices. In addition, the various laws and regulations targeting fraud and abuse in the healthcare industry are wide-ranging and subject to changing interpretation and application, which could restrict our sales or marketing practices.

Violations of these laws may be punishable by criminal or civil fines, imprisonment and/or exclusion from participation in certain national healthcare programs. Furthermore, since many of our customers rely on reimbursement from public health insurance and other government programs to subsidize their medical expenditures, if our participation in such programs would be restricted as a result of a violation of these laws, that could adversely affect the demand for our products and the number of procedures performed using our devices.

We strive to fully comply with these laws, but if we engaged in conduct that violated them, regardless of whether we intentionally violated them or not, that may affect our business, financial condition, results of operations and cash flows as well as the price of shares of our common stock.

Furthermore, an overseas subsidiary of the Company, in February 2016, agreed to enter into a Deferred Prosecution Agreement with the DOJ in connection with suspicion of violation of the Anti-Kickback Statute, the U.S. False Claims Act, and the FCPA, concerning past activities related to the Medical Systems Business. Moving forward, if we engage in conduct that violates these laws, we will not only receive sanctions related to said violation, but also prosecution will be carried out related to the past case in which the Company was subject to deferred prosecution, and this may affect our business, financial condition, results of operations and cash flows as well as the price of shares of our common stock.

(Risks Relating to Duodenoscopes)

In March and August 2015, the U.S. Department of Justice issued a subpoena to Olympus Medical Systems Corp., a subsidiary of ours. The subpoena seeks information relating to duodenoscopes that the Olympus Group manufactures and sells. In addition, the Olympus Group has been named as defendants in civil lawsuits in the United States alleging that the plaintiffs were harmed as of our group’s duodenoscopes as of April 30, 2016. Depending on the developments in these matters, our consolidated results of operations and financial condition may be affected.

(Other Comprehensive Risks)

Through its domestic and overseas subsidiaries and affiliates, etc., the Company operates its various businesses globally. These 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 acts and acts related to pharmaceutical and medical device 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 affected 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 affected.

2. Status of the Corporate Group

The Company and its 120 subsidiaries and 4 affiliated companies are engaged mainly in the manufacture and sales of products in Medical Systems, Scientific Solutions, Imaging Systems, and Others. There are also holding companies and Financial Investment, etc. related to each business.

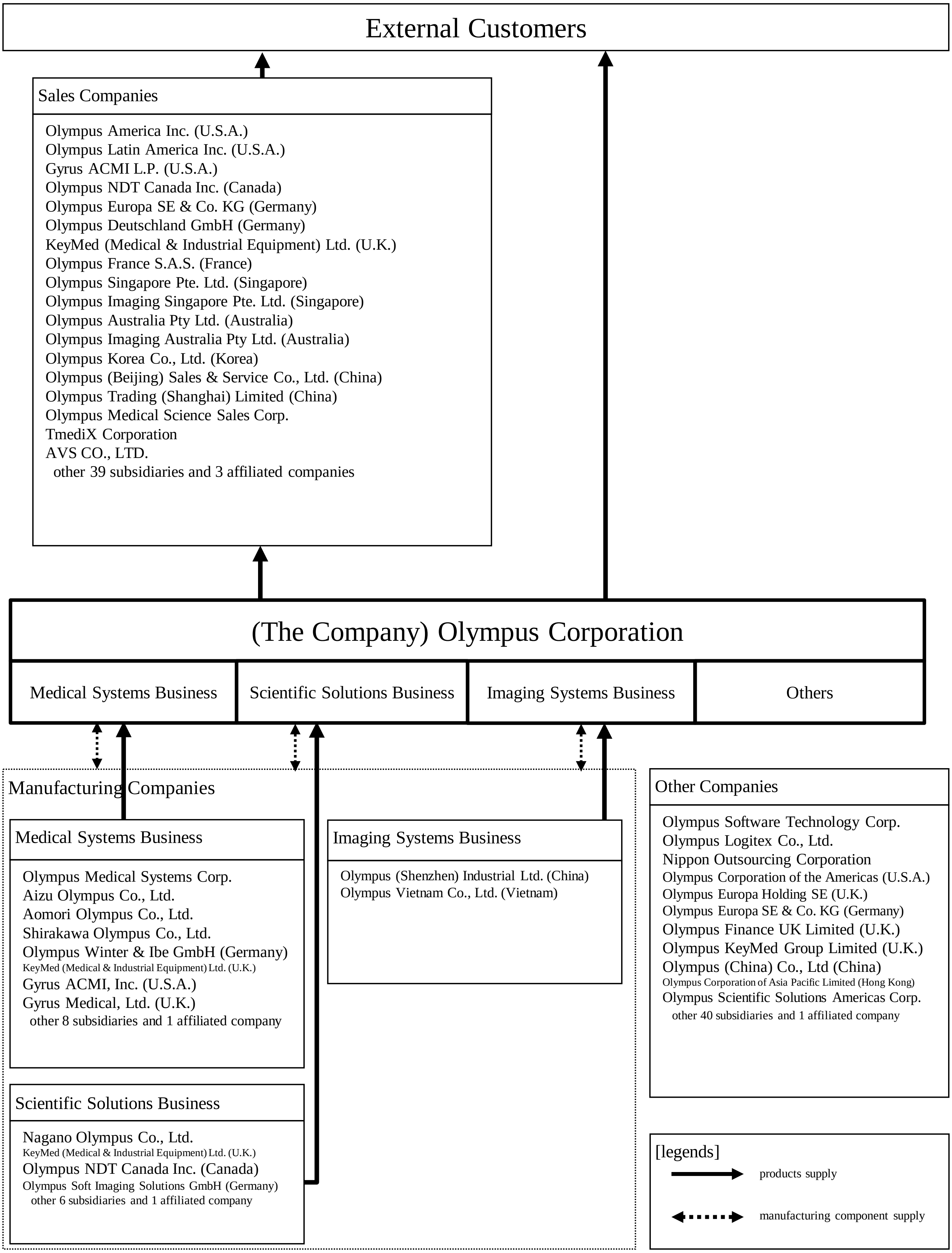
Described below are business of the corporate group, roles of each business and relations to business segments.

Segmentation	Main products and business	Principal consolidated subsidiaries
Medical Systems	Gastrointestinal endoscopes, Surgical endoscopes, Endo-therapy devices, Ultrasound endoscopes	Olympus Corporation (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 SE & Co. KG, 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. (Affiliated company) Sony Olympus Medical Solutions Inc.
Scientific Solutions	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 Scientific Solutions Americas Corp. Olympus Europa SE & Co. KG, Olympus Soft Imaging Solutions GmbH, KeyMed (Medical & Industrial Equipment) Ltd., Olympus (China) Co., Ltd., Olympus Singapore Pte. Ltd.
Imaging Systems	Digital cameras, Voice recorders	Olympus Corporation (Consolidated subsidiaries) Olympus America Inc., Olympus Europa SE & Co. KG, Olympus Hong Kong and China Limited, Olympus Korea Co., Ltd., Olympus (Shenzhen) Industrial Ltd., Olympus Imaging Singapore Pte. Ltd.
Others	Biomedical materials, System development etc.	Olympus Corporation (Consolidated subsidiaries) Olympus Terumo Biomaterials Corp., Olympus Systems Co., Ltd., Nippon Outsourcing Corporation
Common	Holding companies, Financial investment	Olympus Corporation (Consolidated subsidiaries) Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus Europa SE & Co. KG, Olympus KeyMed Group Limited, Olympus Corporation of Asia Pacific Limited, Olympus Finance UK Limited

Notes: 1. As of April 1, 2015, Olympus Imaging Corp. was merged with the Company in an absorption-type merger.

2. As of April 1, 2015, Olympus Engineering Co., Ltd. was merged with Nagano Olympus Co., Ltd. in an absorption-type merger.

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



3. Operating Policy

(1) Basic Management Policy

The Olympus Group refers to the concept of assimilating, as members, with society, sharing values with other members of society, and making people's lives healthy and happy by proposing new values through business activities as "Social IN," and identifies the concept as the leading motive underlying all our activities.

(2) Target Management Benchmarks

In the new five-year medium-term management (16CSP) which will start in the fiscal year ending March 31, 2017, the Company specified that it will monitor the effectiveness of the strategy's implementation in accordance with the four business objectives in the table below, and set the numerical target of each business objective.

Business Objective	Target
1) Return On Equity (ROE)	15%
2) Operating ratio	15%
3) EBITDA	Double-digit average annual growth rate during 16CSP period
4) Equity ratio	50%

(3) Medium/Long-Term Management Strategy and Issues That Olympus Group Should Address

Under 16CSP, the Company has established two new operating policies, "Business to Specialist" Company and "One Olympus."

- "Business to Specialist" Company

  Olympus defines a "Business to Specialist" Company as a company that can accurately understand the demands and unmet needs of highly specialized expert and aspirational customers (specialist) and respond by proposing and providing compelling solutions in a timely manner. Over the years, Olympus has continued to exercise its strengths as a "Business to Specialist" Company to grow by earning the trust of customers.

  Going forward, we will continue to utilize these strengths as we seek to become an even-more valuable partner to our customers by calling upon our innovative thinking, expertise in advancing technology, operational excellence, and unsurpassed integrity.

- One Olympus

  We will maximize the performance of the entire Olympus Group by sharing values and strategies and making full use of management resources on a global and Groupwide basis.

Based on this concept, we will implement the following priority strategies.

1) Take action to grow businesses

- Expand lineups and promote sales of strategic products
- Shift from installation based medical business model to procedure based medical business model
- Pursue growth opportunities in peripheral businesses

2) Acquire necessary management resources in a timely manner and fully leverage these resources

- Manage portfolio of businesses in fields with low growth potential and shift management resources to growing business fields
- Recruit and develop capable human resources in a timely manner
- Optimize global R&D systems and production systems (production site planning)

3) Advance forward-looking preparations to realize continued growth

- Develop businesses and conduct upfront investments from a long-term perspective (technology research, exploration, and development)
- Promote development of new businesses to advance minimally invasive treatments
- Advance long-term measures for expanding businesses in emerging countries

4) Pursue further business efficiency improvements

- Reduce costs and improve efficiency by optimizing product lineups
- Standardize processes and improve inventory management

5) Enhance management on a global and Groupwide basis

- Strengthen and improve the efficiency of Functions
- Develop a mindset to realize One Olympus

6) Strengthen QA/RA and internal controls and promote strict compliance

- Enhance quality management systems and organizations to further business expansion in medical field
- Further strengthen internal control functions
- Construct and implement compliance and governance systems suited to a truly global company

4. Basic Rationale for Selecting the Accounting Standards

The Olympus Group has been conducting a review with respect to moving toward future adoption of IFRS, with the aim of bringing about more precise management of our business through accounting standards that are unified throughout the organization.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
ASSETS		
Current assets		
Cash and time deposits	209,875	166,554
Notes and accounts receivable	148,127	140,666
Lease receivables and lease investment assets	31,683	33,565
Merchandise and finished goods	57,179	54,245
Work in process	24,585	21,993
Raw materials and supplies	25,623	35,320
Deferred income taxes	40,341	38,461
Other current assets	44,384	36,478
Allowance for doubtful accounts	(4,269)	(6,590)
Total current assets	577,528	520,692
Fixed assets		
Property, plant and equipment		
Buildings and structures	127,751	136,344
Accumulated depreciation	(78,998)	(79,864)
Buildings and structures, net	48,753	56,480
Machinery and equipment	53,225	54,804
Accumulated depreciation	(41,805)	(42,521)
Machinery and equipment, net	11,420	12,283
Tools, furniture and fixtures	205,607	205,084
Accumulated depreciation	(146,194)	(149,996)
Tools, furniture and fixtures, net	59,413	55,088
Land	16,073	22,832
Lease assets	16,703	19,200
Accumulated depreciation	(7,812)	(9,618)
Lease assets, net	8,891	9,582
Construction in progress	5,595	9,799
Net property, plant and equipment	150,145	166,064
Intangible assets		
Goodwill	114,025	97,190
Others	66,622	53,607
Total intangible assets	180,647	150,797
Investments and other assets		
Investment securities	72,263	71,141
Long-term loans receivable	16	–
Deferred income taxes	9,480	11,421
Net defined benefit asset	36,547	24,749
Other assets	64,481	64,804
Allowance for doubtful accounts	(9,556)	(9,054)
Total investments and other assets	173,231	163,061
Total fixed assets	504,023	479,922
Total assets	1,081,551	1,000,614

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
LIABILITIES		
Current liabilities		
Notes and accounts payable	39,155	40,597
Short-term borrowings	101,135	26,656
Current maturities of bonds	–	30,000
Other payable	37,450	36,762
Accrued expenses	83,391	90,438
Income taxes payable	12,612	9,120
Provision for product warranties	5,116	6,314
Provision for points	–	207
Provision for loss on business liquidation	481	298
Provision for loss on litigation	11,000	567
Provision related to the U.S. Anti-kickback Statute	58,883	–
Other current liabilities	25,570	25,666
Total current liabilities	374,793	266,625
Non-current liabilities		
Long-term bonds, less current maturities	55,000	25,000
Long-term borrowings, less current maturities	198,286	239,482
Deferred income taxes	39,160	28,386
Net defined benefit liability	38,429	38,645
Provision for retirement benefits for directors and audit & supervisory board members	34	38
Other non-current liabilities	18,595	18,155
Total non-current liabilities	349,504	349,706
Total liabilities	724,297	616,331
NET ASSETS		
Shareholders' equity		
Common stock	124,520	124,520
Capital surplus	90,940	90,940
Retained earnings	113,817	172,989
Treasury stock, at cost	(1,111)	(1,122)
Total shareholders' equity	328,166	387,327
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	24,764	24,947
Net unrealized gains (losses) on hedging derivatives, net of taxes	(8)	(7)
Foreign currency translation adjustments	15,285	(8,686)
Remeasurements of defined benefit plans	(12,745)	(21,222)
Total accumulated other comprehensive income	27,296	(4,968)
Subscription rights to shares	260	428
Non-controlling interests	1,532	1,496
Total net assets	357,254	384,283
Total liabilities and net assets	1,081,551	1,000,614

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	764,671	804,578
Costs of sales	274,820	269,341
Gross profit	489,851	535,237
Selling, general and administrative expenses	398,889	430,773
Operating income	90,962	104,464
Non-operating income		
Interest income	732	1,085
Dividends income	1,515	1,277
Reversal of allowance for doubtful accounts	750	–
Others	2,669	3,178
Total non-operating income	5,666	5,540
Non-operating expenses		
Interest expense	8,918	7,892
Foreign currency exchange loss	1,669	3,704
Advanced repayment expenses	1,117	–
Net loss of investment in affiliated companies carried on the equity method	2,791	2,675
Others	9,351	4,835
Total non-operating expenses	23,846	19,106
Ordinary income	72,782	90,898
Extraordinary income		
Gain on sales of investment securities	–	2,297
Legal settlement compensation	–	72
Total extraordinary income	–	2,369
Extraordinary losses		
Impairment loss on fixed assets	119	–
Loss on sales of investment securities	482	183
Soil improvement cost	745	–
Loss on liquidation of business	1,820	189
Business restructuring expenses	–	1,209
Loss related to securities litigation	6,816	2,072
Loss related to the U.S. Anti-kickback Statute	53,866	18,814
Total extraordinary losses	63,848	22,467

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Income before provision for income taxes	8,934	70,800
Income taxes, current	20,076	10,944
Income taxes for prior periods	–	3,172
Income taxes, deferred	(2,271)	(5,967)
Total	17,805	8,149
Net income (loss)	(8,871)	62,651
Net income (loss) attributable to non-controlling interests	(134)	57
Net income (loss) attributable to owners of the parent	(8,737)	62,594

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net income (loss)	(8,871)	62,651
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	12,928	183
Net unrealized gains (losses) on hedging derivatives, net of taxes	(7)	1
Foreign currency translation adjustments	28,759	(24,008)
Remeasurements of defined benefit plans, net of taxes	(7,013)	(8,477)
Share of other comprehensive income of associates accounted for using equity method	4	(4)
Total other comprehensive income	34,671	(32,305)
Comprehensive income	25,800	30,346
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	25,867	30,330
Comprehensive income attributable to non-controlling interests	(67)	16

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the beginning of the year	124,520	131,871	81,534	(1,098)	336,827
Cumulative effects of changes in accounting policies			89		89
Restated balance	124,520	131,871	81,623	(1,098)	336,916
Changes during the year					
Dividends from Surplus					–
Net income (loss) attributable to owners of the parent			(8,737)		(8,737)
Transfer to retained earnings from capital surplus		(40,931)	40,931		–
Acquisition of treasury stock				(13)	(13)
Disposal of treasury stock					–
Net changes in items other than shareholders' equity					
Net changes during the year	–	(40,931)	32,194	(13)	(8,750)
Balance at the end of the year	124,520	90,940	113,817	(1,111)	328,166

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Net unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income			
Balance at the beginning of the year	11,836	(1)	(13,411)	(5,732)	(7,308)	115	1,650	331,284
Cumulative effects of changes in accounting policies								89
Restated balance	11,836	(1)	(13,411)	(5,732)	(7,308)	115	1,650	331,373
Changes during the year								
Dividends from Surplus								–
Net income (loss) attributable to owners of the parent								(8,737)
Transfer to retained earnings from capital surplus								–
Acquisition of treasury stock								(13)
Disposal of treasury stock								–
Net changes in items other than shareholders' equity	12,928	(7)	28,696	(7,013)	34,604	145	(118)	34,631
Net changes during the year	12,928	(7)	28,696	(7,013)	34,604	145	(118)	25,881
Balance at the end of the year	24,764	(8)	15,285	(12,745)	27,296	260	1,532	357,254

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the beginning of the year	124,520	90,940	113,817	(1,111)	328,166
Cumulative effects of changes in accounting policies					–
Restated balance	124,520	90,940	113,817	(1,111)	328,166
Changes during the year					
Dividends from Surplus			(3,422)		(3,422)
Net income (loss) attributable to owners of the parent			62,594		62,594
Transfer to retained earnings from capital surplus					–
Acquisition of treasury stock				(12)	(12)
Disposal of treasury stock		0		1	1
Net changes in items other than shareholders' equity					
Net changes during the year	–	0	59,172	(11)	59,161
Balance at the end of the year	124,520	90,940	172,989	(1,122)	387,327

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Net unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income			
Balance at the beginning of the year	24,764	(8)	15,285	(12,745)	27,296	260	1,532	357,254
Cumulative effects of changes in accounting policies								–
Restated balance	24,764	(8)	15,285	(12,745)	27,296	260	1,532	357,254
Changes during the year								
Dividends from Surplus								(3,422)
Net income (loss) attributable to owners of the parent								62,594
Transfer to retained earnings from capital surplus								–
Acquisition of treasury stock								(12)
Disposal of treasury stock								1
Net changes in items other than shareholders' equity	183	1	(23,971)	(8,477)	(32,264)	168	(36)	(32,132)
Net changes during the year	183	1	(23,971)	(8,477)	(32,264)	168	(36)	27,029
Balance at the end of the year	24,947	(7)	(8,686)	(21,222)	(4,968)	428	1,496	384,283

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Income before provision for income taxes	8,934	70,800
Depreciation and amortization	41,219	39,912
Impairment loss on fixed assets	119	–
Amortization of goodwill	9,421	9,867
Advanced repayment expenses	1,117	–
Loss on liquidation of business	1,820	–
Loss related to securities litigation	6,816	2,072
Loss related to the U.S. Anti-kickback Statute	53,866	18,814
Increase (decrease) in net defined benefit liabilities	(914)	2,712
Decrease (increase) in net defined benefit assets	(7,501)	(5,500)
Increase (decrease) in provision for product warranties	(3,580)	1,420
Interest and dividend income	(2,247)	(2,362)
Interest expense	8,918	7,892
Net loss (gain) of investment in affiliated companies carried equity method	2,791	2,675
Increase (decrease) in provision for loss on business liquidation	(3,679)	(177)
Loss (gain) on sales of investment securities	482	(2,114)
Decrease (increase) in accounts receivable	(13,020)	2,006
Decrease (increase) in inventories	(7,214)	(7,008)
Increase (decrease) in accounts payable	(5,740)	1,965
Increase (decrease) in other payable	3,772	(1,572)
Increase (decrease) in accrued expense	7,672	5,179
Decrease (increase) in fixed lease receivables	(3,772)	(5,083)
Other	6,460	12,011
Sub-total	105,740	153,509
Interest and dividend received	2,247	2,362
Interest payments	(9,055)	(7,987)
Advanced repayment expense paid	(1,117)	–
Loss related to securities litigation paid	(4,716)	(13,975)
Loss related to the US Anti-kickback Statute paid	–	(72,455)
Income taxes paid	(26,288)	(12,833)
Net cash provided by operating activities	66,811	48,621

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from investing activities		
Deposits in time deposits	(312)	(217)
Withdrawals from time deposits	1,002	35
Purchase of property, plant and equipment	(35,955)	(50,422)
Purchases of intangible assets	(5,143)	(5,987)
Purchases of investment securities	(328)	(271)
Sales and redemption of investment securities	1,157	3,214
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	254	–
Proceeds from loans receivable	29	25
Payments for transfer of business	(798)	–
Other	482	726
Net cash used in investing activities	(39,612)	(52,897)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	7,977	(23,820)
Proceeds from long-term debt	1,545	73,886
Repayments of long-term debt	(77,061)	(78,240)
Purchase of treasury stock	(12)	(13)
Dividends paid	–	(3,422)
Dividends paid to non-controlling interests	(46)	(53)
Other	(2,588)	(2,208)
Net cash used in financing activities	(70,185)	(33,870)
Effect of exchange rate changes on cash and cash equivalents	1,451	(5,340)
Net increase (decrease) in cash and cash equivalents	(41,535)	(43,486)
Cash and cash equivalents at beginning of year	251,344	209,809
Cash and cash equivalents at end of year	209,809	166,323

(5) Notes Regarding Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 118

OlympusMEAFZ-LLC, which was newly established in the fiscal year ended March 31, 2016, has been included in consolidated subsidiaries.

Olympus Imaging Corp. and other 7 companies have been excluded from consolidated subsidiaries due to merger with the Company or other consolidated subsidiaries.

Altis Co., Ltd., Humalabo Co., Ltd. and 6 other companies 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. and another company

Reason of excluding from the scope of consolidation

The 2 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) Number of affiliated companies accounted for under the equity method: 4

Adachi Co., Ltd.

Olympus Opto Systems India Private Limited

OLYMPUS-RMS CORP.

Sony Olympus Medical Solutions Inc.

(2) Olympus-Supportmate Corp. and another non-consolidated subsidiary have not been accounted for under the equity method because the impact of all those companies on consolidated net income/loss and retained earnings is not material.

(Changes in Accounting Policies)

(Application of Accounting Standard for Business Combination, etc.)

Effective from the fiscal year ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the fiscal year ended March 31, 2016, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the consolidated financial statements for the fiscal year to which the date of business combination belongs. In addition, the presentation method for “net income” and other related items has been changed, and the presentation of “minority interests” has been changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its consolidated financial statements for the fiscal year ended March 31, 2015.

In the consolidated statements of cash flows for the fiscal year ended March 31, 2016, the method of recording cash flows from the purchase or sales of investment in subsidiaries not related to changes in scope of consolidation has been changed, and these cash flows are now classified under “Cash flows from financing activities.” Moreover, the method of recording cash flows relating to costs arising from the purchase of investment in subsidiaries related to changes in scope of consolidation and costs arising from the purchase or sales of investment in subsidiaries not related to changes in scope of consolidation has been changed, and these cash flows are now classified under “Cash flows from operating activities.”

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standard, etc. prospectively from the beginning of the fiscal year ended March 31, 2016.

The effect of these changes in accounting policies on the consolidated financial statements and per-share data is immaterial.

(Change in Method of Depreciation)

Previously, the Company and its consolidated subsidiaries in Japan have used the declining balance method for depreciating property, plant and equipment (excluding lease assets). However, from the fiscal year ended March 31, 2016, this has been changed to the straight-line method.

To achieve the basic strategy of the “Medium-Term Vision” announced by the Group in June 2012, of rebuilding of the business portfolio and optimal allocation of management resources, the Group has positioned the business domains of the Medical Systems Business, Scientific Solutions Business (formerly the Life Science and Industrial Systems Business), and the Imaging Systems Business, and has also set a clear policy of strategically concentrating management resources in the core Medical Systems Business. As part of this strategy, the Group conducted management integration and shifted to a new organization structure in April 2015, thereby transitioning from the in-house company system with three highly independent businesses, the Medical Systems Business, the Scientific Solutions Business, and the Imaging Systems Business, to a business operation structure that facilitates concentrated allocation of management resources in the Medical Systems Business. In doing so, the Group has reexamined its depreciation method in order to reflect the usage status of its property, plant and equipment more appropriately.

The Medical Systems Business is the Group’s core business and the majority of the Group’s property, plant and equipment in Japan are allocated to it. In the reorganization of the production system of the Medical Systems Business, the Group plans to transfer production of certain medical therapeutic devices overseas, while conducting stable production in Japan in high-value-added fields such as gastrointestinal endoscopes. Furthermore, from the fiscal year ended March 31, 2016, the new buildings in the main production sites in Japan will successively start operations, and the relative proportion of depreciation for

buildings within overall depreciation cost will increase. Given this situation, the Group expects to conduct stable, long-term operation of its property, plant and equipment in Japan in general, and has therefore changed the method of depreciation by uniformly adopting the straight-line method.
As a result, compared with the results under the previous method, operating income and ordinary income and income before provision for income taxes have increased by ¥3,637 million respectively.
In addition, net assets per share, net income per share and fully diluted net income per share increased by ¥10.63, ¥10.63 and ¥10.62 respectively.
The respective effects on segment information are stated in the relevant sections.

(Consolidated Statements of Income)

*1. Major items and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)
Advertising and promotion expenses	42,906	40,945
Salaries and allowance	124,863	135,247
Bonuses	28,073	30,826
Retirement benefit expenses	4,659	7,130
Amortization of goodwill	9,421	9,867
Experiment and research expenses	35,697	41,753
Depreciation	29,794	30,550

*2. Legal settlement compensation

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

With respect to the issue involving deferred recognition of past losses, the Company previously filed lawsuits against 19 former directors who were then serving as directors, and in the fiscal year ended March 31, 2016, settlement was reached with 13 of the former directors. Accordingly, the Company has recorded "legal settlement compensation" of ¥72 million as monetary settlement in the case.

*3. Impairment loss on fixed assets

Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

The Group accounted for impairment losses with respect to the following asset groups.

(Millions of yen)

Application	Type	Location	Impairment loss on fixed assets
Idle assets	Buildings and structures	Aomori	119
Total			119

In principle, the Group’s business assets are grouped mainly by segment, assets scheduled for disposal are grouped by assets to be disposed of by abandonment, sale, etc., and idle assets are grouped by individual asset.

During the fiscal year ended March 31, 2016, for idle assets that are not used for business, their book value is reduced to the recoverable amount. The recoverable amount is measured according to the realizable value (fair value less costs to sell) or the value in use, whichever is the higher amount. Assessment of the realizable value is based on the appraisal value and assessment of the value in use is based on future cash flows.

*4. Loss on liquidation of business

Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

The “loss on liquidation of business” of ¥1,820 million recorded under extraordinary losses mainly consists of losses incurred in relation to the liquidation of business operations of E-Globaledge Corporation, a consolidated subsidiary of the Company.

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

The “loss on liquidation of business” of ¥189 million recorded under extraordinary losses represents losses incurred in relation to the liquidation of business operations of Olympus Asset Management Limited, a consolidated subsidiary of the Company.

*5. Business restructuring expenses

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

The “business restructuring expenses” of ¥1,209 million represents expenses incurred in restructuring operations in order to better cope with the shrinking market in which the Imaging Systems Business operates, and other changes in that regard.

*6. Loss related to securities litigation

The Company has received claims for compensation for damages from several individual and institutional investors, for losses sustained as a result of the Company’s false statements for the purpose of postponing recognition of losses in the Annual Securities Reports, Semi-Annual Securities Reports and Quarterly Securities Reports for the period from the fiscal year ended March 31, 2001 through the first quarter of the fiscal year ended March 31, 2012. “Loss related to securities litigation” represents losses relating to these claims for compensation for damages. A breakdown of the losses is presented below.

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)
Settlement package	6,760	2,072
Compensation for damage	56	–
Total	6,816	2,072

“Settlement package” and “Compensation for damage” included the amount of settlements paid for some of the claims for damages and damages and interest on delayed payment based on a court judgment.

*7. Loss related to the U.S. Anti-kickback Statute

Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

The Company’s U.S. subsidiary, Olympus Corporation of the Americas has been the subject of an investigation by the U.S. Department of Justice (“DOJ”) relating to potential issues concerning its medical business under the Anti-Kickback Statute and the False Claims Act in the U.S. The Company recorded ¥53,866 million for “Loss related to the U.S. Anti-kickback Statute” as the expected loss burden to prepare for future losses in light of the status of the investigation proceedings.

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

Olympus Corporation of the Americas (“OCA”) had been the subject of an investigation by the DOJ relating to potential issues concerning its medical business over the years 2006 to 2011, under the Anti-kickback Statute and the U.S. False Claims Act. On February 29, 2016, Olympus Corporation of the Americas entered into a Deferred Prosecution Agreement and a Civil Settlement Agreement in that regard with the DOJ. Moreover, beginning in October 2011, OCA had also been the subject of an investigation by the DOJ relating to alleged violations of the U.S. Foreign Corrupt Practices Act (“FCPA”) concerning the medical business of Olympus Latin America, Inc. (“OLA”), an indirect U.S. subsidiary of Olympus Corporation, and Olympus Optical do Brasil, Ltda., a Brazilian subsidiary of OLA (“OBL”). On February 29, 2016, OLA and subsidiaries of Olympus Corporation (including OCA) entered into a Deferred Prosecution Agreement with the DOJ in that regard.

The Company recorded ¥18,814 million for “Loss related to the U.S. Anti-kickback Statute” to reflect criminal penalties, civil fines and interest in that regard in light of the agreements.

*8. Income taxes for prior periods

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

When a consolidated subsidiary of the Company transacts business with the Company or other consolidated subsidiaries, the Company records anticipated amounts of additional payment for corporate tax and other such obligations in "income taxes for prior periods," on the basis of prior applications submitted for approval regarding transfer price taxation.

(Consolidated Statements of Changes in Net Assets)

Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the year (shares)	Increase in number of shares during the year (shares)	Decrease in number of shares during the year (shares)	Number of shares at the end of the year (shares)
Issued shares				
Common stock	342,671,508	–	–	342,671,508
Total	342,671,508	–	–	342,671,508
Treasury stock, at cost				
Common stock (Note 1)	431,063	3,173	–	434,236
Total	431,063	3,173	–	434,236

Notes: 1. The increase of 3,173 shares of common stock in treasury stock was a result of the purchase of shares constituting less than one unit.

2. Matters regarding subscription rights to shares

Classifica-tion	Breakdown of subscription rights to shares	Class of shares to be issued upon exercise of subscrip-tion rights to shares	Number of shares to be issued upon exercise of subscription rights to shares (shares)				Balance at the end of the year (millions of yen)
			At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year	
Submitting company (Parent company)	Subscription rights to shares as share-based compensation stock options	–	–	–	–	–	260
Total		–	–	–	–	–	260

3. Items concerning dividends

(1) Paid dividends

No items to report

(2) Dividends whose record date falls in the current fiscal year and which have an effective date in the next fiscal year

(Resolution)	Class of shares	Total dividends (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2015	Common stock	3,422	Retained earnings	10	March 31, 2015	June 29, 2015

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the year (shares)	Increase in number of shares during the year (shares)	Decrease in number of shares during the year (shares)	Number of shares at the end of the year (shares)
Issued shares				
Common stock	342,671,508	–	–	342,671,508
Total	342,671,508	–	–	342,671,508
Treasury stock, at cost				
Common stock (Note 1)	434,236	2,771	400	436,607
Total	434,236	2,771	400	436,607

Notes: 1. The increase of 2,771 shares of common stock in treasury stock was a result of the purchase of shares constituting less than one unit.

2. The decrease of 400 shares of common stock in treasury stock was a result of the exercise of stock options.

2. Matters regarding subscription rights to shares

Classification	Breakdown of subscription rights to shares	Class of shares to be issued upon exercise of subscription rights to shares	Number of shares to be issued upon exercise of subscription rights to shares (shares)				Balance at the end of the year (millions of yen)
			At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year	
Submitting company (Parent company)	Subscription rights to shares as share-based compensation stock options	–	–	–	–	–	428
Total		–	–	–	–	–	428

3. Items concerning dividends

(1) Paid dividends

(Resolution)	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2015	Common stock	3,422	10	March 31, 2015	June 29, 2015

(2) Dividends whose record date falls in the current fiscal year and which have an effective date in the next fiscal year

(Resolution)	Class of shares	Total dividends (Millions of yen) (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28, 2016	Common stock	5,818	Retained earnings	17	March 31, 2016	June 29, 2016

(Segment Information, etc.)

[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.

Each business division of the Olympus Group 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 four reportable segments: Medical Systems Business, Scientific Solutions Business, Imaging Systems Business and Others.

The “Medical Systems Business” manufactures and sells gastrointestinal endoscopes, surgical endoscopes, endo-therapy devices and other products. The “Scientific Solutions Business” manufactures and sells biological microscopes, industrial microscopes, industrial endoscopes, non-destructive testing equipment and other products. The “Imaging Systems Business” manufactures and sells digital cameras, voice recorders and other products. The “Others” business manufactures and sells biomedical materials, and conducts system development and other business activities.

From the first quarter ended June 30, 2015, in conjunction with changes in the Company’s organization, a new business previously classified under the Imaging Systems Business (a new cross-functional business field aiming for a combination of medical systems and scientific solutions based on the engineering technology, electronic and imaging technology, network technology and manufacturing technology accumulated in the Imaging Systems Business, and growth in this form) has been changed to “Others.” Moreover, segment information for the fiscal year ended March 31, 2015 has been stated to reflect the segment classification after this change.

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.

As noted under “Changes in Accounting Policies,” with respect to the change in the method of depreciation of property, plant and equipment, whereas the Company and its consolidated subsidiaries in Japan have previously used the declining balance method, from the first quarter ended June 30, 2015, the method has been changed to the straight-line method.

In accordance with this change, compared to the results under the previous method, segment income for the fiscal year ended March 31, 2016 increased by ¥1,664 million in the Medical Systems Business, and ¥297 million in the Scientific Solutions Business, respectively, while segment loss in the Imaging Systems Business, the Others, and the Adjustment decreased by ¥621 million, 51 million, and ¥1,004 million, respectively.

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

Fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of yen)

	Reportable Segment					Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Medical Systems	Scientific Solutions	Imaging Systems	Others	Total		
Sales							
Sales to outside customers	558,348	103,880	79,437	23,006	764,671	–	764,671
Internal sales or transfer among segments	155	79	18	604	856	(856)	–
Total	558,503	103,959	79,455	23,610	765,527	(856)	764,671
Segment income (loss)	124,894	6,837	(11,710)	(970)	119,051	(28,089)	90,962
Segment assets	673,058	88,282	79,422	14,193	854,955	226,596	1,081,551
Other items							
Depreciation cost	28,850	5,260	2,594	540	37,244	3,975	41,219
Amortization of goodwill	8,715	677	–	29	9,421	–	9,421
Increase in property, plant and equipment and intangible assets	36,801	3,911	3,291	1,001	45,004	2,739	47,743

Notes:

1. The adjustments are as follows:

(1) The deduction of ¥856 million in internal sales or transfer among segments is elimination of transactions among segments.

(2) The deduction of ¥28,089 million listed as an adjustment to segment profit includes corporate expenses of ¥28,089 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the Corporate Center (management departments such as the Administrative Department) and Research & Development Center of the parent company.

(3) The ¥226,596 million listed as an adjustment of segment assets mainly consists of corporate assets not allocated to any reportable segment.

(4) The ¥3,975 million listed as a segment depreciation cost mainly consists of depreciation cost relating to corporate assets not allocated to any reportable segment.

(5) The ¥2,739 million listed as an increase in segment property, plant and equipment and intangible assets mainly consists of increase in fixed assets relating to corporate assets not allocated to any reportable segment.

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

Fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Reportable Segment					Adjustment Note: 1	Amount on consolidated financial statements (Note 2)
	Medical Systems	Scientific Solutions	Imaging Systems	Others	Total		
Sales							
Sales to outside customers	608,927	101,608	78,284	15,759	804,578	–	804,578
Internal sales or transfer among segments	0	74	10	445	529	(529)	–
Total	608,927	101,682	78,294	16,204	805,107	(529)	804,578
Segment income (loss)	140,220	8,482	(2,064)	(5,800)	140,838	(36,374)	104,464
Segment assets	642,788	80,865	65,741	13,282	802,676	197,938	1,000,614
Other items							
Depreciation cost	30,416	4,472	1,685	517	37,090	2,822	39,912
Amortization of goodwill	9,252	598	–	17	9,867	–	9,867
Increase in property, plant and equipment and intangible assets	46,430	5,645	3,091	888	56,054	8,391	64,445

Notes:

1. The adjustments are as follows:

(1) The deduction of ¥529 million in internal sales or transfer among segments is elimination of transactions among segments.

(2) The deduction of ¥36,374 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥36,374 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the Corporate Department (management departments such as the Administrative Department) and Research & Development Center of the parent company.

(3) The ¥197,938 million listed as an adjustment of segment assets mainly consists of corporate assets not allocated to any reportable segment.

(4) The ¥2,822 million listed as a segment depreciation cost mainly consists of depreciation cost relating to corporate assets not allocated to any reportable segment.

(5) The ¥8,391 million listed as an increase in segment property, plant and equipment and intangible assets mainly consists of increase in fixed assets relating to corporate assets not allocated to any reportable segment.

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

[Related Information]

The fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

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
161,432	249,896	195,223	139,274	18,846	764,671

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	America	Europe	Asia	Total
57,179	44,881	28,024	20,061	150,145

Notes: 1. Countries and regions are segmented by geographical proximity.
2. Major countries and regions other than Japan are as follows:
(1) 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, 2016 (April 1, 2015 - March 31, 2016)

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
163,070	282,108	195,606	145,986	17,808	804,578

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	America	Europe	Asia	Total
81,970	37,925	28,505	17,664	166,064

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

[Information regarding impairment loss on fixed assets by reportable segment]

The fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of yen)

	Medical Systems	Scientific Solutions	Imaging Systems	Others	Unallocation or Elimination	Total
Impairment loss on fixed assets	–	–	–	–	119	119

The fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Medical Systems	Scientific Solutions	Imaging Systems	Others	Unallocation or Elimination	Total
Impairment loss on fixed assets	–	–	–	–	–	–

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

The fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of yen)

	Reportable Segment				Total
	Medical Systems	Scientific Solutions	Imaging Systems	Others	
Unamortized balance	111,205	2,749	–	71	114,025

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

The fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Reportable Segment				Total
	Medical Systems	Scientific Solutions	Imaging Systems	Others	
Unamortized balance	95,122	2,013	–	55	97,190

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

[Information regarding gain on negative goodwill by reportable segment]

No items to report

(Per-Share Data)

	The fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)	The fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)
Net assets per share	¥1,038.64	¥1,117.24
Net income (loss) per share	¥(25.53)	¥182.90
Fully diluted net income per share	–	¥182.84

Notes: 1. Although there are potential shares in existence, fully diluted net income per share is not recorded for the fiscal year ended March 31, 2015 because the Company recorded net loss per share.

2. The basis for calculating net income (loss) per share is as follows:

(Millions of yen)

	The fiscal year ended March 31, 2015 (April 1, 2014 - March 31, 2015)	The fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)
Amount of net income (loss) attributable to owners of the parent	(8,737)	62,594
Amount not attributable to common shareholder	–	–
Net income (loss) attributable to owners of the parent concerning common stock	(8,737)	62,594
Average number of shares during the year	342,238,820 shares	342,235,989 shares
Fully diluted net income per share		
Adjustment for amount of net income attributable to owners of the parent	–	–
Increase in number of shares of common stock	–	107,775 shares
(Subscription rights to shares included therein)	(–)	(107,775 shares)
Outline of the residual securities excluded from the calculation of the fully diluted net income per share because they have no dilutive effects	2 types of subscription rights to shares (Number of subscription rights to shares: 791)	—

(Important Subsequent Event)

No items to report