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[Attached Documents to Notice Regarding the Convocation of General Meeting of Shareholders for the 144th Term]

Securities Code 7733

Report for the 144th Term

1. Business Report for the 144th Term
   (April 1, 2011 to March 31, 2012)
2. Consolidated Financial Statements and Non-Consolidated Financial Statements for the 144th Term
   (April 1, 2011 to March 31, 2012)
3. Audit Reports of the Accounting Auditor and the Board of Corporate Auditors referred to above 1. and 2.

OLYMPUS CORPORATION

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Business Report

(April 1, 2011 to March 31, 2012)

I Review of Group Operations

1. Review of Operations

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

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

However, during the investigation conducted by the independent Third Party Committee, which started in November 2001, into the past corporate acquisitions made by the Company, it was discovered that the Company had postponed recognition of losses and resolved them in an inappropriate manner.

As a result, the Company filed amendment reports of past Annual Securities Reports and the like in December 2011 and corrected financial statements, which were approved by the Extraordinary General Meeting of Shareholders held in April 2012. At this Extraordinary General Meeting of Shareholders, all Directors and Corporate Auditors resigned from office for complete reform of the management system of the Company.

In addition, in order to clarify the legal liability, if any, of current and past officers and others involved in a series of issues including the postponing of recognition of losses in the past, the Company established a Director Liability Investigation Committee and a Non-director Management Liability Investigation Committee. In January 2012, the Company brought lawsuits for damages against 19 current and past Directors of the Company for a maximum claim amount of ¥3,610 million and lawsuits for damages against 5 current and past Corporate Auditors of the Company for a maximum claim amount of ¥1,000 million.

Given these circumstances, the Company has implemented fundamental reform of its corporate governance system under the guidance and advice of the Management Reform Committee consisting of external knowledgeable persons.

With respect to efforts made in each business, in the Medical Systems Business, we implemented a variety of measures to minimize the impact of the earthquake on product supply, and developed large-scale new products in the gastrointestinal endoscope field and the surgical and therapeutic devices field. In the Life Science and Industrial Systems Business, we launched new products in ultrasonographic inspection systems, microscopes and industrial endoscopes. Regarding the Imaging Systems Business, we enhanced the lineup of products compliant with the “Micro Four Thirds System” standard and worked to implement cost reductions.

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

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

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

We sincerely regret that, due to the significant amount of net loss posted in the current fiscal year, no year-end dividends will be paid.

Notes: 1. For monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off.

2. Comparison with the previous fiscal year is prepared based on the corrected financial statements for that fiscal year.

2. Results of the Business Activities by Business Segment

Medical Systems Business

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

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

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

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

Life Science and Industrial Systems Business

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

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

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

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

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

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

Imaging Systems Business

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

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

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

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

Information & Communication Business

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

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

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

Others

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

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

Operating loss for other businesses expanded because of increased research and development costs for a regenerative medicine-related business acquired in the past.

3. Financing and Capital Investment

(1) Financing

During the current fiscal year, Olympus took out new long-term borrowings of ¥60,000 million.

(2) Capital investment

A total of approximately ¥38,000 million was spent this fiscal year in capital investment. Major expenditures included fixed assets for demonstrations in the Medical Systems Business, metal molds for new products in the Imaging Systems Business and investment in upgrades in information infrastructure.

4. Future Challenges

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

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

With regard to a series of issues involving, among others, the postponing of recognition of losses in the past, the Company received a report from an independent Third Party Committee on December 6, 2011 identifying existing issues and recommendations toward the prevention of recurrence. In response to this report and in order to prevent such problems from occurring again, the Company formed an internal team and it has started discussing the matter in view of the findings of the Third Party Committee Report and based on the advice of the Management Reform Committee consisting of external knowledgeable persons. The team will draw up specific measures to prevent recurrence aimed in particular to strengthen the corporate governance system, to develop the internal control system, and to review the compliance system going forward.

The shares of the Company are currently designated as Securities on Alert by Tokyo Stock Exchange, Inc. The Company aims at the removal of such designation within one year through the all-out promotion of fundamental reform to reconstruct the internal control system toward the restoration of confidence in the Company.

The Company has adopted a new management policy upholding three slogans: “back to basics,” “One Olympus,” and “profitable growth.” The basics of Olympus are that we welcome constant challenges to be a company to develop the first and the best products in the world while taking a customer-centered approach and painstakingly responding to customer needs under the sense of mission to contribute to the development of the society through our products and solutions. The Company will return to the original management stance of Olympus that is strongly focused on technology and manufacturing. Under the slogan of “One Olympus,” the Company will unite the intentions and strategies of the entire Group into one cohesive force to make the most efficient use of management resources and the collective wisdom of the Group with good teamwork, thereby aiming at maximizing our output. We will also aim to achieve “profitable growth” by growing out of excessive focus on sales.

Based on this management policy, the Company will steadily implement basic strategies of (1) the reconstruction of the business portfolio and optimal allocation of management resources, (2) profitability improvement, (3) the maintenance of strong financial conditions, and (4) the reconstruction of the governance system, thereby striving to regain the confidence of shareholders, customers, and other stakeholders, which had been impaired by the series of problems mentioned above, and to enhance the corporate value of the Company.

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

To our shareholders, we appreciate your continuing support and understanding.

5. Changes in Assets and Results of Operation

(Millions of yen)

	141st term	142nd term	143rd term	144th term (current fiscal year)
Net sales	980,803	883,086	847,105	848,548
Ordinary income	25,679	46,075	23,215	17,865
Net income (loss)	(50,561)	52,527	3,866	(48,985)
Net income (loss) per share (Yen)	(188.85)	194.90	14.39	(183.54)
Total assets	1,038,253	1,104,528	1,019,160	966,526
Net assets	110,907	163,131	115,579	48,028
Net assets per share (Yen)	387.31	576.63	421.37	167.76

Notes:
1. The above figures are amounts based on the corrected financial statements for that term.
2. In the 141st term, the Company recorded a consolidated net loss due to the recording of an extraordinary loss of ¥46,100 million including loss on valuation of investment securities and lump-sum amortization of goodwill.
3. See “I Review of Group Operations 1. Review of Operations” on pages 3 to 4 above for details on results for the 144th term (current fiscal year).

6. Major Parent Companies and Subsidiaries

(1) Relationship with parent companies

There is no relevant information.

(2) Major subsidiaries

There are 188 consolidated subsidiaries, including the following 7 major subsidiaries, and 4 equity-method companies.

Name of company	Capital stock or investment	Ratio of capital contribution by the Company (%)	Principal business
Olympus Medical Systems Corp.	¥1,000 million	100.0	Manufacture and sale of medical treatment-related products
Olympus Imaging Corp.	¥11,000 million	100.0	Manufacture and sale of image-related products
ITX Corporation	¥25,444 million	100.0	Sale of mobile terminals including mobile handsets
Olympus Business Creation Corp.	¥11,000 million	100.0	Discovery and development of new business, and holding company to conduct business management of fledgling subsidiaries
Olympus Corporation of the Americas	$13,000	100.0	Holding company to conduct comprehensive management planning for U.S. subsidiaries and affiliates
Olympus Europa Holding GmbH	€100,000,000	100.0	Sale of medical treatment-related, life science and industrial-related and image-related products, and comprehensive management planning for European subsidiaries and affiliates
Olympus Corporation of Asia Pacific Limited	HK$611,170,000	100.0	Holding company to conduct comprehensive management planning for subsidiaries and affiliates in Asia

7. Principal Business

Segment	Principal products and business
Medical Systems Business	Manufacture and sale of medical endoscopes, surgical endoscopes, ultrasound endoscopes and endo-therapy devices
Life Science and Industrial Systems Business	Manufacture and sale of biological microscopes, industrial microscopes, industrial endoscopes and non-destructive testing equipment
Imaging Systems Business	Manufacture and sale of digital cameras and voice recorders
Information & Communication Business	Sale of mobile terminals including mobile handsets
Others	System development, manufacture and sale of biomedical materials etc.

8. Principal Places of Business and Plants

(1) Principal places of business of the Company

Head Office	Shibuya-ku, Tokyo
Main Office	Shinjuku-ku, Tokyo
R&D Center	Hachioji-shi, Tokyo
Nagano Facility	Kamiina-gun, Nagano
Shirakawa Facility	Nishi-Shirakawa-gun, Fukushima
Branches	Sapporo, Nagoya, Osaka, Hiroshima, Fukuoka
Sales Offices	Sendai, Yokohama, Niigata, Matsumoto, Shizuoka, Kanazawa, Matsuyama

(2) Principal places of business of the Company's subsidiaries

Olympus Medical Systems Corp.	Shibuya-ku, Tokyo (Head office) Shinjuku-ku, Tokyo (Main office)
Olympus Imaging Corp.	Shibuya-ku, Tokyo (Head office) Shinjuku-ku, Tokyo (Main office)
ITX Corporation	Minato-ku, Tokyo
Olympus Business Creation Corp.	Shinjuku-ku, Tokyo
Olympus Corporation of the Americas	U.S.
Olympus Europa Holding GmbH	Germany
Olympus Corporation of Asia Pacific Limited	China

9. Employee Situation of the Group

Segment	Numbers of employees	Increase (decrease) from the previous fiscal year
Medical Systems Business	15,338 (887)	+508 (+71)
Life Science and Industrial Systems Business	4,755 (395)	+140 (–89)
Imaging Systems Business	9,533 (2,111)	–1,274 (–328)
Information & Communication Business	966 (1,344)	+155 (+66)
Others	1,758 (260)	+40 (–56)
Management division	1,762 (12)	+152 (+9)
Total	34,112 (5,009)	–279 (–327)

Notes: 1. The number of employees represents individuals working within the Group and includes employees on loan to the Group but does not include employees on loan outside the Group. The average number of temporary employees for the year is shown in parentheses in the column of "Numbers of employees."

2. The decrease in the number of employees in the Imaging Systems Business by 1,274 compared to the previous fiscal year is mainly due to production adjustments at overseas plants, etc.

10. Principal Lenders

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	90,930
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	78,295

II Matters Concerning Shares

1. Total Number of Shares Authorized to be Issued: 1,000,000,000 shares

2. Total Number of Issued Shares: 266,861,730 shares

(Excluding treasury stock 4,421,878 shares)

3. Number of Shareholders as of March 31, 2012: 45,621

4. Principal Shareholders (Top 10)

Shareholders	Numbers of shares held	Shareholding ratio
Nippon Life Insurance Company	13,286,618	4.98%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,286,586	4.98%
The Master Trust Bank of Japan, Ltd. (trust account)	10,071,500	3.77%
Japan Trustee Services Bank, Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account are entrusted to The Sumitomo Trust & Banking Co., Ltd., which consigns their management to Japan Trustee Service Bank, Ltd.)	9,004,000	3.37%
Japan Trustee Services Bank, Ltd. (trust account)	8,448,100	3.17%
Sumitomo Mitsui Banking Corporation	8,350,648	3.13%
Morgan Stanley Private Bank, National Association PB Client Custody	6,941,900	2.60%
Terumo Corporation	5,581,000	2.09%
State Street Bank and Trust Company 505223	4,966,442	1.86%
The Hachijuni Bank, Ltd.	4,136,559	1.55%

Notes: 1. The Company holds 4,421,878 shares of treasury stock but is excluded from the above principal shareholders.
2. The shareholding ratio is calculated with the amount of treasury stock (4,421,878 shares) deducted.
3. On April 1, 2012, The Sumitomo Trust & Banking Co., Ltd. was merged with The Chuo Mitsui Trust and Banking Company, Limited and Chuo Mitsui Asset Trust and Banking Company, Limited and was renamed to Sumitomo Mitsui Trust Bank, Limited.

III Matters Concerning Board of Directors and Corporate Auditors

1. Name of Directors and Corporate Auditors (As of March 31, 2012)

Appointment	Name	Position and responsibility in the Company and important concurrent positions at other organizations
Representative Director	Shuichi Takayama	Group President of Imaging Group, Director in charge of Opto Business Project, President of Group Management Office, Group Compliance Officer / President and Representative Director, Olympus Imaging Corp.
Director	Haruhito Morishima	Group President of Medical Systems Group / President and Representative Director, Olympus Medical Systems Corp.
Director	Masataka Suzuki	Group President of Corporate Center, Group President of Information & Communication Group, Director in charge of New Business Administration Div., Director in charge of Olympus Business Creation Corp., Group President of Asia & Oceania Management Group, Regional Compliance officer (OCAP), Group Compliance Office, Officer in charge of Asia & Oceania, Group Management Office Chairman of Olympus Corporation of Asia Pacific Limited
Director	Kazuhisa Yanagisawa	Group President of Corporate R&D Center
Director	Takashi Tsukaya	Group President of Corporate Monozukuri Innovation Center
Director	Kazuhiro Watanabe	Assistant to Group President, Corporate Center, Assistant to Group President of Asia & Oceania Management Group, Officer in charge of the Americas, Group Management Office President of Olympus Corporation of the Americas
Director	Shinichi Nishigaki	Group President of Life Science and Industrial Systems Group.
Director	Hironobu Kawamata	Group Vice President of the Corporate Center, Division Manager of Group Compliance Div., Group Compliance Office
Director	Yasuo Hayashida	Chairman of the Japanese Foundation for Research and Promotion of Endoscopy
Director	Hiroshi Kuruma	
Director	Junichi Hayashi	Representative Director, Angram Ltd.
Standing Corporate Auditor	Tadao Imai	
Corporate Auditor	Makoto Shimada	
Corporate Auditor	Yasuo Nakamura	

Notes:
1. Among the Directors, Yasuo Hayashida, Hiroshi Kuruma and Junichi Hayashi are Outside Directors.
2. Among the Corporate Auditors, Makoto Shimada and Yasuo Nakamura are Outside Corporate Auditors.

3. Principal revisions in position and responsibility in the Company and important concurrent positions at other organizations of Directors during the current fiscal year and after the end of the current fiscal year are as follows:

Name	Date of Revision	Position and responsibility in the Company and important concurrent positions at other organizations after revision	Position and responsibility in the Company and important concurrent positions at other organizations prior to revision
Shuichi Takayama	October 26, 2011	Representative Director	Director
	November 8, 2011	Group President of Imaging Group, Director in charge of Opto Business Project, President of Group Management Office, Group Compliance Officer / President and Representative Director, Olympus Imaging Corp.	Group President of Imaging Group, Director in charge of Opto Business Project / President and Representative Director, Olympus Imaging Corp.
	December 1, 2011	Group President of Imaging Group, Director in charge of Opto Business Project, President of Group Management Office, Group Compliance Officer / President and Representative Director, Olympus Imaging Corp. Chairman of the board of Olympus Corporation of the Americas	Group President of Imaging Group, Director in charge of Opto Business Project, President of Group Management Office, Group Compliance Officer / President and Representative Director, Olympus Imaging Corp.
	January 16, 2012	Group President of Imaging Group, Director in charge of Opto Business Project, President of Group Management Office, Group Compliance Officer / President and Representative Director, Olympus Imaging Corp.	Group President of Imaging Group, Director in charge of Opto Business Project, President of Group Management Office, Group Compliance Officer / President and Representative Director, Olympus Imaging Corp. Chairman of the board of Olympus Corporation of the Americas

Name	Date of Revision	Position and responsibility in the Company and important concurrent positions at other organizations after revision	Position and responsibility in the Company and important concurrent positions at other organizations prior to revision
Masataka Suzuki	November 1, 2011	Group President of Asia & Oceania Management Group, Regional Compliance officer (OCAP), Group Compliance Office / Officer in charge of Asia & Oceania, Group Management Office Chairman of Olympus Corporation of Asia Pacific Limited	Group President of Asia & Oceania Management Group, Officer in charge of Asia & Oceania, Group Management Office Chairman of Olympus Corporation of Asia Pacific Limited
	December 7, 2011	Group President of Corporate Center, Group President of Information & Communication Group, Director in charge of New Business Administration Div., Director in charge of Olympus Business Creation Corp., Group President of Asia & Oceania Management Group, Regional Compliance officer (OCAP), Group Compliance Office, Officer in charge of Asia & Oceania, Group Management Office Chairman of Olympus Corporation of Asia Pacific Limited	Group President of Asia & Oceania Management Group, Regional Compliance officer (OCAP), Group Compliance Office, Officer in charge of Asia & Oceania, Group Management Office Chairman of Olympus Corporation of Asia Pacific Limited
	April 1, 2012	Group President of Corporate Center, Group President of Information & Communication Group, Director in charge of New Business Administration Div., Director in charge of Olympus Business Creation Corp., Group President of Asia & Oceania Management Group Chairman of Olympus Corporation of Asia Pacific Limited	Group President of Corporate Center, Group President of Information & Communication Group, Director in charge of New Business Administration Div., Director in charge of Olympus Business Creation Corp., Group President of Asia & Oceania Management Group, Regional Compliance officer (OCAP), Group Compliance Office, Officer in charge of Asia & Oceania, Group Management Office Chairman of Olympus Corporation of Asia Pacific Limited

Name	Date of Revision	Position and responsibility in the Company and important concurrent positions at other organizations after revision	Position and responsibility in the Company and important concurrent positions at other organizations prior to revision
Kazuhiro Watanabe	February 1, 2012	Assistant to Group President, Corporate Center, Officer in charge of the Americas, Group Management Office, President of Olympus Corporation of the Americas	Officer in charge of the Americas, Group Management Office, Division Manager of Corporate Div. of Americas, Corporate Center, President of Olympus Corporation of the Americas
	March 1, 2012	Assistant to Group President, Corporate Center, Assistant to Group President of Asia & Oceania Management Group, Officer in charge of the Americas, Group Management Office President of Olympus Corporation of the Americas	Assistant to Group President, Corporate Center, Officer in charge of the Americas, Group Management Office President of Olympus Corporation of the Americas
Hironobu Kawamata	October 1, 2011	Group Vice President of the Corporate Center / Division Manager of Group Compliance Div., Group Compliance Office	Group Vice President of the Corporate Center / Division Manager of Corporate Planning Div., Group Management Office
Tsuyoshi Kikukawa	October 26, 2011	Director	Representative Director, Chairman
Hisashi Mori	July 1, 2011	President of Group Management Office / Division Manager of Group Internal Audit Div.	President of Group Management Office
	October 1, 2011	President of Group Management Office / Group Compliance Officer	President of Group Management Office / Division Manager of Group Internal Audit Div.
	November 8, 2011	—	President of Group Management Office / Group Compliance Officer
Michel Woodford	October 14, 2011	Director	Representative Director
		—	Chairman of the Board, Olympus Corporation of the Americas Executive Managing Director and Chairman of the board of Olympus Europa Holding GmbH

4. The following directors and auditor retired by resignation on November 24, 2011.

Director	Tsuyoshi Kikukawa
Director	Hisashi Mori
Standing Corporate Auditor	Hideo Yamada

5. The following director retired by resignation on December 1, 2011.

Director Michel Woodford

6. The following director retired by resignation on December 7, 2011.

Director Makoto Nakatsuka

7. The following directors and auditors retired by resignation on April 20, 2012.

Representative Director	Shuichi Takayama
Director	Haruhito Morishima
Director	Masataka Suzuki
Director	Kazuhisa Yanagisawa
Director	Takashi Tsukaya
Director	Kazuhiro Watanabe
Director	Shinichi Nishigaki
Director	Hironobu Kawamata
Outside Director	Yasuo Hayashida
Outside Director	Hiroshi Kuruma
Outside Director	Junichi Hayashi
Standing Corporate Auditor	Tadao Imai
Outside Corporate Auditor	Makoto Shimada
Outside Corporate Auditor	Yasuo Nakamura

8. The following directors and auditors assumed their post on April 20, 2012.

Appointment	Name	Position and Responsibility in the Company and important concurrent positions at other organizations
Chairman	Yasuyuki Kimoto	
Representative Director	Hiroyuki Sasa	
Director	Hideaki Fujizuka	Group President of the Corporate Center
Director	Yasuo Takeuchi	President of Group Management Office, Chairman of the board of Olympus Corporation of the Americas, Executive Managing Director, Chairman of the Board, Olympus Europa Holding GmbH
Director	Shigeo Hayashi	Group President of Corporate Monozukuri Innovation Center
Outside Director	Takuya Goto	Director, JSR Corporation President, Japan Marketing Association President, Asia Marketing Federation
Outside Director	Shiro Hiruta	Corporate Auditor, Nikkei Inc.
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Director, Nippon Sheet Glass Co., Ltd. Director, NKSJ Holdings, Inc. Chairman, Japan Association for CFOs
Outside Director	Motoyoshi Nishikawa	Corporate Auditor, NKSJ Holdings, Inc.
Outside Director	Hikari Imai	
Outside Director	Kiyotaka Fujii	President, Better Place Japan Co., Ltd.
Standing Corporate Auditor	Takashi Saito	
Standing Corporate Auditor	Masashi Shimizu	
Outside Corporate Auditor	Nobuo Nagoya	Chief, Nagoya CPA Office Auditor, Core Corporation
Outside Corporate Auditor	Katsuya Natori	Chief, Natori Law Office

Notes: 1. Among the Directors, Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai and Kiyotaka Fujii are Outside Directors and independent directors as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. Among the Corporate Auditors, Nobuo Nagoya and Katsuya Natori are Outside Corporate Auditors and independent auditors as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

3. Corporate Auditor Nobuo Nagoya is a certified public accountant and has considerable knowledge of finance and accounting.

9. Under the Company's executive officer system, the following are executive officers as of March 31, 2012. The "*" mark indicates individuals serving concurrently as Directors.

Appointment	Name
President and CEO *	Shuichi Takayama
Executive Vice President *	Haruhito Morishima
Senior Managing Executive Officer *	Masataka Suzuki
Senior Managing Executive Officer *	Kazuhisa Yanagisawa
Managing Executive Officer *	Takashi Tsukaya
Managing Executive Officer *	Kazuhiro Watanabe
Managing Executive Officer	Toshiaki Gomi
Managing Executive Officer	Masao Kuribayashi
Managing Executive Officer	Takashi Saito
Executive Officer *	Shinichi Nishigaki
Executive Officer *	Hironobu Kawamata
Executive Officer	Koichi Karaki
Executive Officer	Hitoshi Kawada
Executive Officer	Yoshihiko Masakawa
Executive Officer	Naohiko Kawamata
Executive Officer	Hiroyuki Sasa
Executive Officer	Yasuo Yoda
Executive Officer	Akira Kubota
Executive Officer	Yasuo Takeuchi
Executive Officer	Nobuyuki Koga
Executive Officer	Shigeo Hayashi
Executive Officer	Akihiro Taguchi
Executive Officer	Haruo Ogawa
Executive Officer	Il-Seok Bang

Notes: 1. The following executive officer retired on May 31, 2011.

Managing Executive Officer F. Mark Gumz

2. The following executive officer retired on September 30, 2011.

Executive Officer Norio Saito

3. The Company dismissed the following executive officer on October 14, 2011.

President and COO Michael Woodford

4. The following executive officer had a change to his appointment on October 26, 2011.

President and CEO Shuichi Takayama

5. The Company dismissed the following executive officer on November 8, 2011.

Executive Vice President Hisashi Mori

6. The following executive officer retired on December 7, 2011.

Managing Executive Officer Makoto Nakatsuka

7. The following executive officers were newly elected on April 1, 2012.

Senior Managing Executive Officer	Hideaki Fujizuka
Managing Executive Officer	Yasushi Sakai
Executive Officer	Atsushi Nishikawa
Executive Officer	Hisao Yabe
Executive Officer	Masamichi Handa
Executive Officer	Nobuhiro Abe
Executive Officer	Ken Yoshimasu
Executive Officer	Masahito Kitamura
Executive Officer	Tetsuo Kobayashi

8. The following executive officers retired on April 20, 2012.

President and CEO	Shuichi Takayama
Executive Vice President	Haruhito Morishima
Senior Managing Executive Officer	Masataka Suzuki
Senior Managing Executive Officer	Kazuhisa Yanagisawa
Managing Executive Officer	Takashi Tsukaya
Managing Executive Officer	Takashi Saito
Executive Officer	Hironobu Kawamata

9. The following executive officers had changes to their appointment on April 20, 2012.

President	Hiroyuki Sasa
Senior Managing Executive Officer	Yasuo Takeuchi
Senior Managing Executive Officer	Akihiro Taguchi
Managing Executive Officer	Shigeo Hayashi
Managing Executive Officer	Haruo Ogawa
Executive Officer	Kazuhiro Watanabe

10. The following are executive officers as of April 20, 2012. The "*" mark indicates individuals serving concurrently as Directors.

Appointment	Name
President*	Hiroyuki Sasa
Senior Managing Executive Officer *	Hideaki Fujizuka
Senior Managing Executive Officer *	Yasuo Takeuchi
Senior Managing Executive Officer	Akihiro Taguchi
Managing Executive Officer *	Shigeo Hayashi
Managing Executive Officer	Haruo Ogawa
Managing Executive Officer	Toshiaki Gomi
Managing Executive Officer	Masao Kuribayashi
Managing Executive Officer	Yasushi Sakai
Executive Officer	Kazuhiro Watanabe
Executive Officer	Shinichi Nishigaki
Executive Officer	Koichi Karaki
Executive Officer	Hitoshi Kawada
Executive Officer	Yoshihiko Masakawa
Executive Officer	Naohiko Kawamata
Executive Officer	Yasuo Yoda
Executive Officer	Akira Kubota
Executive Officer	Nobuyuki Koga
Executive Officer	Il-Seok Bang
Executive Officer	Atsushi Nishikawa
Executive Officer	Hisao Yabe
Executive Officer	Masamichi Handa
Executive Officer	Nobuhiro Abe
Executive Officer	Ken Yoshimasu
Executive Officer	Masahito Kitamura
Executive Officer	Tetsuo Kobayashi

2. Amount of Remuneration for Directors and Corporate Auditors

	Number	Total amount paid
Director	19	¥563 million
Corporate Auditor	5	¥72 million

Notes:
1. By resolution of the 143rd General Meeting of Shareholders held on June 29, 2011, the maximum monthly remuneration for Directors is set at ¥100 million and the annual bonus for Directors is ¥350 million. By resolution of the 138th General Meeting of Shareholders held on June 29, 2006, the maximum monthly remuneration for Corporate Auditors is set at ¥10 million and no bonuses are paid to Corporate Auditors.
2. The above amount of remuneration for Directors does not include ¥44 million in salaries for employees serving concurrently as Directors.
3. Of the above amount of remuneration for Directors and Corporate Auditors, the total amount paid to 7 Outside Directors and Outside Corporate Auditors (5 Outside Directors, 2 Outside Corporate Auditors) is ¥68 million.
4. The total amount paid of remuneration for Directors and Corporate Auditors to 1 Outside Director during the current fiscal year from a subsidiary of the Company is ¥600 thousand.
5. All Directors and Corporate Auditors gave up their respective monthly remuneration during the period from December 1, 2011 to April 20, 2012. The amounts of remuneration for Directors and Corporate Auditors shown in the above table represent the amounts after such giving up of remuneration.
6. The numbers of Directors and Corporate Auditors who received remuneration shown in the above table include 4 Directors and 1 Corporate Auditor who resigned at the close of the 143rd General Meeting of Shareholders held on June 29, 2011 and 4 Directors and 1 Corporate Auditor who resigned during the fiscal year under review after the close of this General Meeting of Shareholders.

3. Matters Concerning Outside Directors and Outside Corporate Auditors

(1) Relations between other organizations where important concurrent positions are assumed and the Company

Director Yasuo Hayashida is Chairman of the Japanese Foundation for Research and Promotion of Endoscopy, to which the Company has made donations.

Director Junichi Hayashi is Representative Director of Angram Ltd., which does not have business relations with the Company. He retired as an Outside Corporate Auditor at ITX Corporation, which is a wholly owned subsidiary of the Company, as of June 23, 2011.

Note: The description above is about the Outside Directors and Outside Corporate Auditors who held office during the period from the day immediately following the date on which the General Meeting of Shareholders of the Company held on June 29, 2011 to the last day of the fiscal year under review.

(2) Major activities during current fiscal year

Yasuo Hayashida, Director

Mr. Hayashida attended 21 of the 22 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the 143rd General Meeting of Shareholders held on June 29, 2011 and made statements as he saw fit, based on his profound knowledge and broad insight as a medical doctor from a perspective that is independent of the management engaged in the execution of business operations. However, he had no knowledge of a series of issues involving, among others, the Company's postponing of recognition of losses in the past until they came to light. Thereafter, he has participated in deliberations on responses to these issues and measures to prevent recurrence and stated his opinions on such topics as legal compliance and the improvement of internal control. He also selected candidates for officers at a meeting of the Nominating Committee held to nominate candidates for new officers and proposed them to the Board of Directors.

Hiroshi Kuruma, Director

Mr. Kuruma attended 21 of the 22 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the 143rd General Meeting of Shareholders held on June 29, 2011 and made statements as he saw fit, based on his profound knowledge and broad insight as a business manager from a perspective that is independent of the management engaged in the execution of business operations. However, he had no knowledge of a series of issues involving, among others, the Company's postponing of recognition of losses in the past until they came to light. Thereafter, he has participated in deliberations on responses to these issues and measures to prevent recurrence and stated his opinions on such topics as legal compliance and the improvement of internal control. He also selected candidates for officers at a meeting of the Nominating Committee held to nominate candidates for new officers and proposed them to the Board of Directors..

Junichi Hayashi, Director

Mr. Hayashi attended all 26 Board of Directors' meetings held during the current fiscal year and made statements as he saw fit, based on his profound knowledge and broad insight as a business manager, and from experience in the securities industry from a perspective that is independent of the management engaged in the execution of business operations. However, he had no knowledge of a series of issues involving, among others, the Company's postponing of recognition of losses in the past until they came to light. Thereafter, he has participated in deliberations on responses to these issues and measures to prevent recurrence and stated his opinions on such topics as legal compliance and the improvement of internal control.

Makoto Shimada, Corporate Auditor

Mr. Shimada attended all 26 Board of Directors' meetings and all 45 Board of Corporate Auditors' meetings held during the current fiscal year and made statements as he saw fit from the perspective of a business manager with profound knowledge to ensure appropriate and fair decision making by the Board of Directors. However, he had no knowledge of a series of issues involving, among others, the Company's postponing of recognition of losses in the past until they came to light. Thereafter, he has participated in deliberations on responses to these issues and measures to prevent recurrence and stated his opinions on such topics as legal compliance and the improvement of internal control.

Yasuo Nakamura, Corporate Auditor

Mr. Nakamura attended all 26 Board of Directors' meetings and all 45 Board of Corporate Auditors' meetings held during the current fiscal year and made statements as he saw fit from the perspective of a business manager with profound knowledge to ensure appropriate and fair decision making by the Board of Directors. However, he had no knowledge of a series of issues involving, among others, the Company's postponing of recognition of losses in the past until they came to light. Thereafter, he has participated in deliberations on responses to these issues and measures to prevent recurrence and stated his opinions on such topics as legal compliance and the improvement of internal control.

(3) Overview of content of limited liability agreement

The Company has entered into an agreement with all of its Outside Directors and Outside Corporate Auditors to limit their liability pursuant to Article 423, Paragraph 1 of the Company Law, setting the minimum amount stipulated by law as the maximum liability.

IV Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Amount of Remuneration

Classification	Amount paid
1. Remuneration to Accounting Auditor for the current fiscal year	¥147 million
2. Total amount of money and other financial interests to be paid by the Company and its subsidiaries	¥321 million

Notes:
1. The audit agreement between the Company and its Accounting Auditor does not distinguish compensation paid for audit work performed in conformity with the Company Law and compensation paid for audit work performed in conformity with the Financial Instruments and Exchange Act and it is effectively impossible to do so. Therefore, the total amount is provided.
   The amount in 2. above includes remuneration for auditing services for retrospective adjustment of the Company in accordance with the Company Law, the former Securities and Exchange Act, and the Financial Instruments and Exchange Act.
2. Among the important subsidiaries of the Company, Olympus Corporation of the Americas, Olympus Europa Holding GmbH and Olympus Corporation of Asia Pacific Limited are audited by auditing firms other than the Accounting Auditor of the Company.

3. Description of Non-Auditing Services

The Company pays consideration to Accounting Auditor for agreed upon procedures etc., which is a service outside the scope of Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.

4. Policy for Decisions on Dismissal and Non-Reappointment of Accounting Auditor

The Board of Corporate Auditors will dismiss the Accounting Auditor, with the unanimous consent of the Corporate Auditors, in the event said Accounting Auditor is recognized as falling under any of the item listed in Article 340, Paragraph 1 of the Company Law.

In addition to the foregoing, the Company will propose the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders in the event it is recognized that the appropriate performance of duties by said Accounting Auditor is rendered not possible due to events affecting the qualifications and credibility of the Accounting Auditor.

V Company's Systems and Policies

1. Basic Policy on the Internal Control System

In conjunction with the start of the new management system resolved at the Extraordinary General Meeting of Shareholders held on April 20, 2012, the basic policy of the internal control system, which is designed to ensure appropriate business execution by the Company, was revised at the Board of Directors' meeting held on April 27, 2012 as follows:

The Company 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 lying behind all our activities.

The Board of Directors, based on this basic concept, shall prepare and operate a framework which ensures the appropriateness and reliability of financial reporting and effectiveness and efficiency of operations, and make continuous improvements with its application.

(1) Framework to ensure the compliance by Directors and employees, in performance of duties, to applicable laws and regulations as well as the Articles of Incorporation

1) In order to ensure a system in which Directors and employees perform their duties in compliance with applicable laws and regulations and the Articles of Incorporation, the Board of Directors shall establish the Olympus Group's Charter of Corporate Behavior and Olympus Group's Code of Conduct and other basic policies and internal corporate regulations.
2) The Board of Directors shall establish the Compliance Committee chaired by an Outside Director as a body to supervise and improve the compliance system. It shall also establish a compliance promotion system by appointing an officer in charge of compliance ("Chief Compliance Officer") and establishing a department in charge of group-wide compliance. The department in charge of group-wide compliance shall be responsible for activities toward the improvement of the group compliance system based on the Global Compliance Guidelines. Furthermore, it shall continuously conduct education of Directors and employees and measures relating to assessment. It shall establish a helpline for consultation or provision of information on compliance related issues and develop a system to report contents, etc. of such issues, if they arise, to the Board of Directors and the Board of Corporate Auditors.
3) The Company shall set up a CSR Committee chaired by the President and regularly hold meetings to set objectives for and evaluate CSR activities. The Committee shall promote measures to realize the Olympus Group's Charter of Corporate Behavior and Olympus Group's Code of Conduct in order to develop high ethical standards let alone compliance with laws and regulations.
4) The Company shall establish the Internal Audit Office that directly reports to the President. The Internal Audit Office shall, pursuant to the provisions of the Internal Audit Regulations, conduct internal audit of the businesses of the Company in general on a regular basis with regard to the status of their compliance with laws and regulations, the articles of incorporation, and internal rules and regulations, the appropriateness of the business execution procedures and results, etc.

5) In order to ensure the appropriateness and reliability of financial reporting, the Audit Office shall continue to conduct improvement activities by regularly evaluating its efforts and operations to ensure that control activities relating to financial reporting function effectively under the internal control system.
6) The Administration Department shall be responsible for working with lawyers, the police and other parties to systematically stand firm against anti-social forces and organizations which threaten societal order and safety.

(2) Framework regarding the maintenance of records and management of information in relation to performance of duties by Directors

1) Pursuant to applicable laws and regulations and internal corporate regulations including the internal rules on document management, etc., the Company shall maintain and manage documents or electronic data.
2) Directors and Corporate Auditors may access important documents such as the minutes of a meeting of the Board of Directors and documentary approvals at any time.

(3) Rules relating to the risk management in the event of loss and other circumstances

1) The Company shall manage its business risks based on thorough discussions held at meetings of the Board of Directors and the executive management committee, among other meetings, and appropriate operation of the internal approval procedure.
2) The Company shall manage risks such as those relating to quality, product safety, export control, information security, health and safety, the environment and disasters by establishing divisions in charge, establishing internal corporate regulations and standards, and through implementing education and training, among others.
3) The CSR Committee shall report and deliberate on plans and measures in relation to risk management, and make efforts to establish and maintain a risk management system. Moreover, pursuant to the internal rule on risk management, each operational department shall be aware of risks and take preventative measures, and the Company shall develop a framework which enables prompt actions in the event of an emergency. In the event of a disaster including earthquakes, fire and accidents, and occurrence of incidents of great risks, such as the violation of corporate ethics, etc., the operational departments shall, through a risk management office as a window, make immediate reports to the President, other members of the CSR Committee and relevant people. The final determination in such circumstance shall be made by the President.

(4) Framework to ensure the effective performance of duties by Directors

1) The Board of Directors shall develop medium- and long-term Corporate Strategic Plans in order to clarify the Company's business objectives and achieve efficient resource allocation based on its annual business plan as determined each business year. In addition, the Board of Directors shall receive a monthly report on business performance in order to evaluate the status of the Company's annual business plan.

2) The Board of Directors shall determine the separation of duties among the Representative Director, other Operating Directors and Executive Officers and supervise with respect to their duties as performed.
3) The Representative Director shall make a decision about significant matters except for board meeting agendas after discussing at meetings of the executive management committee.
4) Based on internal corporate regulations including the internal rules on approval procedures and organizational matters, the Board of Directors shall determine the management organization and the separation of duties as well as the responsibility and authority of each of the Representative Director, other Operating Directors and Executive Officers, and establish a fair and effective system for performance of duties.

(5) System to ensure the fairness of operations of the Company and its subsidiaries

1) The Company shall make the contents of Olympus Group's Charter of Corporate Behavior widespread among subsidiaries and promote enhanced awareness of compliance among the Group.
2) Pursuant to the internal rule on management of subsidiaries and affiliates, the Company shall clearly provide for management standards applied to its subsidiaries and promote Olympus Group's enhancement and development by providing guidance and training to its subsidiaries.
3) The Company shall dispatch Directors and Corporate Auditors to major subsidiaries to ensure the fairness of operations of subsidiaries by requesting them to obtain the Company's approval for significant matters based on Olympus Group's internal control rule on approval procedures.
4) The Internal Audit Office of the Company shall conduct internal audits on its subsidiaries based on the annual audit plan approved by the Board of Directors and report the audit results to the Representative Director, the Board of Directors and the Board of Corporate Auditors of the Company. The Company shall establish an internal audit department for conducting audits at its major subsidiaries.

(6) Matters relating to employees that assist the Corporate Auditors upon the request of such Corporate Auditor for assistance and matters relating to independence of the relevant employees from Directors

1) The Company will establish the office of Corporate Auditors and allocate personnel who will assist with the Corporate Auditors' duties. In order to assist with Corporate Auditors' duties, such personnel shall not receive directions or guidance from any Directors.
2) Appointment, dismissal, transfers, wages and personnel evaluation, etc. of employees, who should assist with Corporate Auditors' duties, shall be determined after obtaining the approval of the Board of Corporate Auditors, and the independence of such employees from Directors shall be ensured.

(7) Framework regarding reports by Directors and employees to Corporate Auditors, and other reports to the Corporate Auditors

Directors shall make reports to the Board of Corporate Auditors pursuant to relevant laws and regulations. Corporate Auditors may request reports from Directors and employees based on relevant laws and regulations, the Rules of the Board of Corporate Auditors and the Corporate Auditors' Audit Standard, which are both established by the Board of Corporate Auditors.

(8) Other systems to ensure the effectiveness of audit by Corporate Auditors

1) Corporate Auditors shall conduct investigates on Directors, employees and subsidiaries through hearings or visiting audits, to ensure the effectiveness of its audit.
2) Corporate Auditors shall hold regular meetings with Directors as well as with each head of department, and exchange opinions regarding significant audit related issues.
3) The Internal Audit Office shall ensure close exchange of information and coordination with Corporate Auditors of the Company and its major subsidiaries and Accounting Auditors with regard to, among others, internal audit plans and results.

2. Basic Policy on Control of Stock Company

(1) Summary of basic policy

The Company believes that the persons who control decisions on the Company’s financial and business policies need to be persons who fully understand the details of the Company’s financial and business affairs and the source of the Company’s corporate value and who will make it possible to continually and persistently ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders.

The Company will not indiscriminately reject a large-scale acquisition of the shares in the Company if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders. The Company also believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of a stock company.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the Company nor the common interests of its shareholders, including those with a purpose that would obviously harm the corporate value of the target company and, in turn, the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company’s board of directors and shareholders to consider the details of acquisition or for the target company’s board of directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

Above all, in order for the Company to ensure and enhance its corporate value and the common interests of its shareholders, it is essential that the Company has a management function that emphasizes (i) maintaining technologies and personnel that have been cultivated over the years and protecting and improving technologies and personnel from a medium to long-term perspective; and (ii) maintaining and strengthening its network with clients and the Company’s brand.

Unless the acquirer of a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium to long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed. The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the

Company or the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

(2) Measures for realization of basic policies

1) Summary of special measures for the realization of basic policies

The Company will seek to ensure and enhance corporate value and the common interests of shareholders in a stable and sustainable manner by further improving its ability to create value and emphasizing new businesses that meet future needs.

More specifically, in the Imaging Systems Business, we will build a corporate structure capable of continuously securing earnings by focusing our energies on high-value added products such as compact cameras with water and dust resistance features and proposing to users a digital single-lens camera with interchangeable lenses that is dramatically reduced in size and weight by way of the Micro Four Thirds System standard, which takes advantage of the superiority of an entirely digital design. In the Medical Systems Business, we will offer a "safe, reliable, and efficient" medical procedure, contributing to society by improving the quality of life of patients, reducing medical costs, and reinforcing the surgical field in an effort to steadily expand profits. We will also optimize our manufacturing cost structure and respond to fluctuating exchange rates by establishing global development and manufacturing systems. In addition, we will build an optimal business portfolio and promote appropriate resource allocation based on it, and develop related businesses in the medical/health and imaging/information fields.

Furthermore, the Company has been promoting corporate structural reforms since 2001, for example, by reducing the number of Directors by one half and shortening the term of office to one year. It has also been making efforts to reinforce oversight regarding the execution of business operations through such measures as the appointment of three independent Outside Directors at the General Meeting of Shareholders held on June 27, 2008. We also appointed six independent Outside Directors at the Extraordinary General Meeting of Shareholders held on April 20, 2012.

The Company will continue to enhance its corporate governance.

2) Measures to prevent control of financial and business policy decisions by inappropriate parties from the perspective of basic policies

(i) The Company obtained approval at the 141st General Meeting of Shareholders held on June 26, 2009 for the proposal that a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) would be available to the Board of Directors as a countermeasure for large-scale acquisitions of 20% or more of the Company's shares (the "Plan").

(ii) Details of the Plan

The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons who would propose a large-scale acquisition of the shares of the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders; and should it receive a large-scale acquisition proposal from an acquirer; and to ensure the necessary time and information for shareholders to decide whether or not to accept the large-scale acquisition proposal or for the Board of Directors to present an alternative proposal to the shareholders.

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) a purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*) of a holder (*hoyuusha*) totaling at least 20% of the share certificates, etc. (*kabuken tou*) issued by the Company; or (ii) a tender offer (*koukai kaitsuke*) that would result in the party making the tender offer have an ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*) or a person having a special relationship (*tokubetsu kankei-sha*) have an ownership ratio of share certificates, etc. totaling at least 20% of the share certificates, etc. (*kabuken tou*) issued by the Company, or any similar action, or a proposal for such action. The party effecting the acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not effect an acquisition until and unless the Board of Directors passes a resolution not to implement the gratis allotment of stock acquisition rights in accordance with the Plan.

The Company will request an Acquirer to submit to the Company in the form prescribed separately by the Company a document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan before commencing or effecting the acquisition. In addition, the Acquirer is required to provide the Board of Directors with a document containing specific information necessary for shareholders to make decisions (the "Acquisition Document") in a form designated by the Company. Upon receiving the Acquisition Document, the Board of Directors will send the document to the Special Committee composed of members including Outside Directors.

The Special Committee will consider the acquisition terms including information provided by the Acquirer and the Board of Directors, collect information on materials such as the management plans and business plans of the Acquirer and the Board of Directors for comparison, and consider any alternative plans. Further, it will discuss with the Acquirer and disclose information to shareholders. If the Special Committee determines that the acquisition falls under the trigger events stipulated below in Item (A), the Special Committee will recommend implementation of the gratis allotment of stock acquisition rights to the Board of Directors as triggering the Plan.

If there is concern that an acquisition may fall under the second trigger event set out below in Item (A), the Special Committee shall recommend implementation of the gratis allotment of stock acquisition rights subject to obtaining approval at a general meeting of shareholders in advance, and the Board of Directors may convene a general meeting of shareholders and confirm the intent of the Company's shareholders regarding this issue.

The Board of Directors will pass a resolution relating to implementation or non-implementation of a gratis allotment of stock acquisition rights while respecting to the maximum extent any recommendation made by the Special Committee described above. If the general meeting of shareholders described above is convened, the Board of Directors will comply with any resolution passed by shareholders.

(A) Requirements for the gratis allotment of stock acquisition rights

The requirements for triggering the Plan to implement a gratis allotment of stock acquisition rights are as follows.

Trigger event (1)

The acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider details of the acquisition are not offered), and it is reasonable to implement the gratis allotment of stock acquisition rights.

Trigger event (2)

The acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of stock acquisition rights.

(a) An acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
   (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company's affiliates at a high price.
   (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
   (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
   (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company's business and paying temporarily high dividends from the profits of disposal, or selling the shares at a high price by taking advantage of the opportunity arising from the sudden increase of share prices created by the temporarily high dividends.

(b) Certain acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares, including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are unfavorable or unclear).

(c) Acquisitions whose terms (including amount and type of consideration, timeframe, legality of the acquisition method, feasibility of acquisition being effected, and post-acquisition policies for the Company's other shareholders, employees, customers, business partners, and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.

(d) Acquisitions that materially threaten to decrease the corporate value of the Company or the common interests of shareholders, by destroying relationships with the Company's employees, customers, business partners, etc., which are indispensable for generating the Company's corporate value or the disintegration of our corporate culture.

(B) Other

The stock acquisition rights to be allotted to our shareholders under the Plan are exercised to obtain one share of common stock, as a basic rule, by paying the amount decided by the Board of Directors within the range of a minimum of one (1) yen and the maximum of the amount equivalent to one-half of the market value of one share in the Company. Furthermore, exercise conditions whereby the non-qualified party including the Acquirer may not exercise stock acquisition rights (except if an exceptional event occurs), and provisions for acquisition whereby the Company will acquire one stock acquisition right from parties other than the non-qualified party in exchange for one share in the Company have been provided.

The effective period of the Plan is until the conclusion of the general meeting of shareholders for the last fiscal year ending within three years of the conclusion of the 141st General Meeting of Shareholders held on June 26, 2009. However, if, before expiration of the effective period, a resolution is passed at the Company's general meeting of shareholders to revoke its resolution to assign to the Board of Directors the authority set out above relating to the gratis allotment of stock acquisition rights with respect to the Plan, or the Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished at that time.

Even after introducing the Plan, assuming gratis allotment of stock acquisition rights has not been implemented, there is no direct or specific impact on shareholders. If the gratis allotment of stock acquisition rights has been implemented in accordance with the Plan, and the Company's shareholders do not exercise their stock acquisition rights or pay the amount equivalent to the exercise price, the share value may be diluted. However, if the Company acquires stock acquisition rights in exchange for shares in the Company, a dilution of share value will not basically affect shareholders other than non-qualified parties.

(3) Board of Directors' views on measure in (2) above and reasons thereof

The Plan was introduced to ensure and enhance the corporate value of the Company and the common interests of its shareholders in accordance with the basic policy. The Company primarily introduced the Plan to assure fairness and objectivity on the condition that: (i) it is subject to approval at a general meeting of shareholders; (ii) it is based on a system to confirm the intent of the Company's shareholders regarding the triggering of the Plan in some cases; (iii) the effective period thereof is to be three years and the Plan may be abolished at anytime by a resolution at a general meeting of shareholders or by the Board of Directors; (iv) the Special Committee composed of members including Outside Directors has been established as an organization independent of the management of the Company and the Plan must never be triggered without a decision of the Special Committee; (v) the Special Committee may at the cost of the Company obtain advice from independent third parties; and, (vi) reasonable and objective requirements regarding the triggering thereof are established. Accordingly, the purpose of the Plan is not to maintain the position of the Company's Directors and Corporate Auditors, but to contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Consolidated Balance Sheet

(As of March 31, 2012)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		**LIABILITIES:**	
Current assets	**526,558**	**Current liabilities**	**320,393**
Cash and time deposits	200,088	Notes and accounts payable	75,330
Notes and accounts receivable	150,594	Short-term borrowings	92,075
Merchandise and finished goods	61,963	Current maturities of bonds	20,040
Work in process	19,191	Accrued expenses	62,613
Raw materials and supplies	21,339	Income taxes payable	8,228
Deferred income taxes	23,574	Provision for product warranties	7,336
Other current assets	52,907	Other reserves	18
Allowance for doubtful accounts	(3,098)	Other current liabilities	54,753
		Non-current liabilities	**598,105**
Fixed assets	**439,968**	Long-term bonds, less current maturities	90,080
Property, plant and equipment	**127,808**	Long-term borrowings, less current maturities	440,231
Buildings and structures	55,925	Severance and retirement allowance	23,922
Machinery and equipment	10,535	Severance and retirement allowance for directors and corporate auditors	140
Tools, furniture and fixtures	38,580	Provision for loss on business liquidation	3,205
Land	15,931	Other non-current liabilities	40,527
Lease assets	5,706	**Total liabilities**	**918,498**
Construction in progress	1,131		
		NET ASSETS:	
		Shareholders' equity	**152,067**
Intangible fixed assets	**197,145**	Common stock	48,332
Goodwill	124,465	Capital surplus	54,788
Others	72,680	Retained earnings	60,197
		Treasury stock, at cost	(11,249)
Investments and other assets	**115,015**		
Investment securities	51,318	**Accumulated other comprehensive income**	**(107,297)**
Deferred income taxes	8,167	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,128
Other assets	63,426	Net unrealized gains (losses) on hedging derivatives, net of taxes	(1,268)
Allowance for doubtful accounts	(7,896)	Foreign currency translation adjustments	(102,067)
		Pension liabilities adjustment of foreign subsidiaries	(7,090)
		Minority interests	**3,258**
		Total net assets	**48,028**
Total assets	**966,526**	**Total liabilities and net assets**	**966,526**

<u>Consolidated Statement of Income</u>

(April 1, 2011 to March 31, 2012)

(Millions of yen)

Accounts	Amount
Net sales	848,548
Cost of sales	464,743
Gross profit	**383,805**
Selling, general and administrative expenses	348,287
Operating income	**35,518**
Non-operating income	7,392
Interest income	931
Net income of investment in affiliated companies carried on the equity method	144
Foreign currency exchange gain	162
Gain on sales of investment securities	1,994
Others	4,161
Non-operating expenses	25,045
Interest expenses	14,026
Others	11,019
Ordinary income	**17,865**
Extraordinary income	322
Gain on sales of investment securities	322
Extraordinary losses	27,682
Impairment loss on fixed assets	15,839
Loss on sales of investment securities	14
Loss on valuation of investment securities	2,014
Loss on sales of investments in subsidiaries and affiliates	38
Amortization of goodwill	1,179
Loss on restructuring of business	3,392
Provision for loss on business liquidation	3,205
Expense related to retrospective adjustment	2,001
Loss before provision for income taxes	**9,495**
Income taxes, current	16,293
Income taxes, deferred	22,989
Loss before minority interests	**48,777**
Minority interests in income of consolidated subsidiaries	208
Net loss	**48,985**

Consolidated Statement of Changes in Net Assets

(April 1, 2011 to March 31, 2012)

(Millions of yen)

Items	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Beginning balance at April 1, 2011	48,332	54,788	113,532	(11,097)	205,555
Changes during the year					
Cash dividends paid			(4,004)		(4,004)
Net loss			(48,985)		(48,985)
Changes of scope of consolidation			(346)		(346)
Acquisition of treasury stock				(152)	(152)
Net changes in items other than shareholders' equity					
Net changes during the year	–	–	(53,335)	(152)	(53,487)
Ending Balance at March 31, 2012	48,332	54,788	60,197	(11,249)	152,067

Items	Accumulated other comprehensive income				
	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	Pension liabilities adjustment of foreign subsidiaries	Total accumulated other comprehensive income
Beginning balance at April 1, 2011	6,524	(758)	(95,201)	(3,643)	(93,078)
Changes during the year					
Cash dividends paid					
Net loss					
Changes of scope of consolidation					
Acquisition of treasury stock					
Net changes in items other than shareholders' equity	(3,396)	(510)	(6,866)	(3,447)	(14,219)
Net changes during the year	(3,396)	(510)	(6,866)	(3,447)	(14,219)
Ending Balance at March 31, 2012	3,128	(1,268)	(102,067)	(7,090)	(107,297)

Items	Minority interests	Total net assets
Beginning balance at April 1, 2011	3,102	115,579
Changes during the year		
Cash dividends paid		(4,004)
Net loss		(48,985)
Changes of scope of consolidation		(346)
Acquisition of treasury stock		(152)
Net changes in items other than shareholders' equity	156	(14,063)
Net changes during the year	156	(67,551)
Ending balance at March 31, 2012	3,258	48,028

Notes to Consolidated Financial Statements

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

1. Scope of consolidation
   (1) Number of consolidated subsidiaries and names of principal consolidated subsidiaries

Number of consolidated subsidiaries: 188

Principal consolidated subsidiaries:

Olympus Medical Systems Corp., Olympus Imaging Corp., Aizu Olympus Co., Ltd., Shirakawa Olympus Co., Ltd., Aomori Olympus Co., Ltd., Nagano Olympus Co., Ltd., ITX Corporation, Olympus Europa Holding GmbH, Olympus America Inc. and Olympus Corporation of Asia Pacific Limited

Newly added consolidated subsidiaries: 17

Olympus Finance Korea., Ltd., Olympus Medical Systems India Private Limited and other 15 companies

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

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

Olympus Medical Systems India Private Limited and other 2 companies have been switched from non-consolidated subsidiaries not subject to application of the equity method to consolidated subsidiaries due to increase in materiality during the fiscal year.

Excluded companies: 8

Okaya Olympus Co., Ltd., Collabos Corporation and other 6 companies

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

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

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

(2) Names and other information of principal non-consolidated subsidiaries

Principal non-consolidated subsidiaries:

Olympus Supportmate Corporation and Olympus UK Acquisitions Limited

The 10 non-consolidated subsidiaries are all small and not material when measured by the impact of total amounts of assets, net sales, net income, and retained earnings (based on the Company's ownership percentage) of those companies on consolidated financial documents. 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 and names of principal companies, etc.

Affiliated companies accounted for under the equity method: 4

Principal affiliated companies:

Adachi Co., Ltd., Artefactory Inc. and Olympus Cytori Inc.

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

3. Items concerning accounting principles

(1) Important asset valuation principles and methods

(a) Securities

Held-to-maturity securities	Amortized cost method
Other securities	
Items with market value	Market value method based on fair market value on the account settlement date (the net unrealized gains and losses on these securities are reported as a separate component of net assets, and the cost of sales is calculated by the moving-average method)
Items without market value	Cost method based on the moving-average method Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.

(b) Claims and liabilities from derivatives transactions

Market value method

(c) Inventories: Mainly reported using the First-in First-out cost method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

(2) Depreciation and amortization method for important depreciated and amortized assets

(a) Property, plant and equipment (excluding lease assets)

Mainly by the declining balance method

Vehicles, tools and fixtures: Mainly based on useful lives as per the Corporate Tax Law

Other property, plant and equipment: Mainly based on useful lives prescribed by the Company determined in accordance with estimated functional useful years

(b) Intangible fixed assets (excluding lease assets)

Straight-line method

Mainly based on estimated useful lives

Software for internal use is reported using the usable period within the Company (3 to 5 years).

(c) Lease assets

Finance lease assets not involving the transfer of ownership

Lease assets are calculated on the straight-line method over the lease period as the useful lives and assuming no residual value.

The accounting treatment for finance lease transactions not involving the transfer of ownership whose transaction commenced on or before March 31, 2008 follows the same method as for ordinary operating lease transactions.

(3) Accounting method for important allowances and reserves

(a) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivable and loans receivable, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(b) Provision for product warranties

Due to the accounting of after service cost expected within the guarantee period with respect to products sold, the provision for product warranties is accounted using prescribed standards based on actually incurred past after service cost.

(c) Severance and retirement allowance

To provide for severance and retirement benefit payments to employees, the cost recognized as occurring at the end of the current fiscal year is accounted based on the severance and retirement liabilities and pension assets as of the end of the current fiscal year.

Pertaining to past service liabilities, the pro-rata amount calculated using a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.

Pertaining to the actuarial difference, the pro-rata amount calculated using a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of occurrence of such actuarial difference is accounted as an expense starting from the following fiscal year.

(d) Severance and retirement allowance for directors and corporate auditors

To provide for outlays for severance and retirement benefit payments for directors and corporate auditors, the necessary payment amount at the end of the fiscal year is accounted by domestic consolidated subsidiaries based on their respective internal regulations.

(e) Provision for loss on business liquidation

To provide for losses arising from the business liquidation to be carried out by the Group, the expected amount of these losses is accounted.

(4) Other important items that form the basis for preparing consolidated financial statements

(a) Treatment method for important deferred assets

Stock issuance expense and bond issuance expense

Total expense recorded at the time of occurrence

(b) Accounting principles for income and costs

Accounting principles for income involving finance lease transactions

Income involving finance lease transactions mainly follows a method of accounting net sales and cost of sales on the commencement date of the lease transaction

(c) Important hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated monetary claims and liabilities under foreign exchange forward contracts are accounted by translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, a special treatment is used for those whose requirements for special treatment are satisfied.

Hedging instruments and hedged items

Hedging instruments	Foreign exchange forward contracts, currency option contracts, currency swap contracts, interest rate swap contracts
Hedged items	Forecasted transactions for foreign currency-denominated monetary claims and liabilities, borrowings

Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

Hedging effect evaluation method

The effect is evaluated by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

(d) Amortization of goodwill and amortization period

Goodwill is amortized equally mainly over a period of 5 to 20 years.

(e) Treatment of consumption taxes

Treated using the tax exclusive method.

(f) Application of the consolidated tax payment system

The consolidated tax payment system designating Olympus Corporation as the parent company is adopted at the Company and some of its consolidated subsidiaries.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral and obligations secured by such collateral

(1) Assets pledged as collateral

Cash and time deposits	¥2,090 million
Lease receivables and lease investment assets	¥7,797 million
Buildings and structures	¥1,077 million
Machinery and equipment	¥307 million
Other assets under Investments and other assets	¥2,970 million
Total	¥14,241 million

(2) Obligations secured by such collateral

Short-term borrowings	¥7,915 million
Long-term borrowings, less current maturities	¥3,115 million
Total	¥11,030 million

2. Accumulated depreciation for property, plant and equipment

¥239,505 million

3. Liabilities for guarantees

(Guaranteed party)	(Description of guarantee)	(Amount)
Noel Company Limited	Bank loans, etc.	¥2,000 million
Employees	Housing fund loans, etc.	¥122 million
Other	Bank loans, etc.	¥204 million
Total		¥2,326 million

4. Notes receivable discounted ¥357 million

(including discounted bills of exchange for export) ¥357 million

5. Accounting treatment of notes at maturity on final day of fiscal year

Regarding the accounting treatment of notes at maturity on the final day of the fiscal year, although the final day of the current fiscal year was a holiday for financial institutions, the notes were treated as though settlement occurred on the day of maturity. The amounts of notes at maturity on the final day of the current fiscal year are as follows:

Notes receivable	¥426 million
Notes payable	¥530 million

6. Allowance for doubtful accounts

¥7,211 million of allowance for doubtful accounts is the amount expected to be unrecoverable with respect to ¥7,211 million of long-term accounts receivable-other that is commission fees related to Receiver Funds, and included as an excess amount in “other assets” under investments and other assets. Although these fees were paid to the external partners of multiple Receiver Funds, the Company plans to request payment from these external partners of Receiver Funds because the fees were not agreed.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and total number of issued shares at the end of the current fiscal year

   Common stock 271,283,608 shares

2. Items concerning dividends

   Paid dividends

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on June 29, 2011	Common stock	4,004	15.00	March 31, 2011	June 30, 2011
Total	–	4,004	–	–	–

Notes to Financial Instruments

1. Items concerning status of financial instruments

   With regard to fund management, the Olympus Group primarily uses short-term deposits. For financing, it uses loans from bank and other financial institutions and bond issuances.

   Notes and accounts receivable, which are exposed to customer credit risks, are hedged based on internal regulations. Further, market prices of investment securities are checked on a quarterly basis.

   We use loans to fund working capital (mainly, short-term) and business investments (long-term). We hedge interest rate fluctuation risks using interest rate swaps for some long-term borrowings. Our policy for derivatives is to use them based only on actual demand, in accordance with internal regulations.

2. Items concerning fair value of financial instruments

Consolidated balance sheet amounts and fair value as of March 31, 2012 (consolidated balance sheet date for the current fiscal year), and their variances, of financial instruments are as follows. However, financial instruments that have low materiality and whose fair value is deemed to be extremely difficult to compute are not included (please refer to Note 2).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Variance
(1) Cash and time deposits	200,088	200,088	–
(2) Notes and accounts receivable	150,594	150,594	–
(3) Investment securities	45,771	45,771	–
Total assets	396,453	396,453	–
(4) Notes and accounts payable	75,330	75,330	–
(5) Short-term borrowings	63,092	63,092	–
(6) Bonds (including current maturities of bonds)	110,120	99,945	(10,175)
(7) Long-term borrowings, less current maturities (including current maturities of long-term borrowings)	469,214	415,488	(53,726)
Total liabilities	717,756	653,855	(63,901)
(8) Derivatives	(1,922)	(1,922)	–

* Net receivables and payables arising from derivative transactions are shown in net amounts. Figures in parentheses are posted to liabilities.

Note 1: Items concerning the method of computing the fair value of financial instruments

(1) Cash and time deposits, and (2) Notes and accounts receivable

Because these accounts are settled in a short period, their fair value is nearly equal to their book value. Therefore, book value is taken to be fair value.

(3) Investment securities

The fair value of stocks is the price on the relevant stock exchange, while that of bonds and investment trusts is the price on the relevant stock exchange or price presented by financial institutions with which the Company does business.

(4) Notes and accounts payable, and (5) Short-term borrowings

Because these accounts are settled in a short period, their fair values are nearly equal to their book values. Therefore, book value is taken to be fair value.

(6) Bonds

The fair value of bonds issued by the Company is its present value at which the sum of principals is calculated at the rate obtained in consideration of the remaining periods of bonds and credit risks.

(7) Long-term borrowings, less current maturities

The fair value is the value at which the sum of principal and interest is discounted at the rate obtained assuming that a similar loan is newly provided. Long-term borrowings with variable interest rates are subject to special treatment of interest rate swaps (refer to Item (8)). The fair value of such borrowings is the value at which the sum of principal and interest, which are treated in combination with the said interest rate swap, is discounted at a reasonable rate estimated for a similar new loan.

(8) Derivatives

The fair value of a derivative is the price presented by financial institutions with which the Company does business and entered into an agreement.

Derivatives that are subject to special treatment of interest rate swaps and are translated at a foreign exchange rate to foreign currency-denominated accounts receivable are treated together with hedged items, and the fair value of such derivatives is therefore included in the fair value of the hedged items.

Note 2: Financial instruments whose fair values are deemed to be extremely difficult to compute

(Millions of yen)

Classification	Consolidated balance sheet amount
(1) Unlisted shares	937
(2) Other	1,826
Total	2,763

These items do not have market prices and a considerable cost is likely to be incurred to estimate future cash flow. They are not therefore included in "(3) Investment securities" because it is deemed to be extremely difficult to compute their fair value.

Notes to Per-Share Information

1. Net assets per share ¥167.76
2. Net loss per share ¥183.54

Other Notes

1. Future conditions

Following the Company's announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) have begun. The consolidated financial statements may be amended if any further important information comes to light in such investigations in the future.

As a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at the Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company in the future for a similar reason.

2. Additional Information

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

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

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

(Millions of yen)

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

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

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

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

Non-Consolidated Balance Sheet

(As of March 31, 2012)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		**LIABILITIES:**	
Current assets	**127,674**	**Current liabilities**	**94,575**
Cash and time deposits	75,320	Notes payable	107
Notes receivable	755	Accounts payable	4,428
Accounts receivable	14,911	Short-term borrowings	1,305
Finished goods	4,186	Current maturities of bonds	20,000
Work in process	4,206	Lease liabilities	509
Materials	452	Other payable	8,961
Short-term loans receivable	11,209	Accrued expenses	14,250
Other receivables	10,369	Income taxes payable	49
Income taxes receivable	164	Deposits received	44,752
Deferred income taxes	3,520	Provision for product warranties	52
Other current assets	2,963	Other current liabilities	162
Allowance for doubtful accounts	(381)	**Non-current liabilities**	**487,392**
Fixed assets	**477,603**	Long-term bonds, less current maturities	90,000
Property, plant and equipment	**37,684**	Long-term borrowings, less current maturities	390,000
Buildings	19,544	Lease liabilities	1,215
Structures	654	Deferred income taxes	3,936
Machinery and equipment	1,773	Provision for loss on business liquidation	1,578
Vehicles	2	Asset retirement obligations	62
Tools, furniture and fixtures	3,676	Long-term deposits received, less current maturities	601
Land	10,407	**Total liabilities**	**581,967**
Lease assets	1,619	**NET ASSETS:**	
Construction in progress	9	**Shareholders' equity**	**20,263**
Intangible fixed assets	**5,050**	**Common stock**	**48,332**
Patent right	656	**Capital surplus**	**54,788**
Software	1,727	Legal capital surplus	23,027
Software in progress	2,511	Other capital surplus	31,761
Lease assets	106	**Retained earnings**	**(71,608)**
Right of using facilities, etc.	50	Legal reserve	6,626
Investments and other assets	**434,869**	Other retained earnings	(78,234)
Investment securities	45,199	Reserve for special depreciation	0
Investment securities in subsidiaries and affiliates	373,132	Reserve for advanced depreciation	2,104
Investments in capital of subsidiaries and affiliates	5,238	Retained earnings carried forward	(80,338)
Long-term loans receivable	4,166	**Treasury stock, at cost**	**(11,249)**
Prepaid pension cost	6,208	**Valuation and translation adjustments**	**3,047**
Long-term accounts receivable-other	7,211	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	3,141
Claims provable in bankruptcy, claims provable in rehabilitation and other	16,607	Net unrealized gains (losses) on hedging derivatives, net of taxes	(94)
Other assets	3,639		
Allowance for doubtful accounts	(26,531)	**Total net assets**	**23,310**
Total assets	**605,277**	**Total liabilities and net assets**	**605,277**

<u>Non-Consolidated Statement of Income</u>

(April 1, 2011 to March 31, 2012)

(Millions of yen)

Accounts	Amount
Net sales	74,033
Cost of sales	37,842
Gross profit	**36,191**
Selling, general and administrative expenses	47,946
Operating loss	**11,755**
Non-operating income	17,316
Interest income	540
Dividends income	14,017
Foreign currency exchange gain	50
Gain on sales of investment securities	1,994
Others	715
Non-operating expenses	19,437
Interest expenses	7,434
Interest on bonds	1,914
Provision of allowance for doubtful accounts	6,425
Others	3,664
Ordinary loss	**13,876**
Extraordinary income	16
Gain on sales of investment securities	16
Extraordinary losses	14,391
Loss on valuation of investment securities	1,794
Loss on valuation of investments in subsidiaries and affiliates	5,066
Loss on valuation of investments in capital of subsidiaries and affiliates	2,054
Loss on sales of investments in subsidiaries and affiliates	16
Loss on liquidation of subsidiaries and affiliates	1
Loss on extinguishment of tie-in shares	638
Impairment loss on fixed assets	1,243
Provision for loss on business liquidation	1,578
Expense related to retrospective adjustment	2,001
Loss before provision for income taxes	**28,251**
Income taxes, current	(5,991)
Income taxes, deferred	10,673
Net loss	**32,933**

Non-Consolidated Statement of Changes in Net Assets

(April 1, 2011 to March 31, 2012)

(Millions of yen)

Items	Shareholders' equity			
	Common stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Beginning balance at April 1, 2011	48,332	23,027	31,761	54,788
Changes during the year Cash dividends paid				
Net loss				
Acquisition of treasury stock				
Net changes in items other than shareholders' equity				
Net changes during the year	–	–	–	–
Ending balance at March 31, 2012	48,332	23,027	31,761	54,788

Items	Shareholders' equity				
	Retained earnings			Treasury stock, at cost	Total shareholders' equity
	Legal reserve	Other retained earnings (Note)	Total retained earnings		
Beginning balance at April 1, 2011	6,626	(41,297)	(34,671)	(11,097)	57,352
Changes during the year Cash dividends paid		(4,004)	(4,004)		(4,004)
Net loss		(32,933)	(32,933)		(32,933)
Acquisition of treasury stock				(152)	(152)
Net changes in items other than shareholders' equity					
Net changes during the year	–	(36,937)	(36,937)	(152)	(37,089)
Ending balance at March 31, 2012	6,626	(78,234)	(71,608)	(11,249)	20,263

(Millions of yen)

Items	Valuation and translation adjustments			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	Total valuation and translation adjustments	
Beginning balance at April 1, 2011	6,719	(33)	6,686	64,038
Changes during the year Cash dividends paid				(4,004)
Net loss				(32,933)
Acquisition of treasury stock				(152)
Net changes in items other than shareholders' equity	(3,578)	(61)	(3,639)	(3,639)
Net changes during the year	(3,578)	(61)	(3,639)	(40,728)
Ending balance at March 31, 2012	3,141	(94)	3,047	23,310

Note: Breakdown of other retained earnings

Items	Reserve for special depreciation	Reserve for advanced depreciation	Retained earnings carried forward	Total
Beginning balance at April 1, 2011	1	2,073	(43,371)	(41,297)
Changes during the year Cash dividends paid			(4,004)	(4,004)
Reversal of reserve for special depreciation	(1)		1	–
Provision of reverse for special depreciation	0		(0)	–
Reversal of reserve for advanced depreciation		(123)	123	–
Provision of reserve for advanced depreciation		154	(154)	–
Net loss			(32,933)	(32,933)
Net changes during the year	(1)	31	(36,967)	(36,937)
Ending balance at March 31, 2012	0	2,104	(80,338)	(78,234)

Notes to Non-Consolidated Financial Statements

Notes Concerning Items Related to Important Accounting Policies

1. Asset valuation principles and methods
   (1) Securities

(a) Held-to-maturity securities	Amortized cost method
(b) Investment securities in subsidiaries and affiliates	Cost method based on the moving-average method
(c) Other securities	
Items with market value	Market value method based on fair market value on the account settlement date (the net unrealized gains and losses on these securities are reported as a separate component of net assets, and the cost of sales is calculated by the moving-average method)
Items without market value	Cost method based on the moving-average method Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.
(2) Claims and liabilities from derivatives transactions	Market value method
(3) Inventories	Reported using the First-in First-out cost method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

2. Depreciation and amortization method for fixed assets

(1) Property, plant and equipment (excluding lease assets)	Declining balance method
(a) Vehicles, tools and fixtures	Based on useful lives as per the Corporate Tax Law
(b) Other property, plant and equipment	Based on useful lives prescribed by the Company determined in accordance with estimated functional useful years

(2) Intangible fixed assets (excluding lease assets)

Straight-line method

Based on useful lives as per the Corporate Tax Law

Software for internal use is reported using the usable period within the Company (3 years).

(3) Lease assets

Finance lease assets not involving the transfer of ownership

Calculated on the straight-line method over the lease period as the useful lives and assuming no residual value.

The accounting treatment for finance lease transactions not involving the transfer of ownership whose transaction commenced on or before March 31, 2008 follows the same method as for ordinary operating lease transactions.

3. Accounting principles for allowances and reserves

(1) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivable and loans receivable, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(2) Provision for product warranties

Due to the accounting of after service cost expected within the Company’s guarantee period with respect to products sold, the provision for product warranties is accounted using the prescribed Company’s standards based on actually incurred past after service cost.

(3) Severance and retirement allowance

To provide for severance and retirement benefit payments to employees, the cost recognized as occurring at the end of the current fiscal year is accounted based on the severance and retirement liabilities and pension assets as of the end of the current fiscal year.

Pertaining to past service liabilities, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.

Pertaining to the actuarial difference, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such actuarial difference is accounted as an expense starting from the following fiscal year.

(4) Provision for loss on business liquidation

To provide for losses arising from the business liquidation to be carried out by certain subsidiaries of the Company, the expected amount of these losses is accounted.

4. Other important items that form the basis for preparing non-consolidated financial statements

(1) Hedge accounting methods

(a) Hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated accounts receivable under foreign exchange forward contracts are accounted for upon translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, requirements for special treatment are satisfied, therefore a special treatment is used.

(b) Hedging instruments and hedged items

· Hedging instruments	Foreign exchange forward contracts, interest rate swap contracts
· Hedged items	Forecasted transactions for foreign currency-denominated accounts receivable, borrowings

(c) Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

(d) Hedging effect evaluation method

The effect is evaluated by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

(2) Treatment of consumption taxes

Treated using the tax exclusive method.

(3) Application of the consolidated tax payment system

The consolidated tax payment system is adopted.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment	¥67,472 million
2. Liabilities for guarantees	¥26,490 million

The above amount includes ¥25,981 million in contracted guarantees to subsidiaries and affiliates.

3. Short-term monetary claims to subsidiaries and affiliates	¥31,330 million
4. Long-term monetary claims to subsidiaries and affiliates	¥20,656 million
5. Short-term monetary liabilities to subsidiaries and affiliates	¥51,859 million
6. Discounted bills of exchange for export	¥4,150 million

7. Accounting treatment of notes at maturity on final day of fiscal year

Regarding the accounting treatment of notes at maturity on the final day of the fiscal year, although the final day of the current fiscal year was a holiday for financial institutions, the notes were treated as though settlement occurred on the day of maturity. The amounts of notes at maturity on the final day of the current fiscal year are as follows:

Notes receivable	¥46 million
Notes payable	¥24 million

8. Allowance for doubtful accounts

¥7,211 million of allowance for doubtful accounts is the amount expected to be unrecoverable with respect to ¥7,211 million of long-term accounts receivable-other that is commission fees related to Receiver Funds, and included as an excess amount in “other assets” under investments and other assets. Although these fees were paid to the external partners of multiple Receiver Funds, the Company plans to request payment from these external partners of Receiver Funds because the fees were not agreed.

Notes to Non-Consolidated Statement of Income

Total transactions with subsidiaries and affiliates	
Amounts resulting from business transactions	
Net sales	¥52,740 million
Net purchases	¥24,791 million
Amount resulting from non-business transactions	¥15,243 million

Notes to Non-Consolidated Statement of Changes in Net Assets

1. Number of issued shares at end of current fiscal year	271,283,608 shares
2. Number of treasury shares at end of current fiscal year	4,421,878 shares
3. Total cash dividends during the current fiscal year	¥4,004 million

Notes to Tax Effect Accounting

Breakdown of deferred tax assets and liabilities by main cause

Deferred tax assets	
Investment securities in subsidiaries and affiliates	¥40,303 million
Investment securities	¥7,597 million
Intangible fixed assets	¥ 3,163 million
Loss brought forward	¥11,896 million
Property, plant and equipment	¥ 3,099 million
Inventories	¥ 1,539 million
Prepaid expenses	¥ 4,224 million
Accrued bonuses	¥1,324 million
Provision of allowance for doubtful accounts	¥3,765 million
Other	¥ 2,403 million
Subtotal of deferred tax assets	¥79,313 million
Valuation allowance	¥(75,725) million
Total deferred tax assets	¥ 3,588 million
Deferred tax liabilities	
Reserve for advanced depreciation	¥(1,126) million
Prepaid pension expenses	¥(2,307) million
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	¥(549) million
Other	¥(22) million
Total deferred tax liabilities	¥(4,004) million
Net deferred income taxes	¥(416) million

Notes to Leased Fixed Assets

In addition to the fixed assets accounted in the Non-Consolidated Balance Sheet, a portion of the microscope manufacturing equipment and computers are used under leasing agreements.

Notes on transactions with related parties

Type	Name	Voting rights ownership ratio (%)	Relation	Details of transaction	Amount (Millions of yen)	Item	Ending balance (Millions of yen)
Subsidiary	Olympus Corporation of Asia Pacific Limited	Direct Ownership 100.0	Contracted guarantees, Interlocking of officers	Contracted guarantees (Note 1)	20,000	–	–
	Altis Co., Ltd.	Direct Ownership 95.9	Financial support, Interlocking of officers	Loan (Note 2)	1,000	Claims provable in bankruptcy, claims provable in rehabilitation and other (Note 3)	4,110
	Humalabo Co., Ltd.	Direct Ownership 87.3	Financial support, Interlocking of officers	Loan (Note 2)	700	Claims provable in bankruptcy, claims provable in rehabilitation and other (Note 3)	5,400
	NEWS CHEF Inc.	Direct Ownership 95.4	Financial support, Interlocking of officers	Loan (Note 2)	800	Claims provable in bankruptcy, claims provable in rehabilitation and other (Note 3)	6,480

Terms of transactions and method for determining them

Notes:

1. Contracted guarantees for a bank loan of Olympus Corporation of Asia Pacific Limited (¥20,000 million, due March 2013), for which the Company did not receive any guarantee fee.
2. The interest rates on loans are determined by considering market interest rates. The Company has not obtained any collateral in relation to this loan.
3. With regard to claims provable in bankruptcy, claims provable in rehabilitation and other provided to the subsidiaries, the Company recognized an allowance for doubtful accounts of ¥15,983 million and provision of allowance for doubtful accounts of ¥3,143 million for the current fiscal year.

Notes to Per-Share Information

1. Net assets per share ¥87.35
2. Net loss per share ¥123.39

Other Notes

1. Future conditions

Following the Company's announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) have begun. The consolidated financial statements may be amended if any further important information comes to light in such investigations in the future.

As a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at the Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company in the future for a similar reason.

2. Additional Information

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

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

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

(Millions of yen)

Application	Type	Impairment loss
Other business assets	Land	146
	Buildings	207
	Structures	14
	Machinery	14
	Tools, furniture and fixtures	272
Life science and industrial systems business assets	Patent right	301
Idle assets	Buildings	275
	Structures	4
	Machinery	9
	Vehicles	0
	Tools, furniture and fixtures	1
Total		1,243

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

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

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

(English Translation of the Accounting Auditor's Report Originally Issued in the Japanese Language)

The Accounting Auditor's Audit Report of Consolidated Financial Statements

Independent Auditor's Audit Report

May 16, 2012

To the Board of Directors of OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC

Yasuharu Nakajima [Seal]
Certified Public Accountant
Designated and Engagement Partner

Taku Miyazawa [Seal]
Certified Public Accountant
Designated and Engagement Partner

Tetsuya Yoshida [Seal]
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444(4) of the Company Law, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of OLYMPUS CORPORATION (the "Company") for the fiscal year beginning on April 1, 2011 and ending on March 31, 2012.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements from an independent perspective, based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

The auditing involves performing procedures to obtain audit evidence about the amounts and disclosures in consolidated financial statements. The procedures selected and implemented depend on the auditors' judgment, including the assessment of the risks of material misstatement in consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes the evaluation of overall presentation of the consolidated financial statements, and the evaluation of accounting principles and methods used and estimates made by management.

We believe that we have obtained sufficient and reasonable bases to express our opinion as a result of our audit.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the corporate group consisting of OLYMPUS CORPORATION and its consolidated subsidiaries for the fiscal year beginning on April 1, 2011 and ending on March 31, 2012, in conformity with accounting principles generally accepted in Japan.

Matters for Emphasis

As indicated by the notes to other matters, following the Company's announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) have begun. The consolidated financial statements may be amended if any further important information comes to light in such investigations. In addition, as a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company for a similar reason.

These matters have no impact on our opinion.

Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(English Translation of the Accounting Auditor's Report Originally Issued in the Japanese Language)

The Accounting Auditor's Audit Report of Financial Statements

Independent Auditor's Audit Report

May 16, 2012

To the Board of Directors of OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC

Yasuharu Nakajima [Seal]
Certified Public Accountant
Designated and Engagement Partner

Taku Miyazawa [Seal]
Certified Public Accountant
Designated and Engagement Partner

Tetsuya Yoshida [Seal]
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436(2)(i) of the Company Law, we have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of OLYMPUS CORPORATION for the 144th fiscal year beginning on April 1, 2011 and ending on March 31, 2012.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules from an independent perspective, based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

The auditing involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements and the related supplementary schedules. The procedures selected and implemented depend on the auditors' judgment, including the assessment of the risks of material misstatement in financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes the evaluation of overall presentation of the financial statements and the related supplementary schedules, and the evaluation of accounting principles and methods used and estimates made by management.

We believe that we have obtained sufficient and reasonable bases to express our opinion as a result of our audit.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of OLYMPUS CORPORATION for the 144th fiscal year beginning on April 1, 2011 and ending on March 31, 2012, in conformity with accounting principles generally accepted in Japan.

Matters for Emphasis

As indicated by the notes to other matters, following the Company's announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) have begun. The financial statements and the related supplementary schedules may be amended if any further important information comes to light in such investigations. In addition, as a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company for a similar reason.

These matters have no impact on our opinion.

Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(English Translation of the Board of Corporate Auditors' Report Originally Issued in the Japanese Language)

The Board of Corporate Auditors' Audit Report

Audit Report

Based on the audit report prepared by each Corporate Auditor with regard to the performance of duties by the Directors of OLYMPUS CORPORATION (the "Company") for the 144th term (from April 1, 2011 to March 31, 2012), the Board of Corporate Auditors of the Company prepares this audit report after deliberation and reports as follows:

1. Auditing methods used by Corporate Auditors and the Board of Corporate Auditors, and details of audit
The Board of Corporate Auditors specified audit policies, assigned duties to each Corporate Auditor and received reports from each Corporate Auditor on the status of implementation and results of audit as well as received reports from Directors, etc. and accounting auditors on the status of the execution of their duties and asked them for explanations as necessary.

All Corporate Auditors assumed office as of April 20, 2012, which is after the end of the 144th term of the Company. Each Corporate Auditor was given explanation on audit items for the 144th term by his/her predecessors and inspected and analyzed the working paper prepared by the predecessors and other documents necessary for handing over of duties. To the extent considered necessary for the handing over of duties from their predecessors and to the extent practical within a period from the date of assumption of office to the date of preparation of this audit report, Corporate Auditors strived to have effective communication with Directors, Internal Audit Department and other employees, collected information and improved the audit environment, as well as attended the meetings of the Board of Directors and other important meetings that were held after the date of assumption of office, obtained explanation as necessary, reviewed important approval documents, and conducted investigations on the status of the business operations and assets of the Company at its head office and other principal business offices. Furthermore, Corporate Auditors were given explanation by their predecessors about the results of their verification of the contents the Board of Directors' resolution regarding the establishment of an internal control system for ensuring that the execution of duties by Directors conforms with laws and regulations and the Company's Articles of Incorporation and for otherwise ensuring proper business conduct by companies, as well as the status of the internal control system established based on said resolution and conducted additional verification to the extent practical.

As for internal controls over financial reporting, reports made by Directors, etc. and Ernst & Young ShinNihon LLC about the states of the assessment and audit of said internal controls were handed over to Corporate Auditors from their predecessors and the Corporate Auditors received supplementary explanation from Directors, etc. and Ernst & Young ShinNihon LLC to the extent practical. With regard to the basic policy on the control of the Company and initiatives based on the policy, which are described in the business report, we have examined the status and details of deliberations at the Board of Directors and others by means of reviewing the meeting minutes of the Board of Directors, etc. Also, in consideration of matters handed over from the former Corporate Auditor after his communications and information exchange with directors, corporate auditors and others of the subsidiaries of the Company, we asked the subsidiaries for supplementary reports on their business conditions as per need.

Based on the methods mentioned above, we have reviewed the business report for the said fiscal year and their supplementary schedules.

We have also verified whether the accounting auditors maintained independence and properly implemented its audit, received from the accounting auditor's reports on the execution of their duties, and asked them for explanations as necessary. The accounting auditors reported to us that the systems for ensuring proper execution of duties have been developed in accordance with the "Quality Control Standards concerning Audit" and other applicable regulations, and we asked them for explanations as necessary.

Based on the methods mentioned above, we have reviewed the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements), and their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the said fiscal year.

2. Audit results

(1) Results of audit of the business report, etc.

(i) We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.

(ii) The Board of Directors, which should supervise the business execution of management, did not function effectively because of collusion among several former members of the Company's management for improper purposes.

(iii) Although past resolutions of the Board of Directors with regard to the internal control system were in themselves appropriate, we do not recognize that such resolutions were properly implemented at the time of the 144th term. There are significant deficiencies requiring disclosure with regard to internal controls over financial reporting. However, Directors are making efforts to improve them and these deficiencies did not affect the appropriateness of the financial statements, supplementary schedules, and consolidated financial statements for the fiscal year under review.

(iv) It is reported to us that, under the guidance and supervision of the Management Reform Committee consisting of external knowledgeable persons, the Company is working, on the basis of the Company and across the entire Group, to renew its management system and strengthen corporate governance systems as well as to develop internal control systems and review compliance systems and the Company is currently implementing concrete measures under its new management system.

(v) With respect to the basic policy concerning control of the Company, which is described in the business report, we confirm that there are no matters to be pointed out. We confirm that the initiatives based on the said basic policy do not damage the common interests of shareholders of the Company and that they are not aimed at maintaining the positions of Directors or Corporate Auditors of the Company.

(2) Results of audit of financial statements and their supplementary schedules

We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

(3) Results of audit of consolidated financial statements

We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

May 17, 2012

The Board of Corporate Auditors,
OLYMPUS CORPORATION

Standing Corporate Auditor: Takashi Saito [Seal]
Standing Corporate Auditor: Masashi Shimizu [Seal]
Outside Corporate Auditor: Nobuo Nagoya [Seal]
Outside Corporate Auditor: Katsuya Natori [Seal]