

Olympus pays investors US\$2.6m over accounting scandal

TOKYO, JAPAN: Japanese camera company Olympus agreed to pay US\$2.6m to settle a US investor claim stemming from a huge accounting scandal that hammered its shares.



The legal action was filed two years ago by an investor who claimed that a loss and cover-up by Olympus executives was responsible for its plunging stock price.

The scandal also battered the country's corporate governance image and sparked probes by regulators in Japan, Britain and the United States.

Olympus stock dived in the wake of the scandal, but is now about 25% higher than before the loss was exposed.

The US investors who sued the company bought American Depositary Receipts, which hold shares in a foreign company but are priced in US dollars. Olympus it was involved in about 20 other lawsuits in Japan and other countries that had yet to be settled.

The company reportedly agreed to pay its whistle-blowing chief Michael Woodford £10m in a wrongful-dismissal lawsuit.

Woodford, the company's first foreign leader, exposed the scheme in late 2011 after he was sacked for questioning the firm's past conduct.

Prosecution in UK

Earlier this month, Britain's Serious Fraud Office said it would prosecute Olympus and a subsidiary over the huge cover-up scandal.

In July, a Japanese court handed suspended jail sentences to three former Olympus executives for engineering the scheme to hide about US\$1.7bn in losses that had accumulated since the 1990s by using outsized consulting fees and buying unrelated companies.

The firm has also been slapped with millions of dollars in penalties issued by the courts and regulators.

Olympus has since undergone a major overhaul that includes cutting about seven percent of its workforce and forging a

capital tie-up with electronics company Sony, which is seeking to tap the lucrative medical equipment market.

Although better known as a camera manufacturer, Olympus is a world leader in medical endoscopes.

Source: AFP via I-Net Bridge

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