December 28, 2011

News Release

Company: Olympus Corporation
Representative Director, President and CEO: Shuichi Takayama
(Code 7733, First Section, Tokyo Stock Exchange)
Contact: Akihiro Nambu, Manager, Public Relations and IR Office

(Corrections) Notice Concerning Partial Corrections to "Consolidated Financial Results (Kessan Tanshin) for the Nine Months of the Fiscal Year Ending March 31, 2011"

Olympus Corporation (the "Company") has proceeded with operations to correct consolidated financial results (kessan tanshin) of past fiscal years as announced in "Notice Concerning Filing of the Amendments to the Past Securities Reports and Partial Corrections to Past Financial Results (Kessan Tanshin) and That for the First Quarter of the Fiscal Year Ending March 2012," a timely disclosure of the Company as prescribed by the Tokyo Stock Exchange dated December 15, 2011.

The Company has now completed the operations to correct "Consolidated Financial Results (Kessan Tanshin) for the Nine Months of the Fiscal Year Ending March 31, 2011" dated February 10, 2011, and it accordingly announces the details of the corrections.

Because corrections have been made in numerous locations, two copies of the full document are attached: the version before corrections and the version after corrections. The places in the document where corrections were made are underlined.

END

(After Correction)

Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2011 <under Japanese GAAP>

February 10, 2011

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Nobuyuki Onishi, General Manager, Accounting Division
Phone: 03-3340-2111
Scheduled date to submit the Quarterly Securities Report: February 14, 2011
Scheduled date to commence dividend payments: –
Presentation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to December 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
December 31, 2010	624,013	(4.3)	32,039	(30.1)	26,881	(20.0)	5,844	(87.4)
December 31, 2009	651,937	(13.6)	45,834	24.0	33,611	29.1	46,294	–

	Net income per share	Fully diluted net income per share
Nine months ended	(¥)	(¥)
December 31, 2010	21.68	–
December 31, 2009	171.87	171.86

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2010	1,004,939	109,477	10.1	381.89
March 31, 2010	1,104,528	163,131	14.1	576.63

Note: Equity as of December 31, 2010: ¥101,484 million March 31, 2010: ¥155,672 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2010	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2011	–	15.00	–		
Fiscal year ending March 31, 2011 (Forecast)				15.00	30.00

Note: Revisions of the forecast in the current quarter: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2011
(From April 1, 2010 to March 31, 2011)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	865,000	(2.0)	48,000	(21.5)	39,000	(15.4)	14,000	(73.3)	52.68

Note: Revisions of the forecast in the current quarter: Yes

4. Others (For details, please refer to “Other Information” on page 6 of the attached material.)

(1) Changes in significant subsidiaries during the current quarter: No

Note: Changes in specified subsidiaries resulting in the changes in scope of consolidation during the current quarter

(2) Application of simplified accounting and special accounting: Yes

Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation

1) Changes due to revisions to accounting standards, and other regulations: Yes
2) Changes due to other reasons: No

Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements stated in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2010	271,283,608 shares
As of March 31, 2010	271,283,608 shares

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

As of December 31, 2010	5,541,372 shares
As of March 31, 2010	1,315,105 shares

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

Nine months ended December 31, 2010	269,498,188 shares
Nine months ended December 31, 2009	269,352,362 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly financial statements are in progress.

* Proper use of the forecast of financial results, and other special matters

1. The forecast of consolidated financial results which was announced on November 5, 2010, is revised in these materials.
2. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of “Qualitative Information Regarding Forecast of Consolidated Financial Results” on page 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 1. above.

Attached Material

Contents

1. Qualitative Information Regarding Consolidated Financial Results for the Nine Months

(1) Qualitative Information Regarding Consolidated Results of Operations

In the Japanese economy during the nine months ended December 31, 2010, although a pause in the yen's appreciation and monetary easing measures by the Bank of Japan appeared to be leading to mild improvement, there continued to be uncertainty towards the future because of the still severe employment situation. Around the world, there remained a concern that the economy would slump further, despite raised expectations of recovery due to a strong performance of stock markets benefitting from the U.S. government's monetary easing measures, due to the continuation of the credit crunch in Europe and other factors.

Amid this business environment, the Olympus Group newly formulated the "2010 Corporate Strategic Plan," which commenced this fiscal year ending March 31, 2011. Under the slogan "Advancing to the Next Stage of Globalization," the Group started initiatives to "transform Olympus into a more globally competitive company" and "strengthen our business presence in the emerging markets."

The consolidated net sales for the Olympus Group over the nine months of the fiscal year under review decreased ¥27,924 million, or 4.3%, year on year to ¥624,013 million. Although the Medical Systems Business and the Information & Communication Business achieved increases in revenue, there were declines in revenue from the transfer of the diagnostic systems business in August 2009 as well as in the Imaging Systems Business. Operating income was down 30.1% year on year to ¥32,039 million, impacted by foreign exchange effects and an operating loss being posted by the Imaging Systems Business. Ordinary income decreased 20.0% year on year to ¥26,881 million primarily due to a decrease in operating income. Net income was ¥5,844 million, a decrease of ¥40,450 million or 87.4% compared with the same period of the previous fiscal year when extraordinary income was recorded in connection with the transfer of the diagnostic systems business.

During the nine months, the Olympus Group invested ¥46,819 million on research and development, and spent ¥21,555 million on capital investments.

Due to changes in the business segmentation of segment information from the first quarter of the fiscal year ending March 31, 2011, the following year-on-year comparisons were made using the previous fiscal year figures rearranged into the business classification after the changes.

Medical Systems Business

Consolidated net sales in the Medical Systems Business during the nine months amounted to ¥261,835 million (up 2.4% year on year), while operating income amounted to ¥53,791 million (down 4.8% year on year).

Revenue in the medical endoscope field increased. In Japan, sales of our flagship high-resolution HDTV endoscope system grew, and overseas sales continued to remain strong in the North American and Chinese markets.

Revenue in the surgical and therapeutic devices field increased. Sales volume increased for new products of disposable guide wires used for endoscope treatment such as for pancreatic ducts.

Operating income in the Medical Systems Business declined as a result of foreign exchange effects and increased R&D investment.

Life Science and Industrial Systems Business

Consolidated net sales for the Life Science and Industrial Systems Business during the nine months was ¥70,811 million (down 14.8% year on year), while operating income amounted to ¥4,435 million (down 2.1% year on year).

Against the backdrop of recovering capital investment in Japan and overseas, sales were strong in the industrial equipment field for the industrial microscopes and the “LEXT” series of laser scanning microscopes. In the life science field also, there was growth in sales in Japan of the new-product “BX3” series of system biological microscopes. Overall, however, revenue declined in the Life Science and Industrial Systems Business owing to the transfer of the diagnostic systems business in August 2009.

Operating income remained at the same level as the same period of the previous fiscal year owing to the transfer of the diagnostic systems business.

Imaging Systems Business

In the Imaging Systems Business, the Olympus Group registered consolidated net sales for the nine months of ¥102,996 million (down 24.3% year on year) and operating loss of ¥7,732 million (in contrast to an operating income of ¥3,575 million in the same period of the previous fiscal year).

Regarding interchangeable lens system digital cameras, there was a launch of the flagship model “E-5” aimed at professionals and serious amateurs. In addition, sales were favorable both in Japan and Asia for the “OLYMPUS PEN E-PL1,” which is a digital camera with a small, lightweight and dignified design compliant with the “Micro Four Thirds System” standard. However, overall revenue in the Imaging Systems Business declined owing to foreign exchange effects and a decline in the number of units sold due to intensified competition in the digital camera market.

Despite efforts to cut costs, the Imaging Systems Business registered an operating loss due to decrease in revenue.

Information & Communication Business

Consolidated net sales for the Information & Communication Business during the nine months was ¥152,182 million (up 13.1% year on year), while operating income amounted to ¥3,547 million (up 10.1% year on year).

Net sales in the Information & Communication Business increased owing to not only strong sales of products such as fixed communication lines including optical-fiber, data cards and photo frames, but also the growth in sales of smartphones and other mobile phones.

Operating income went up thanks not only to expanded sales of mobile phones but also to additional streamlining of sales costs.

Others

Consolidated net sales for other businesses in the nine months was ¥36,189 million (down 15.0% year on year) and an operating loss was ¥2,120 million (compared with an operating loss of ¥3,534 million in the same period of the previous fiscal year).

During the nine months ended December 31, 2010, a new company was established and put into operation for the purposes of sharing management resources related to new business creation within the Olympus Group to strengthen the total might of the Group, and of reforming the management system to one that is more efficient so as to accelerate the discovery and development of new businesses.

Net sales for other businesses were lower overall partly due to the decline in sales from the sale of some subsidiaries in November 2009.

As for the bottom line, the Others reduced its operating loss thanks to improvements in the earnings of new-business related subsidiaries.

(2) Qualitative Information Regarding Consolidated Financial Position

As of the end of the third quarter, total assets decreased ¥99,589 million compared to the end of the previous fiscal year to ¥1,004,939 million.

This was primary as a result of decreases in notes and accounts receivable of ¥20,341 million and investment securities of ¥12,416 million, and increases in work in process of ¥1,232 million and raw materials and supplies of ¥3,643 million.

Total liabilities decreased ¥45,935 million compared to the end of the previous fiscal year to ¥895,462 million due mainly to an increase in short-term borrowings of ¥43,953 million, and decreases in notes and accounts payable of ¥12,027 million, bonds (including current maturities of bonds) of ¥20,040 million and long-term borrowings, less current maturities of ¥33,563 million.

Net assets decreased ¥53,654 million compared to the end of the previous fiscal year to ¥109,477 million, primarily due to an increase in treasury stock of ¥10,004 million and decreases of valuation and translation adjustments of ¥41,417 million arising from fluctuations in foreign exchange and stock prices, etc.

As a result of the foregoing, equity ratio decreased from 14.1% as of the end of the previous fiscal year to 10.1%.

Cash flow position

The following are the cash flows for the nine months of the fiscal year ending March 31, 2011 and their causes.

“Cash flows from operating activities” increased by ¥15,730 million mainly due to ¥21,203 million in income before provision for income taxes, ¥23,804 million in depreciation and amortization, and a decrease of ¥13,531 million in accounts receivable. Contrastingly, decreasing factors mainly included an increase of ¥9,720 million in inventories, a ¥11,953 million decrease in accounts payable, and ¥24,891 million in income taxes paid.

“Cash flows from investing activities” increased by ¥1,593 million mainly due to ¥34,017 million in collection of fund assets invested. Contrastingly, decreasing factors mainly included purchase of property, plant and equipment totaling ¥14,245 million, purchases of intangible assets of ¥5,419 million, and payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation of ¥12,415 million.

“Cash flows from financing activities” decreased by ¥29,553 million mainly due to a net decrease in short-term borrowings of ¥11,653 million, ¥4,967 million in repayments of long-term debt, ¥20,040 million in redemption of bonds, and ¥10,004 million in purchase of treasury stock. Contrastingly, increasing factors mainly included proceeds from long-term debt of ¥25,785 million.

As a result, cash and cash equivalents at the end of the third quarter was ¥184,202 million, a decrease of ¥18,811 million compared to the end of the previous fiscal year.

(3) Qualitative Information Regarding Forecast of Consolidated Financial Results

Regarding the forecast of consolidated financial results for the full year ending March 31, 2011, basing judgments on the operating results of the nine months ended December 31, 2010, and taking into consideration the continuation of the difficult business environment, particularly in the Imaging Systems Business, the Company has revised the forecasts for net sales, operating income, ordinary income and net income as follows. Foreign exchange rates in the fourth quarter is expected to be ¥85 per U.S. dollar and ¥110 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥86 per U.S. dollar and ¥112 per euro.

Fiscal year ending March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	880,000	53,000	41,000	15,000	¥55.56
Revised Forecast (B)	865,000	48,000	39,000	14,000	¥52.68
Increase (Decrease) (B-A)	(15,000)	(5,000)	(2,000)	(1,000)	–
Increase (Decrease) Ratio (%)	(1.7)	(9.4)	(4.9)	(6.7)	–

2. Other Information

(1) Summary of Changes in Significant Subsidiaries

No items to report

(2) Summary of Simplified Accounting and Special Accounting

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the third quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

With respect to the calculation of inventories at the end of the third quarter under review, physical inventories were omitted and a reasonable calculation method was employed based on the physical inventories at the end of the second quarter.
In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

(3) Summary of Changes in Accounting Policies, Procedures, and Methods of Presentation

- Changes in accounting standards

1) Application of accounting standard for asset retirement obligations
Effective from the first quarter, the Company adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

The effect of this change on operating income, ordinary income and income before provision for income taxes, and the change in amount of asset retirement obligations are immaterial.

2) Application of accounting standards for business combinations, etc.
Effective from the first quarter, the Company adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), the “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, released on December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
ASSETS		
Current assets		
Cash and time deposits	188,119	206,783
Notes and accounts receivable	133,898	154,239
Securities	1,000	–
Merchandise and finished goods	56,080	57,042
Work in process	20,142	18,910
Raw materials and supplies	17,650	14,007
Other current assets	89,329	83,900
Allowance for doubtful accounts	(2,643)	(2,736)
Total current assets	503,575	532,145
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	62,199	67,986
Machinery and equipment, net	11,545	13,539
Tools, furniture and fixtures, net	35,338	36,648
Land	19,043	19,048
Lease assets, net	4,628	3,877
Construction in progress	1,560	2,463
Net property, plant and equipment	134,313	143,561
Intangible assets		
Goodwill	138,741	144,900
Others	61,654	71,130
Total intangible assets	200,395	216,030
Investments and other assets		
Investment securities	65,032	78,448
Investment fund assets	31,617	65,880
Other assets	78,850	75,249
Allowance for doubtful accounts	(8,843)	(6,785)
Total investments and other assets	166,656	212,792
Total fixed assets	501,364	572,383
Total assets	1,004,939	1,104,528

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	62,047	74,074
Short-term borrowings	137,886	93,933
Current maturities of bonds	240	20,040
Income taxes payable	14,702	23,892
Provision for product warranties	8,377	9,708
Other reserves	–	2
Other current liabilities	107,500	117,597
Total current liabilities	330,752	339,246
Non-current liabilities		
Long-term bonds, less current maturities	110,120	110,360
Long-term borrowings, less current maturities	403,585	437,148
Severance and retirement allowance	19,371	19,888
Other reserves	156	147
Other non-current liabilities	31,478	34,608
Total non-current liabilities	564,710	602,151
Total liabilities	895,462	941,397
NET ASSETS		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	55,166	55,166
Retained earnings	111,952	114,719
Treasury stock, at cost	(14,140)	(4,136)
Total shareholders' equity	201,310	214,081
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	5,812	8,020
Net unrealized gains (losses) on hedging derivatives, net of taxes	186	(438)
Foreign currency translation adjustments	(105,824)	(65,991)
Total valuation and translation adjustments	(99,826)	(58,409)
Minority interests	7,993	7,459
Total net assets	109,477	163,131
Total liabilities and net assets	1,004,939	1,104,528

(2) Consolidated Statements of Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net sales	651,937	624,013
Costs of sales	348,305	334,759
Gross profit	303,632	289,254
Selling, general and administrative expenses	257,798	257,215
Operating income	45,834	32,039
Non-operating income		
Interest income	822	693
Dividends income	692	734
Foreign currency exchange gain	702	3,479
Others	2,660	2,716
Total non-operating income	4,876	7,622
Non-operating expenses		
Interest expenses	10,543	9,294
Others	6,556	3,486
Total non-operating expenses	17,099	12,780
Ordinary income	33,611	26,881
Extraordinary income		
Gain on sales of investment securities	652	806
Gain on sales of investments in subsidiaries and affiliates	2,536	64
Gain on transfer of business	46,108	–
Total extraordinary income	49,296	870
Extraordinary losses		
Impairment loss on fixed assets	331	189
Loss on sales of investment securities	315	2,838
Loss on sales of investments in subsidiaries and affiliates	97	69
Provision of allowance for investment loss	129	–
Loss on valuation of investment securities	2,291	138
Loss on step acquisitions	–	310
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	311
Amortization of goodwill	1,064	–
Loss on funds invested	374	245
Provision of allowance for doubtful accounts	–	2,448
Others	500	–
Total extraordinary losses	5,101	6,548
Income before provision for income taxes	77,806	21,203
Income taxes	31,184	14,948
Income before minority interests	–	6,254
Minority interest in income of consolidated subsidiaries	328	411
Net income	46,294	5,844

Consolidated Statements of Income

(Millions of yen)

	Third quarter ended December 31, 2009	Third quarter ended December 31, 2010
Net sales	216,516	206,686
Costs of sales	115,711	112,735
Gross profit	100,805	93,951
Selling, general and administrative expenses	83,666	84,292
Operating income	17,139	9,659
Non-operating income		
Interest income	247	209
Dividends income	244	271
Foreign currency exchange gain	2,003	1,109
Others	781	586
Total non-operating income	3,275	2,175
Non-operating expenses		
Interest expenses	4,248	3,111
Others	996	1,106
Total non-operating expenses	5,244	4,217
Ordinary income	15,170	7,617
Extraordinary income		
Gain on sales of investment securities	555	529
Gain on sales of investments in subsidiaries and affiliates	2,473	–
Gain on transfer of business	(163)	–
Total extraordinary income	2,865	529
Extraordinary losses		
Impairment loss on fixed assets	169	189
Loss on sales of investment securities	310	2,829
Loss on sales of investments in subsidiaries and affiliates	97	69
Provision of allowance for investment loss	129	–
Loss on valuation of investment securities	1,025	(2,799)
Amortization of goodwill	1,064	–
Loss on funds invested	125	82
Others	500	–
Total extraordinary losses	3,419	370
Income before provision for income taxes	14,616	7,776
Income taxes	6,400	5,544
Income before minority interests	–	2,233
Minority interest in income of consolidated subsidiaries	320	195
Net income	7,896	2,037

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from operating activities		
Income before provision for income taxes	77,806	21,203
Depreciation and amortization	31,868	23,804
Impairment loss on fixed assets	331	189
Amortization of goodwill	10,039	9,051
Increase (decrease) in severance and retirement allowance	1,167	715
Increase (decrease) in allowance for investment loss	129	–
Interest and dividend income	(1,514)	(1,427)
Interest expense	10,543	9,294
Loss (gain) on transfer of business	(46,108)	–
Loss (gain) on sales of investments in subsidiaries and affiliates	(2,439)	5
Loss (gain) on sales of investment securities	–	2,166
Loss (gain) on valuation of investment securities	2,291	138
Decrease (increase) in accounts receivable	(1,742)	13,531
Decrease (increase) in inventories	(877)	(9,720)
Increase (decrease) in accounts payable	2,233	(11,953)
Increase (decrease) in other payable	(682)	414
Increase (decrease) in accrued expense	(9,506)	(9,616)
Loss on funds invested	374	245
Increase (decrease) in allowance for doubtful accounts on funds	–	2,448
Other	3,969	(1,179)
Sub-total	77,882	49,308
Interest and dividend received	1,614	1,466
Interest payments	(9,181)	(7,705)
Outflow of money from funds	–	(2,448)
Income taxes paid	(13,241)	(24,891)
Net cash provided by operating activities	57,074	15,730
Cash flows from investing activities		
Deposits in time deposits	(3,934)	(4,605)
Withdrawals from time deposits	3,562	4,151
Purchase of property, plant and equipment	(32,966)	(14,245)
Purchases of intangible assets	(3,918)	(5,419)
Purchases of investment securities	(3,420)	(3,278)
Sales and redemption of investment securities	1,009	5,988
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(372)	(12,415)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(21)	–
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	17,579	201
Payments for acquisition of new consolidated subsidiaries	(1,517)	(3,192)
Payments for transfer of business	(6,851)	–
Proceeds from transfer of business	74,402	1,980
Collection of fund assets invested	–	34,017
Other	(1,392)	(1,590)
Net cash provided by investing activities	42,161	1,593

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(7,627)	(11,653)
Proceeds from long-term debt	68,714	25,785
Repayments of long-term debt	(45,044)	(4,967)
Proceeds from issuance of bonds	200	–
Redemption of bonds	(20,000)	(20,040)
Purchase of treasury stock	–	(10,004)
Dividends paid	(3,826)	(8,099)
Other	(711)	(575)
Net cash used in financing activities	(8,294)	(29,553)
Effect of exchange rate changes on cash and cash equivalents	(1,629)	(7,628)
Net increase (decrease) in cash and cash equivalents	89,312	(19,858)
Cash and cash equivalents at beginning of period	132,720	203,013
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	477	1,047
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	88	–
Cash and cash equivalents at end of period	222,597	184,202

(4) Notes on Premise of Going Concern

No items to report

(5) Segment Information

1. Overview of reportable segments

The reportable segments of the Olympus Group are components of the Company whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Olympus Group has established business divisions at the Company, Olympus Medical Systems Corporation, Olympus Imaging Corporation, and ITX Corporation. Each business division formulates comprehensive strategies for Japan and abroad with respect to products and services handled and deploys business activities.

Accordingly, being composed of segments, based on these business divisions, that are categorized according to products and services, the Olympus Group has the following five reportable segments: Medical Systems Business, Life Science and Industrial Systems Business, Imaging Systems Business, Information & Communication Business, and Others.

2. Information concerning net sales and income/loss by reportable segment

Nine months of the fiscal year ending March 31, 2011 (from April 1, 2010 to December 31, 2010)

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total		
Sales								
Sales to outside customers	261,835	70,811	102,996	152,182	36,189	624,013	–	624,013
Internal sales or transfer among segments	77	115	68	–	34	294	(294)	–
Total	261,912	70,926	103,064	152,182	36,223	624,307	(294)	624,013
Segment profit (Operating income)	53,791	4,435	(7,732)	3,547	(2,120)	51,921	(19,882)	32,039

Note: The deduction of ¥19,882 million listed as an adjustment to segment profit includes corporate expenses of ¥19,882 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

Major products and services belonging to each segment

Segment	Major Products and Services
Medical Systems	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, etc.
Life Science and Industrial Systems	Biological microscopes, Industrial microscopes, Industrial endoscopes, Non-destructive testing equipment, Printers, etc.
Imaging Systems	Digital cameras, Voice recorders
Information & Communication	Sales of mobile terminals including mobile handsets
Others	System development, Biomedical materials, etc.

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

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Reference information)

Nine months of the fiscal year ended March 31, 2010 (from April 1, 2009 to December 31, 2009)

The following are results of the nine months ended December 31, 2009 after rearranging the business segmentation of the segment information by type of business with the new segments.

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total		
Sales								
Sales to outside customers	255,749	83,079	135,972	134,583	42,554	651,937	–	651,937
Internal sales or transfer among segments	22	115	61	–	274	472	(472)	–
Total	255,771	83,194	136,033	134,583	42,828	652,409	(472)	651,937
Segment profit (Operating income)	56,519	4,530	3,575	3,223	(3,534)	64,314	(18,480)	45,834

Note: The deduction of ¥18,480 million listed as an adjustment to segment profit includes corporate expenses of ¥18,480 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

(Additional information)

Effective from the first quarter, the Company adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

(6) Notes on Significant Changes in the Amount of Shareholders’ Equity

The Company executed a repurchase of its own shares based on a resolution passed by the Company’s Board of Directors at a meeting held on November 5, 2010 to repurchase the Company’s shares. As a result of this repurchase of the Company’s shares, and the purchase of shares not constituting a full unit, the Company’s treasury stock increased in value by ¥10,004 million to amount to ¥14,140 million as of the end of the third quarter ended December 31, 2010.

(Before Correction)

Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2011 <under Japanese GAAP>

February 10, 2011

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Nobuyuki Onishi, General Manager, Accounting Division
Phone: 03-3340-2111
Scheduled date to submit the Quarterly Securities Report: February 14, 2011
Scheduled date to commence dividend payments: –
Presentation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to December 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
December 31, 2010	624,013	(4.3)	29,754	(33.9)	26,076	(21.3)	8,677	(80.1)
December 31, 2009	651,937	(13.6)	45,046	50.4	33,135	66.8	43,685	–

	Net income per share	Fully diluted net income per share
Nine months ended	(¥)	(¥)
December 31, 2010	32.20	–
December 31, 2009	162.19	162.18

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2010	1,049,382	160,173	14.5	572.66
March 31, 2010	1,152,227	216,891	18.2	775.76

Note: Equity as of December 31, 2010: ¥152,180 million March 31, 2010: ¥209,432 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2010	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2011	–	15.00	–		
Fiscal year ending March 31, 2011 (Forecast)				15.00	30.00

Note: Revisions of the forecast in the current quarter: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	865,000	(2.0)	48,000	(20.2)	39,000	(13.6)	14,000	(70.7)	52.68

Note: Revisions of the forecast in the current quarter: Yes

4. Others (For details, please refer to "Other Information" on page 6 of the attached material.)

(1) Changes in significant subsidiaries during the current quarter: No

Note: Changes in specified subsidiaries resulting in the changes in scope of consolidation during the current quarter

(2) Application of simplified accounting and special accounting: Yes

Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation

1) Changes due to revisions to accounting standards, and other regulations: Yes

2) Changes due to other reasons: No

Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements stated in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements"

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2010	271,283,608 shares
As of March 31, 2010	271,283,608 shares

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

As of December 31, 2010	5,541,372 shares
As of March 31, 2010	1,315,105 shares

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

Nine months ended December 31, 2010	269,498,188 shares
Nine months ended December 31, 2009	269,352,362 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly financial statements are in progress.

* Proper use of the forecast of financial results, and other special matters

1. The forecast of consolidated financial results which was announced on November 5, 2010, is revised in these materials.
2. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of "Qualitative Information Regarding Forecast of Consolidated Financial Results" on page 5 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 1. above.

Attached Material

Contents

1. Qualitative Information Regarding Consolidated Financial Results for the Nine Months

(1) Qualitative Information Regarding Consolidated Results of Operations

In the Japanese economy during the nine months ended December 31, 2010, although a pause in the yen's appreciation and monetary easing measures by the Bank of Japan appeared to be leading to mild improvement, there continued to be uncertainty towards the future because of the still severe employment situation. Around the world, there remained a concern that the economy would slump further, despite raised expectations of recovery due to a strong performance of stock markets benefitting from the U.S. government's monetary easing measures, due to the continuation of the credit crunch in Europe and other factors.

Amid this business environment, the Olympus Group newly formulated the "2010 Corporate Strategic Plan," which commenced this fiscal year ending March 31, 2011. Under the slogan "Advancing to the Next Stage of Globalization," the Group started initiatives to "transform Olympus into a more globally competitive company" and "strengthen our business presence in the emerging markets."

The consolidated net sales for the Olympus Group over the nine months of the fiscal year under review decreased ¥27,924 million, or 4.3%, year on year to ¥624,013 million. Although the Medical Systems Business and the Information & Communication Business achieved increases in revenue, there were declines in revenue from the transfer of the diagnostic systems business in August 2009 as well as in the Imaging Systems Business. Operating income was down 33.9% year on year to ¥29,754 million, impacted by foreign exchange effects and an operating loss being posted by the Imaging Systems Business. Ordinary income decreased 21.3% year on year to ¥26,076 million primarily due to a decrease in operating income. Net income was ¥8,677 million, a decrease of ¥35,008 million or 80.1% compared with the same period of the previous fiscal year when extraordinary income was recorded in connection with the transfer of the diagnostic systems business.

During the nine months, the Olympus Group invested ¥46,819 million on research and development, and spent ¥21,555 million on capital investments.

Regarding foreign exchange, the yen appreciated against both the U.S. dollar and the euro compared to the same period of the previous fiscal year, with an average exchange rate during the period of ¥86.85 against the U.S. dollar (¥93.56 in the same period of the previous fiscal year) and ¥113.31 against the euro (¥133.00 in the same period of the previous fiscal year), which caused net sales and operating income to drop by ¥34,200 million and ¥10,400 million, respectively, year on year.

Due to changes in the business segmentation of segment information from the first quarter of the fiscal year ending March 31, 2011, the following year-on-year comparisons were made using the previous fiscal year figures rearranged into the business classification after the changes.

Medical Systems Business

Consolidated net sales in the Medical Systems Business during the nine months amounted to ¥261,835 million (up 2.4% year on year), while operating income amounted to ¥51,992 million (down 7.6% year on year).

Revenue in the medical endoscope field increased. In Japan, sales of our flagship high-resolution HDTV endoscope system grew, and overseas sales continued to remain strong in the North American and Chinese markets.

Revenue in the surgical and therapeutic devices field increased. Sales volume increased for new products of disposable guide wires used for endoscope treatment such as for pancreatic ducts.

Operating income in the Medical Systems Business declined as a result of foreign exchange effects and increased R&D investment.

Life Science and Industrial Systems Business

Consolidated net sales for the Life Science and Industrial Systems Business during the nine months was ¥70,811 million (down 14.8% year on year), while operating income amounted to ¥4,435 million (down 2.1% year on year).

Against the backdrop of recovering capital investment in Japan and overseas, sales were strong in the industrial equipment field for the industrial microscopes and the “LEXT” series of laser scanning microscopes. In the life science field also, there was growth in sales in Japan of the new-product “BX3” series of system biological microscopes. Overall, however, revenue declined in the Life Science and Industrial Systems Business owing to the transfer of the diagnostic systems business in August 2009.

Operating income remained at the same level as the same period of the previous fiscal year owing to the transfer of the diagnostic systems business.

Imaging Systems Business

In the Imaging Systems Business, the Olympus Group registered consolidated net sales for the nine months of ¥102,996 million (down 24.3% year on year) and operating loss of ¥7,732 million (in contrast to an operating income of ¥3,575 million in the same period of the previous fiscal year).

Regarding interchangeable lens system digital cameras, there was a launch of the flagship model “E-5” aimed at professionals and serious amateurs. In addition, sales were favorable both in Japan and Asia for the “OLYMPUS PEN E-PL1,” which is a digital camera with a small, lightweight and dignified design compliant with the “Micro Four Thirds System” standard. However, overall revenue in the Imaging Systems Business declined owing to foreign exchange effects and a decline in the number of units sold due to intensified competition in the digital camera market.

Despite efforts to cut costs, the Imaging Systems Business registered an operating loss due to decrease in revenue.

Information & Communication Business

Consolidated net sales for the Information & Communication Business during the nine months was ¥152,182 million (up 13.1% year on year), while operating income amounted to ¥3,547 million (up 10.1% year on year).

Net sales in the Information & Communication Business increased owing to not only strong sales of products such as fixed communication lines including optical-fiber, data cards and photo frames, but also the growth in sales of smartphones and other mobile phones.

Operating income went up thanks not only to expanded sales of mobile phones but also to additional streamlining of sales costs.

Others

Consolidated net sales for other businesses in the nine months was ¥36,189 million (down 15.0% year on year) and an operating loss was ¥2,606 million (compared with an operating loss of ¥4,082 million in the same period of the previous fiscal year).

During the nine months ended December 31, 2010, a new company was established and put into operation for the purposes of sharing management resources related to new business creation within the Olympus Group to strengthen the total might of the Group, and of reforming the management system to one that is more efficient so as to accelerate the discovery and development of new businesses.

Net sales for other businesses were lower overall partly due to the decline in sales from the sale of some subsidiaries in November 2009.

As for the bottom line, the Others reduced its operating loss thanks to improvements in the earnings of new-business related subsidiaries.

(2) Qualitative Information Regarding Consolidated Financial Position

As of the end of the third quarter, total assets decreased ¥102,845 million compared to the end of the previous fiscal year to ¥1,049,382 million.

This was primary as a result of decreases in notes and accounts receivable of ¥20,341 million and investment securities of ¥43,687 million, and increases in work in process of ¥1,232 million and raw materials and supplies of ¥3,640 million.

Total liabilities decreased ¥46,127 million compared to the end of the previous fiscal year to ¥889,209 million due mainly to an increase in short-term borrowings of ¥43,953 million, and decreases in notes and accounts payable of ¥12,027 million, bonds (including current maturities of bonds) of ¥20,040 million and long-term borrowings, less current maturities of ¥33,563 million.

Net assets decreased ¥56,718 million compared to the end of the previous fiscal year to ¥160,173 million, primarily due to an increase in treasury stock of ¥10,004 million and decreases of valuation and translation adjustments of ¥47,188 million arising from fluctuations in foreign exchange and stock prices, etc.

As a result of the foregoing, equity ratio decreased from 18.2% as of the end of the previous fiscal year to 14.5%.

Cash flow position

The following are the cash flows for the nine months of the fiscal year ending March 31, 2011 and their causes.

“Cash flows from operating activities” increased by ¥18,178 million mainly due to ¥23,280 million in income before provision for income taxes, ¥23,973 million in depreciation and amortization, and a decrease of ¥13,531 million in accounts receivable. Contrastingly, decreasing factors mainly included an increase of ¥9,720 million in inventories, a ¥11,953 million decrease in accounts payable, and ¥24,891 million in income taxes paid.

“Cash flows from investing activities” decreased by ¥855 million mainly due to purchase of property, plant and equipment totaling ¥14,245 million, purchases of intangible assets of ¥5,419 million, and payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation of ¥12,415 million. Contrastingly, increasing factors mainly included ¥37,557 million in sales and redemption of investment securities.

“Cash flows from financing activities” decreased by ¥29,553 million mainly due to a net decrease in short-term borrowings of ¥11,653 million, ¥4,967 million in repayments of long-term debt, ¥20,040 million in redemption of bonds, and ¥10,004 million in purchase of treasury stock. Contrastingly, increasing factors mainly included proceeds from long-term debt of ¥25,785 million.

As a result, cash and cash equivalents at the end of the third quarter was ¥184,202 million, a decrease of ¥18,811 million compared to the end of the previous fiscal year.

(3) Qualitative Information Regarding Forecast of Consolidated Financial Results

Regarding the forecast of consolidated financial results for the full year ending March 31, 2011, basing judgments on the operating results of the nine months ended December 31, 2010, and taking into consideration the continuation of the difficult business environment, particularly in the Imaging Systems Business, the Company has revised the forecasts for net sales, operating income, ordinary income and net income as follows. Foreign exchange rates in the fourth quarter is expected to be ¥85 per U.S. dollar and ¥110 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥86 per U.S. dollar and ¥112 per euro.

Fiscal year ending March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	880,000	53,000	41,000	15,000	¥55.56
Revised Forecast (B)	865,000	48,000	39,000	14,000	¥52.68
Increase (Decrease) (B-A)	(15,000)	(5,000)	(2,000)	(1,000)	–
Increase (Decrease) Ratio (%)	(1.7)	(9.4)	(4.9)	(6.7)	–

2. Other Information

(1) Summary of Changes in Significant Subsidiaries

No items to report

(2) Summary of Simplified Accounting and Special Accounting

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the third quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

With respect to the calculation of inventories at the end of the third quarter under review, physical inventories were omitted and a reasonable calculation method was employed based on the physical inventories at the end of the second quarter.
In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

(3) Summary of Changes in Accounting Policies, Procedures, and Methods of Presentation

- Changes in accounting standards

1) Application of accounting standard for asset retirement obligations
Effective from the first quarter, the Company adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

The effect of this change on operating income, ordinary income and income before provision for income taxes, and the change in amount of asset retirement obligations are immaterial.

2) Application of accounting standards for business combinations, etc.
Effective from the first quarter, the Company adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), the “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, released on December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
ASSETS		
Current assets		
Cash and time deposits	188,119	206,783
Notes and accounts receivable	133,898	154,239
Securities	1,000	–
Merchandise and finished goods	56,080	57,042
Work in process	20,142	18,910
Raw materials and supplies	18,378	14,738
Other current assets	89,329	83,900
Allowance for doubtful accounts	(2,643)	(2,736)
Total current assets	504,303	532,876
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	62,321	68,124
Machinery and equipment, net	12,236	14,300
Tools, furniture and fixtures, net	35,342	36,665
Land	19,061	19,065
Lease assets, net	4,628	3,877
Construction in progress	1,749	2,463
Net property, plant and equipment	135,337	144,494
Intangible assets		
Goodwill	180,403	194,065
Others	62,016	71,581
Total intangible assets	242,419	265,646
Investments and other assets		
Investment securities	96,584	140,271
Other assets	72,038	70,210
Allowance for doubtful accounts	(1,299)	(1,270)
Total investments and other assets	167,323	209,211
Total fixed assets	545,079	619,351
Total assets	1,049,382	1,152,227

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	62,047	74,074
Short-term borrowings	137,886	93,933
Current maturities of bonds	240	20,040
Income taxes payable	7,817	17,088
Provision for product warranties	8,377	9,708
Other reserves	–	2
Other current liabilities	107,500	117,597
Total current liabilities	323,867	332,442
Non-current liabilities		
Long-term bonds, less current maturities	110,120	110,360
Long-term borrowings, less current maturities	403,585	437,148
Severance and retirement allowance	19,371	19,888
Other reserves	156	147
Other non-current liabilities	32,110	35,351
Total non-current liabilities	565,342	602,894
Total liabilities	889,209	935,336
NET ASSETS		
Shareholders’ equity		
Common stock	48,332	48,332
Capital surplus	55,166	55,166
Retained earnings	168,178	168,238
Treasury stock, at cost	(14,140)	(4,136)
Total shareholders’ equity	257,536	267,600
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	6,734	9,101
Net unrealized gains (losses) on hedging derivatives, net of taxes	186	(438)
Foreign currency translation adjustments	(112,276)	(66,831)
Total valuation and translation adjustments	(105,356)	(58,168)
Minority interests	7,993	7,459
Total net assets	160,173	216,891
Total liabilities and net assets	1,049,382	1,152,227

(2) Consolidated Statements of Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net sales	651,937	624,013
Costs of sales	348,335	334,828
Gross profit	303,602	289,185
Selling, general and administrative expenses	258,556	259,431
Operating income	45,046	29,754
Non-operating income		
Interest income	822	693
Dividends income	692	734
Foreign currency exchange gain	702	3,479
Others	2,460	4,065
Total non-operating income	4,676	8,971
Non-operating expenses		
Interest expenses	10,543	9,294
Others	6,044	3,355
Total non-operating expenses	16,587	12,649
Ordinary income	33,135	26,076
Extraordinary income		
Gain on sales of investment securities	652	806
Gain on sales of investments in subsidiaries and affiliates	2,536	64
Gain on transfer of business	46,108	–
Total extraordinary income	49,296	870
Extraordinary losses		
Impairment loss on fixed assets	331	–
Loss on sales of investment securities	392	2,838
Loss on sales of investments in subsidiaries and affiliates	97	69
Provision of allowance for investment loss	1,929	–
Loss on valuation of investment securities	2,530	138
Loss on step acquisitions	–	310
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	311
Amortization of goodwill	1,064	–
Others	500	–
Total extraordinary losses	6,843	3,666
Income before provision for income taxes	75,588	23,280
Income taxes	31,575	14,193
Income before minority interests	–	9,087
Minority interest in income of consolidated subsidiaries	328	410
Net income	43,685	8,677

Consolidated Statements of Income

(Millions of yen)

	Third quarter ended December 31, 2009	Third quarter ended December 31, 2010
Net sales	216,516	206,686
Costs of sales	115,721	112,758
Gross profit	100,795	93,928
Selling, general and administrative expenses	84,267	85,005
Operating income	16,528	8,923
Non-operating income		
Interest income	247	209
Dividends income	244	271
Foreign currency exchange gain	2,003	1,109
Others	781	623
Total non-operating income	3,275	2,212
Non-operating expenses		
Interest expenses	4,248	3,111
Others	914	1,085
Total non-operating expenses	5,162	4,196
Ordinary income	14,641	6,939
Extraordinary income		
Gain on sales of investment securities	555	529
Gain on sales of investments in subsidiaries and affiliates	2,473	–
Gain on transfer of business	(163)	–
Total extraordinary income	2,865	529
Extraordinary losses		
Impairment loss on fixed assets	169	–
Loss on sales of investment securities	311	2,829
Loss on sales of investments in subsidiaries and affiliates	97	69
Provision of allowance for investment loss	129	–
Loss on valuation of investment securities	1,024	(2,799)
Amortization of goodwill	1,064	–
Others	500	–
Total extraordinary losses	3,294	99
Income before provision for income taxes	14,212	7,369
Income taxes	6,400	5,544
Income before minority interests	–	1,825
Minority interest in income of consolidated subsidiaries	320	195
Net income	7,492	1,630

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from operating activities		
Income before provision for income taxes	75,588	23,280
Depreciation and amortization	32,000	23,973
Impairment loss on fixed assets	331	–
Amortization of goodwill	10,676	11,149
Increase (decrease) in severance and retirement allowance	1,167	715
Increase (decrease) in allowance for investment loss	1,929	–
Interest and dividend income	(1,514)	(1,427)
Interest expense	10,543	9,294
Loss (gain) on transfer of business	(46,108)	–
Loss (gain) on sales of investments in subsidiaries and affiliates	(2,439)	5
Loss (gain) on sales of investment securities	–	1,177
Loss (gain) on valuation of investment securities	2,530	138
Decrease (increase) in accounts receivable	(1,742)	13,531
Decrease (increase) in inventories	(1,077)	(9,720)
Increase (decrease) in accounts payable	2,233	(11,953)
Increase (decrease) in other payable	(682)	414
Increase (decrease) in accrued expense	(9,506)	(9,616)
Other	3,953	(1,652)
Sub-total	77,882	49,308
Interest and dividend received	1,614	1,466
Interest payments	(9,181)	(7,705)
Income taxes paid	(13,241)	(24,891)
Net cash provided by operating activities	57,074	18,178
Cash flows from investing activities		
Deposits in time deposits	(3,934)	(4,605)
Withdrawals from time deposits	3,562	4,151
Purchase of property, plant and equipment	(32,966)	(14,245)
Purchases of intangible assets	(3,918)	(5,419)
Purchases of investment securities	(3,420)	(3,278)
Sales and redemption of investment securities	1,009	37,557
Payments for acquisition of new consolidated subsidiaries related to changes in scope of consolidation	(372)	(12,415)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(21)	–
Net increase from sales of investment in subsidiaries related to changes in scope of consolidation	17,579	201
Payments for acquisition of new consolidated subsidiaries	(1,517)	(3,192)
Payments for transfer of business	(6,851)	–
Proceeds from transfer of business	74,402	1,980
Other	(1,392)	(1,590)
Net cash provided by (used in) investing activities	42,161	(855)

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(7,627)	(11,653)
Proceeds from long-term debt	68,714	25,785
Repayments of long-term debt	(45,044)	(4,967)
Proceeds from issuance of bonds	200	–
Redemption of bonds	(20,000)	(20,040)
Purchase of treasury stock	–	(10,004)
Dividends paid	(3,826)	(8,099)
Other	(711)	(575)
Net cash used in financing activities	(8,294)	(29,553)
Effect of exchange rate changes on cash and cash equivalents	(1,629)	(7,628)
Net increase (decrease) in cash and cash equivalents	89,312	(19,858)
Cash and cash equivalents at beginning of period	132,720	203,013
Net increase in cash and cash equivalents associated with newly consolidated subsidiaries	477	1,047
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	88	–
Cash and cash equivalents at end of period	222,597	184,202

(4) Notes on Premise of Going Concern

No items to report

(5) Segment Information

1. Overview of reportable segments

The reportable segments of the Olympus Group are components of the Company whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Olympus Group has established business divisions at the Company, Olympus Medical Systems Corporation, Olympus Imaging Corporation, and ITX Corporation. Each business division formulates comprehensive strategies for Japan and abroad with respect to products and services handled and deploys business activities.

Accordingly, being composed of segments, based on these business divisions, that are categorized according to products and services, the Olympus Group has the following five reportable segments: Medical Systems Business, Life Science and Industrial Systems Business, Imaging Systems Business, Information & Communication Business, and Others.

2. Information concerning net sales and income/loss by reportable segment

Nine months of the fiscal year ending March 31, 2011 (from April 1, 2010 to December 31, 2010)

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communication	Others	Total		
Sales								
Sales to outside customers	261,835	70,811	102,996	152,182	36,189	624,013	–	624,013
Internal sales or transfer among segments	77	115	68	–	34	294	(294)	–
Total	261,912	70,926	103,064	152,182	36,223	624,307	(294)	624,013
Segment profit (Operating income)	51,992	4,435	(7,732)	3,547	(2,606)	49,636	(19,882)	29,754

Note: The deduction of ¥19,882 million listed as an adjustment to segment profit includes corporate expenses of ¥19,882 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

Major products and services belonging to each segment

Segment	Major Products and Services
Medical Systems	Medical endoscopes, Surgical endoscopes, Endo-therapy devices, etc.
Life Science and Industrial Systems	Biological microscopes, Industrial microscopes, Industrial endoscopes, Non-destructive testing equipment, Printers, etc.
Imaging Systems	Digital cameras, Voice recorders
Information & Communication	Sales of mobile terminals including mobile handsets
Others	System development, Biomedical materials, etc.

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

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Reference information)

Nine months of the fiscal year ended March 31, 2010 (from April 1, 2009 to December 31, 2009)

The following are results of the nine months ended December 31, 2009 after rearranging the business segmentation of the segment information by type of business with the new segments.

(Millions of yen)

	Reportable Segment						Adjustment (Note)	Consolidated
	Medical Systems	Life Science and Industrial Systems	Imaging Systems	Information & Communica-tion	Others	Total		
Sales								
Sales to outside customers	255,749	83,079	135,972	134,583	42,554	651,937	–	651,937
Internal sales or transfer among segments	22	115	61	–	274	472	(472)	–
Total	255,771	83,194	136,033	134,583	42,828	652,409	(472)	651,937
Segment profit (Operating income)	56,280	4,530	3,575	3,223	(4,082)	63,526	(18,480)	45,046

Note: The deduction of ¥18,480 million listed as an adjustment to segment profit includes corporate expenses of ¥18,480 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the corporate center of the parent company (management departments such as the Administrative Department) and the Research & Development Center.

(Additional information)

Effective from the first quarter, the Company adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

(6) Notes on Significant Changes in the Amount of Shareholders’ Equity

The Company executed a repurchase of its own shares based on a resolution passed by the Company’s Board of Directors at a meeting held on November 5, 2010 to repurchase the Company’s shares. As a result of this repurchase of the Company’s shares, and the purchase of shares not constituting a full unit, the Company’s treasury stock increased in value by ¥10,004 million to amount to ¥14,140 million as of the end of the third quarter ended December 31, 2010.