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News Release

Company: Olympus Corporation
Yasuo Takeuchi, Director, Representative Executive Officer, President and CEO
(Code: 7733, First Section, Tokyo Stock Exchange)
Contact: Takaaki Sakurai, Vice President, Investor Relations
TEL: +81-3-3340-2111

Notice of Disposal of Treasury Shares as Post-Delivery Type Restricted Share-Based Compensation

Olympus Corporation ("Olympus") hereby announces that it has determined to dispose of its treasury shares as follows:

1. Summary of the Disposal

(1) Date of disposal	July 21, 2021
(2) Class and number of shares for disposal	4,623 shares of common share of Olympus
(3) Disposal price	2,294.5 yen per share
(4) Total amount of disposal value	10,607,473.5 yen
(5) Disposal recipients, the number of such recipients, and the number of shares to be disposed of	Two retiring directors and one non-resident director in Japan: 4,623 shares
(6) Other	Olympus has submitted a notice of securities for the disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

2. Objectives and Reasons for the Disposal

Olympus, which is a company with a nomination committee, at the Compensation Committee held on March 26, 2020, resolved the introduction of a post-delivery type restricted share-based compensation plan (hereinafter, referred to as the "Plan"), which is a new compensation plan to directors for consideration to the creation of corporate value in addition to the current cash remuneration for their management and supervisory functions. Olympus's directors contribute to the creation of corporate value through their attendance in meetings of the Board of Directors and committees as well as communication with our executive officers. The Compensation Committee determined to introduce the Plan for the purpose of further enhancing the sharing of value with shareholders after exhaustive consideration of a linkage between the Plan and share value.

The eligible persons for the Plan shall be non-executive directors. Directors who also serve as executive officers are covered by a post-delivery type restricted share-based compensation system for their executive roles, but they are not eligible to the Plan as a director.

The outline of the Plan is as follows.

[Outline of the Plan]

Share-based compensation under the Plan is non-performance-based, and the number of share units, which is calculated by dividing the said compensation amount determined by the Compensation Committee by Olympus's share price at the business day prior to the day of a general meeting of shareholders at which an election of directors is resolved, shall be granted to directors who have been elected at the said general meeting of shareholders. A share unit is a hypothetical share assuming that shares are scheduled to be granted after the fact under the Plan. Share units allotted to directors shall be managed under the Plan during their term of office as a director.

The Compensation Committee held on July 30, 2020 determined that share-based compensation for each director who was elected at the 152nd Ordinary General Meeting of Shareholders held on the same day, including those eligible to the disposal of treasury shares, would be the same amount of 3 million yen.

The vesting period shall be starting from the grant of share units to the vesting. The vesting for directors residing in Japan shall be determined when they retire, and the vesting for directors not residing in Japan shall be set individually in accordance with the common practice of share-based compensation in a district of their residence. The vesting for a director who is not resident in Japan and who is eligible to this disposal is determined at the end of his term of office.

If a vesting period expires, upon confirmation by the Compensation Committee, Olympus will grant monetary compensation claims equivalent to share units allotted to directors and request them to contribute all of the said monetary compensation claims in kind and then, issue Olympus's common shares to them. The amount of monetary compensation claims shall be calculated by multiplying the number of share units by the share price calculated on the business day prior to the day when the allocation of Olympus's common shares is resolved. A resolution of the allocation shall be determined at the Compensation Committee to be held within one month of the conclusion of Olympus's ordinary general meeting of shareholders. This time, the allocation was resolved at the Compensation Committee held on June 24, 2021.

Under the Plan, each of three eligible directors (two retiring directors and one non-resident director in Japan) will pay the entire amount of their monetary compensation claims to Olympus as contributed assets in kind and then, receive Olympus's shares to be disposed of.

3. Basis for Calculating the Amount to be Paid and the Details thereof

Olympus will dispose of its treasury shares to planned disposal recipients by using the monetary compensation claims granted to them as a post-delivery type restricted share-based compensation plan for the fiscal year ended March 31, 2021 as contributed assets. The disposal price is set at 2,294.5 yen, which is the closing price of Olympus's common share as of June 23, 2021 (business day before the date of determination by the Compensation Committee) in the First Section of the Tokyo Stock Exchange, in order to eliminate arbitrariness. This is the market price immediately before the date of determination by the Compensation Committee, and Olympus believes that the price is rational and not particularly favorable to the recipients.