

## Prosecutors To Search Olympus Offices

TOKYO, Dec. 17 (Kyodo) — Prosecutors plan to search the offices of Olympus Corp. by the end of next week on suspicion of falsification of financial reports in connection with the coverup of the company's massive investment losses, investigative sources said Friday.

The planned search by the special investigative unit of the Tokyo District Public Prosecutors Office, likely to be conducted jointly with police and the Securities and Exchange Surveillance Commission, has been prompted by mounting allegations that the company's former executives led the accounting fraud.

The prosecutors hope to build cases by the end of the current fiscal year to next March against former Chairman and President Tsuyoshi Kikukawa, 70, former corporate auditor Hideo Yamada, 66, and former Executive Vice President Hisashi Mori, 54, the sources said.

Cases could also be built against several others, including former major securities company employees, for allegedly abetting the camera and medical equipment maker in hiding its losses, the sources added.

According to a third-party investigative panel set up by Olympus to probe the matter, the company covered up 117.7 billion yen in investment losses dating back to the 1990s, using such measures as transferring the losses to investment funds.

Olympus paid greatly inflated purchase prices and service fees in the acquisition of British medical equipment maker Gyrus Group Plc and three Japanese companies, the panel said in a report on Dec. 6.

The prosecutors have already questioned Yamada and Mori on a voluntary basis, alleging that the coverup constituted falsification of the company's financial reports, in violation of the financial product trading law, according to the sources.

They plan to question Kikukawa in connection with the matter soon and are also planning to question Masatoshi Kishimoto, 76, Kikukawa's immediate predecessor as president, whom the investigative panel has accused of being aware of the coverup, the sources said.

Olympus released its delayed first-half earnings results on Wednesday, meeting the deadline for avoiding automatic delisting from the Tokyo Stock Exchange.

But the stock remains under supervision examination for possible delisting, meaning the bourse could still delist the company after examining the scale of the accounting fraud.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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**Source URL (retrieved on 04/28/2015 - 12:41am):**

<http://www.impomag.com/news/2011/12/prosecutors-search-olympus-offices>