

Company: Olympus Corporation
 Representative Director, President: Hiroyuki Sasa
 (Code: 7733, First Section, Tokyo Stock Exchange)
 Contact: Takaaki Sakurai, General Manager, Public Relations and IR Office

**Notice Concerning Recording Other Income (in the fiscal year ending March 2020)
 by Transfer of Equity Interests of Consolidated Subsidiary (Sub-subsidiary)**

Olympus Corporation (the “Company”) announced that it has decided to execute a framework agreement concerning transfer of all the equity interests of Olympus (Shenzhen) Industrial Ltd. (“OSZ”), a consolidated subsidiary of the Company in Shenzhen, owned by Olympus (China) Co., Ltd., another consolidated subsidiary of the Company, to Shenzhen YL Technology (“YL”) at today’s Board of Directors meeting. The Company hereby announces as follows since, as a result of the Transfer, other income is expected to be recorded in the fiscal year ending March 2020.

1. Reason for the Transfer

As announced in the “Notice Concerning the Discontinued Operations of Consolidated Subsidiary (Chinese Production Subsidiary for the Imaging Business)” dated May 7, 2018, the Company, as of the same date, decided to discontinue operations of OSZ and concentrate the manufacturing of products relating to the digital camera business into Olympus Vietnam Co., Ltd.

Thereafter, the Company has been considering the handling of OSZ and has decided to transfer all OSZ’s equity interests to YL.

2. Overview of the Transfer

(1) Overview of the Consolidated Subsidiary Subject to the Transfer

(1) Name	Olympus (Shenzhen) Industrial Ltd.		
(2) Address	No.1, Kejibei 2nd Road., North Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, 518057 P.R.C.		
(3) Title and Name of representative	CEO Toru Komatsu		
(4) Description of business	Manufacture of digital cameras and lens units for digital cameras (Note1)		
(5) Capital	US\$ 70,100,000		
(6) Date of incorporation	December 4, 1991		
(7) Main shareholders and shareholding ratios	Olympus China Co.,Ltd. (Note2)		100.00%
(8) Relationship between the Company and this subsidiary			
Capital relationship	This subsidiary is a consolidated subsidiary with 100% indirect investment by The Company.		
Personnel relationship	Employees of The Company are appointed as directors of this subsidiary.		
Transactional relationship	The Company is in a sales-purchasing relationship with this subsidiary.		
Status as a related party	This subsidiary is a consolidated subsidiary of The Company and is a related party of The Company.		
(9) Operating results and financial standing over the last three years (in HK\$ 1000s) (Note 3)			
Fiscal Year	Year Ended December 2015	Year Ended December 2016	Year Ended December 2017

Equity total	891,569	935,399	895,938
Assets Total	1,045,776	1,106,323	1,093,016
Per share (HK\$)	1.63	1.71	1.64
Net sales	1,289,195	1,119,470	980,739
Operation income	28,049	81,226	32,659
Current income belonging to owners of the parent company	20,806	62,555	14,785
Current income per share (HK\$)	0.04	0.11	0.03

(Note1) As of today, OSZ is not under operation.

(Note2) Olympus China Co., Ltd. is a consolidated subsidiary 100% owned by the Company.

(Note3) For reference: HK\$ 1 = ¥14.51 (exchange rate as of the end of November, 2018).

(2) Overview of the Transferee

(1) Name	Shenzhen YL Technology Co., Ltd.	
(2) Address	Room 1505, No. 20 Sci. and Tech. South 12th Rd., Nanshan District, Shenzhen	
(3) Title and Name of representative	General manager Zeng Jianuo	
(4) Description of business	Development and sale of software technology, consulting of software technology, and integration of computer system	
(5) Capital	RMB 110,000 thousand (Note 1)	
(6) Date of incorporation	November 27, 2007	
(7) Main shareholders and shareholding ratios	Qushui GL Venture Capital Co., Ltd.	100.00%
(8) Relationship between the Company and Transferee		
	Capital relationship	Not Applicable.
	Personnel relationship	Not Applicable.
	Transactional relationship	Not Applicable.
	Status as a related party	Transferee is not a related party of the Company.

(Note1) For reference: RMB1 = ¥16.36 (exchange rate as of the end of November, 2018).

(3) Status of the Amount of Contribution for the Transfer, the Transfer Amount, the amount of Contribution before and after the Transfer

(1) Amount of Contribution Before the Transfer	US\$ 70,100,000 (Note 1)
(2) Amount of Contribution for the Transfer	US\$ 70,100,000 (Note 1)
(3) Transfer Amount	RMB 1,825 million
(4) Amount of Contribution After the Transfer	US\$ 0

(Note1) For reference: US\$1 = ¥113.47 (exchange rate as of the end of November, 2018).

(4) Schedule

Date of Execution of Basic Agreement	December 25, 2018 (today)
Date of Transfer	To be decided (prospected to occur between April 2019 and August 2019)

3. Future Outlook

Consideration for this transfer is about 30 billion yen, and a certain amount of other income is expected to be recorded in the fiscal year ending March 2020. Current figures are under scrutiny, and we will promptly notice as soon as additional items to be disclosed have arisen.

End

(For your reference) Financial forecast (as of 6th of November 2018) and actual results for FY ended March 31, 2018

(Yen in Millions)

	Revenue	Operating Profit	Profit before tax	Profit attributable to owners of parent
Current Forecast (FY ending March 2019)	790,000	44,000	39,000	26,000
Actual Results (FY ended March 2018)	786,497	81,029	76,665	57,092