

December 20, 2019

News Release

Company: Olympus Corporation
Director, Representative Executive Officer, President and CEO: Yasuo Takeuchi
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Notice Concerning Internal Reorganization of the Olympus Group through Corporate Separation (Simple Absorption-type Split)

Olympus Corporation (hereinafter the "Company") hereby announces that the Director, Representative Executive Officer, President and CEO of the Company has decided to sign an absorption-type split agreement with Olympus Medical Systems Corp. (hereinafter "OMSC"), a wholly-owned subsidiary of the Company, to allow some of its functions, such as in research and development, manufacturing and repair planning, and so forth (hereinafter the "Function") to succeed to OMSC via an absorption-type split (hereinafter the "Corporate Separation"), with the intention of strengthening our quality and regulatory assurance functions.

This Corporate Separation is a simple absorption-type split carried out between the Company and a wholly-owned subsidiary of the Company, hence the disclosure matters and details shall be partially abridged.

1. Purpose of this Corporate Separation

The Company announced on November 6, 2019, its new corporate strategy (hereinafter the "Corporate Strategy") to achieve growth as a global medical technology company, in order to realize sustainable growth for the Olympus Group overall. Under this Corporate Strategy, the Company intends to strengthen its quality and regulatory assurance functions, to meet the quality and regulatory requirements that are increasing year by year. Through this, it aims to release at opportune times products that satisfy the highest-level quality and safety standards demanded by the market and by our customers.

This time, the Company will strengthen our systems to enable firm governance functions of quality and regulatory assurance functions while maintaining a fitting level of quality, by the Corporate Separation.

2. Main Points of this Corporate Separation

(1) Corporate Separation date

Decision date	December 20, 2019
Corporate Separation agreement signing date	December 20, 2019
Effective date of Corporate Separation	April 1, 2020 (Planned)

The Corporate Separation is a simple absorption-type split for the Company based on the provisions of Article 784 paragraph 2 of the Companies Act. The Corporate Separation is an abbreviated-type split based on Article 796 paragraph 1 of the Companies Act. Accordingly, the Corporate Separation will go ahead without either company holding a general meeting of shareholders.

(2) Format of the Corporate Separation

It shall be a (simple) absorption-type split where the Company is the Absorption-type split company, and OMSC is the Absorption-type split successor company.

(3) Details of allocation pertaining to the Corporate Separation

There shall be no allocation of shares or other forms of cash.

(4) Treatment of equity warrants and convertible bonds accompanying the Corporate Separation

No applicable matters

(5) Capital gain/loss due to this Corporate Separation

There is no capital gain or loss for either the Company or OMSC.

(6) Claims and obligations devolving to the successor company

OMSC, based on the absorption-type split agreement dated December 20, 2019, signed with the Company, shall as of the date of the effective date succeed to the assets and liabilities related to the Function of the Company, and the status as of the agreement, and the attendant claims and obligations.

(7) Anticipated fulfillment of obligations

No problems are judged to exist regarding the anticipated fulfillment of obligations the Company and OMSC are expected to bear from the effective date onward.

(8) Overview of the companies involved in the Corporate Separation

Absorption-type split successor company

1) Name	Olympus Medical Systems Corp	
2) Location	43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo	
3) Title and name of representative	President & Representative Director: Akihiro Taguchi	
4) Business operations	Manufacture of medical devices	
5) Capital (as of September 30, 2019)	90 million yen	
6) Established	April 27, 2004	
7) Number of shares issued (as of September 30, 2019)	20,000	
8) Book Closing Date	March 31	
9) Major shareholder and shareholding ratio (as of September 30, 2019)	Olympus Corporation 100%	
10) Financial Conditions and Operating Results for the latest fiscal year (Fiscal Year ended March 2019)	Net assets	10,140 million yen
	Total assets	26,376 million yen
	Net assets per share	507,017.74 yen
	Net sales	28,125 million yen
	Operating income	11,827 million yen
	Ordinary income	12,177 million yen
	Current net income	-1,572 million yen
	Net income per share	-78,601.98 yen

Absorption-type split company

1) Name	Olympus Corporation	
2) Location	2951 Ishikawa-machi, Hachioji-shi, Tokyo	
3) Title and name of representative	Director, Representative Executive Officer, President and CEO: Yasuo Takeuchi	
4) Business operations	Manufacture and sale of precision machinery	
5) Capital (as of September 30, 2019)	124,643 million yen	
6) Established	October 12, 1919	
7) Number of shares issued (as of September 30, 2019)	1,370,914,963	
8) Book Closing Date	March 31	

9) Major shareholder and shareholding ratio (as of September 30, 2019)	The Master Trust Bank of Japan, Ltd. (trust account), 10.56% State Street Bank and Trust Company 505010, 6.03% Nippon Life Insurance Company, 4.13% Japan Trustee Services Bank, Ltd. (trust accounts), 3.71% SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust), 3.55%	
11) Financial Conditions and Operating Results for the latest fiscal year (Fiscal Year ended March 2019)	Net assets	471,411 million yen
	Total assets	745,793 million yen
	Net assets per share	344.80 yen
	Net sales	376,812 million yen
	Operating income	-6,495 million yen
	Ordinary income	43,984 million yen
	Current net income	30,223 million yen
	Net income per share	22.13 yen

[Overview of the divisions to succeed]

- 1) Business operations of the divisions to succeed
Certain corporate functions e.g. research and development, manufacturing and repair planning
- 2) Operating results of the divisions to succeed
No applicable matters
- 3) Asset and liability items to succeed and the book value

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	-	Current liabilities	-
Fixed assets	19,259 million yen	Fixed liabilities	-
Total	19,259 million yen	Total	-

*The succeeding asset and liability items and amounts are estimates as of September 30, 2019. The actual amounts for succession may differ from the above amounts.

(9) Status after the corporate separation

The corporate separation will not change the name of the Company or OMSC, the location, the title and name of the representative, business operations, capital, and book closing date.

3. Future Outlook

This Corporate Separation involves the Company and a wholly-owned subsidiary of the Company. Because the impact on the consolidated financial results of the Company is minor, there will be no revision of the consolidated earnings forecast for the fiscal year ending March 31, 2020.

End

(For reference)

Consolidated Earnings Forecast for the fiscal year ending March 31, 2020 (announced November 6, 2019) and actual results for fiscal year ended March 31, 2019

(Unit: millions of yen)

	Revenue	Operating profit	Profit before Tax	Profit attributable to owners of parent	Basic earnings per share
Consolidated Earnings Forecast for the fiscal year ending March 31, 2020	800,000	90,000	86,000	63,000	Yen 47.05
Consolidated Actual Results for fiscal year ended March 31, 2019	793,862	28,281	20,117	8,049	Yen 5.97