

# Whistle-blowing ex-CEO resigns from Olympus board

YURI KAGEYAMA - AP Business Writer - Associated Press

The whistle-blowing former chief executive of Japan's Olympus Corp. resigned as a director of the camera maker Thursday and vowed to work with shareholders to replace the company's board.

Michael Woodford said his decision to resign from the board was difficult because he still cares about Olympus Corp. and hopes it will come clean about its accounting coverup. Woodford was still a member of the board because dismissal from it can only be done by shareholders.

Although it initially denied wrongdoing, Tokyo-based Olympus has acknowledged a \$687 million payment for financial advice and expensive acquisitions to cover up investment losses dating to the 1990s.

"It has been a difficult decision for me to resign from a company that I have devoted my entire life to," said Woodford, 51, a Briton who worked at Olympus for about three decades and became a rare foreigner to head a major Japanese company.

He said he had lost hope that the Olympus board would move toward reform.

Shareholders should decide who would lead Olympus, he said, and called for a shareholders meeting. He will be working with shareholders to propose a new board, he said.

Woodford, fired Oct. 14 after questioning its accounting practices, has called for the entire board to resign and to bring in outside members to the board for more transparency.

Olympus' bookkeeping is now under investigation in Japan, the U.S. and Great Britain. The fiasco has evolved into one of Japan's biggest corporate scandals.

Woodford was in Japan last week to speak with Japanese prosecutors and police and also spoke with the Olympus board during the visit. He says he is also speaking with U.S. and British authorities.

Speculation is rife that the amount that Olympus has falsified in its financial reports could be massive. Japanese magazine Facta was first to report on the dubious money.

Olympus must submit a proper financial report by Dec. 14, or it risks being delisted by the Tokyo Stock Exchange.

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"I am strongly of the view that it's completely inappropriate for the current management team who are tainted by its past mistakes to make choices about the identity of new board members," Woodford said in a statement.

At the center of the scandal is the compensation Olympus paid for advice when it bought British medical instruments maker Gyrus Group in 2008.

Tsuyoshi Kikukawa, who was behind Woodford's appointment as chief executive and later his firing, has since resigned as chairman.

Olympus shares have plunged over the last several weeks from their value before Woodford's firing.

Woodford reiterated his belief in Olympus' potential, adding it was "led down the wrong path" by some board members.

"I am not walking away from Olympus," he said. "I believe passionately in the company, its employees, its products and its future."

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