

## Japan insurer reduces scandal-ridden Olympus stake

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In this Feb. 10, 2011 file photo, Olympus Europa Holdings GmbH President Michael Woodford, right, shakes hands with Olympus Corp. President Tsuyoshi Kikukawa during a press conference in Tokyo when the Japanese camera and medical equipment maker announces the Briton will succeed Kikukawa on April 1. Japanese financial authorities will move quickly to investigate Olympus, embroiled in a scandal over concealment of huge investment losses, a minister said Friday, Nov. 11, 2011. The fiasco came to light last month, when Woodford, a rare foreigner heading a major Japanese company, raised questions about the payments and called for executives to resign. (AP Photo/Kyodo News, File) JAPAN OUT, MANDATORY CREDIT, NO LICENSING IN CHINA, FRANCE, HONG KONG, JAPAN AND SOUTH KOREA

(AP) -- Nippon Life Insurance, the top shareholder in scandal-ridden Olympus Corp., said Thursday it reduced its stake in the Japanese camera and medical equipment maker that now risks being kicked off

the Tokyo Stock Exchange.

Osaka-based Nippon Life Insurance said that it reduced its stake from 8 percent to about 5 percent in Olympus shares following a widespread [scandal](#) in which the [company](#) acknowledged covering up huge investment losses.

"We have sold a part of our holdings because of uncertainties, from the standpoint of profitability for our customers and considerations of managerial efficiency," the company said in a statement.

But Nippon Life remains the top shareholder in Olympus and affirmed its support for the company, its technology and its "core business."

The scandal centers around \$687 million in payments for financial advice and expensive acquisitions of companies unrelated to its mainstay businesses that were used to cover up heavy investment losses from the 1990s.

Olympus has acknowledged the scheme and now risks being delisted from the Tokyo Stock Exchange unless it can rectify past filing with regulators by reporting revised earnings by Dec. 14. The company's shares have plummeted 80 percent since the scandal broke.

The fiasco came to light last month, when Chief Executive Michael Woodford, a Briton - and a rare foreigner heading a major Japanese company - raised questions about the payments and called for executives to resign. He was subsequently fired by the board on Oct. 14.

But Olympus was forced to reverse its initial denials of [wrongdoing](#) after a company investigation - sparked by media attention and public statements by Woodford - showed that accounting irregularities had taken place and that executives had acted to hide investment losses.

Japanese authorities have begun a separate investigation into the scandal, and media reports say Olympus officials may be questioned in a [criminal investigation](#). Police have declined to comment on the reports.

Woodford is set to visit Japan next week to be interviewed by Japanese investigators over the scandal, Kyodo News agency reported Thursday from London, without citing sources. An Olympus official, who spoke on condition of anonymity, said he was not aware of Woodford's reported visit to Japan or any plans by company officials to contact him.

The scandal is also likely to boost calls for better regulations to ensure corporate governance in Japan, which has been repeatedly criticized as falling behind global standards.

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